



MACKENZIE  
Investments

# Validate your client's income stream with Mackenzie Investments

Showcase the value of your advice by optimizing your client's after-tax income and estate value, so they don't pay more tax than necessary.

## Why the order of asset withdrawal matters in retirement

As a growing number of Canadians approach and enter retirement, the decumulation phase will become increasingly important among advisors. You can differentiate yourself from your peers by specializing in tax-efficient drawdown planning. Let's get started.

## Your client's income sources

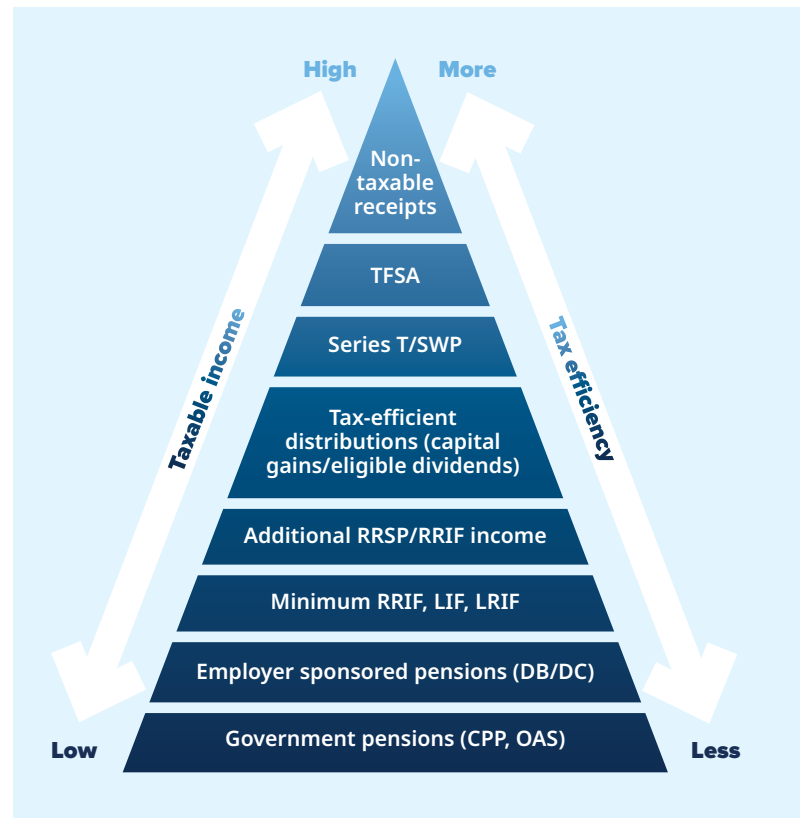
Your clients may have a variety of retirement income sources to draw on, such as government pensions, employer sponsored pensions, RRSPs, TFSAs, non-registered investments and corporate assets. The order these income sources are drawn from may have tax implications.

Remember, tax considerations are unique for each client and developing an income withdrawal plan is an important part of a comprehensive decumulation strategy.

## The tax efficiency of investment income sources

Taxes may be the single largest expense in retirement and how we confront that reality is hugely important. Your clients need a coordinated strategy that considers not only investments but also tax considerations.

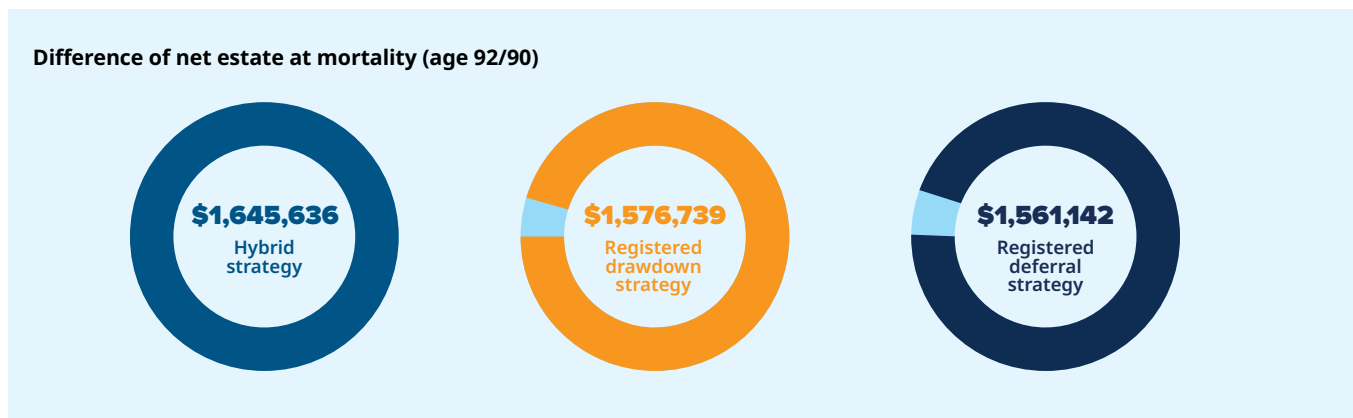
The order of asset withdrawal is critical in the decumulation phase to ensure that clients optimize their after-tax income and help reduce the risk of outliving their savings.



**The difference your advice can make: validating the income stream**

In the illustrative scenario below, retirees Tom and Gina have **\$2,075,000 in personal and corporate assets** and are looking to produce an after-tax **annual retirement income of \$120,000** (including corporate assets).

There are various sources to draw income in retirement (government pensions, employer sponsored pensions, non-registered investments, corporate assets, etc.) and the order of asset withdrawal is crucial when looking to optimize after-tax income and/or maximize net estate value.



The differences in net estate value of the three withdrawal strategies represent tax savings achieved by drawing the same level income in a certain order. In this sample illustration, there is a net difference of **\$84,494** between the hybrid strategy and the registered deferral strategy. This comparison clearly demonstrates how important the order of asset withdrawal is when planning a comprehensive decumulation strategy for your clients.

Whether it's optimizing retirement income or maximizing estate value, Mackenzie Investments' consultative tax and estate experts can provide customized options to help your clients reduce their tax bill and get the most out of their retirement portfolios.

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**Reach out to your Mackenzie sales team to discuss the outcome-oriented solutions available to support you in growing and protecting your business with your retired clients.**

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