COURSE OUTLINE

CENTRE FOR BUSINESS

COURSE NAME:	**Retirement Planning**
COURSE CODE:	**FIN 4005**
CREDIT HOURS:	**42**
PREREQUISITES:	**None**
COREQUISITES:	**None**
PLAR ELIGIBLE:	**YES ( ) NO (X)**
EFFECTIVE DATE:	**September, 2009**
PROFESSOR:	**OFFICE #:**
PHONE:	**416−415−5000 EMAIL:**

NOTE TO STUDENTS: Academic Departments at George Brown College will NOT retain historical copies of Course Outlines. We urge you to retain this Course Outline for your future reference.

FOR OFFICE USE ONLY

ORIGINATOR: ______________________________
NAME DATE

CHAIR: ______________________________
SIGNATURE DATE

REVISED BY: ______________________________
SIGNATURE DATE

EQUITY STATEMENT: George Brown College values the talents and contributions of its students, staff and community partners and seeks to create a welcoming environment where equity, diversity and safety of all groups are fundamental. Language or activities which are inconsistent with this philosophy violate the College policy on the Prevention of Discrimination and Harassment and will not be tolerated. The commitment and cooperation of all students and staff are required to maintain this environment. Information and assistance are available through your Chair, Student Affairs, the Student Association or the Human Rights Advisor.

George Brown College is dedicated to providing equal access to students with disabilities. If you require academic accommodations visit the Disability Services Office or the Deaf and Hard of Hearing Services Office on your campus.

STUDENT RESPONSIBILITIES: Students should obtain a copy of the *Student Handbook* and refer to it for additional information regarding the grading system, withdrawals, exemptions, class assignments, missed tests and exams, supplemental privileges, and academic dishonesty. Students are required to apply themselves diligently to the course of study, and to prepare class and homework assignments as given. Past student performance shows a strong relationship between regular attendance and success.

COURSE DESCRIPTION:

This course examines the overall process of retirement planning, including establishing retirement objectives, calculating the funds that will be available upon retirement and the calculation of any excess or deficiency of funds required to meet stated retirement objectives. The course examines the eligibility requirements and benefits available from government, specifically Canada Pension Plan (CPP) and Old Age Security Benefits (OAS). The course compares and contrasts the benefits of both defined benefit and defined contribution registered pension plans, RRSPs and Deferred Profit Sharing Plans. The different payment options upon maturity of registered plans, (RRIF, Annuities etc) is compared and selected based upon the stated goals of the retirement plan.

ESSENTIAL EMPLOYABILITY SKILLS:

As mandated by the Ministry of Training, Colleges and Universities essential employability skills (EES) will be addressed throughout all programs of study. Students will have the opportunity to **learn (L)** specific skills, to **practice (P)** these skills, and/or **be evaluated (E)** on the EES outcomes in a variety of courses. The EES include communication, numeracy, critical thinking & problem solving, information management, interpersonal and personal skills. The faculty for this course has indicated which of the EES are either Learned (**L**), Practiced (**P**) or Evaluated (**E**) in this course:

Skill	L	P	E	Skill	L	P	E
1) To communicate clearly, concisely and correctly in the written, spoken and visual form that fulfills the purpose and meets the needs of the audience	☑	☑	☑	**7) To locate, select, organize and document information using appropriate technology and information sources**	☑	☑	☑
2) To respond to written, spoken or visual messages in a manner that ensures effective communication	☑	☑	☑	**8) To show respect for the diverse opinions, values, belief systems, and contributions of others**	☑	☑	☑
3) To execute mathematical operations accurately	☑	☑	☑	**9) To interact with others in groups or teams in ways that contribute to effective working relationships and the achievement of goals**	☑	☑	☑
4) To apply a systematic approach to solve problems	☑	☑	☑	**10) To manage the use of time and other resources to complete projects**	☑	☑	☑
5) To use a variety of thinking skills to anticipate and solve problems.	☑	☑	☑	**11) To take responsibility for my actions, decisions and consequences**	☑	☑	☑
6) To analyze, evaluate, and apply relevant information from a variety of sources	☑	☑	☑		☑	☑	☑

COURSE OUTCOMES:

1. Establish specific retirement objectives to act as basis of retirement "needs analysis".

- Explain the "retirement planning lifecycle" and how it can impact the strategies available to the client.
- Establish specific objectives for retirement planning. (i.e. age of retirement, annual cash available to retiree per year etc).
- Analyze the retirement objectives in the context of overall financial plan and identify other goals that may accelerate or compete with retirement savings.

2. Determine the future value of retirement funds currently available and any excess/shortfall required to meet client's stated objectives.

- Calculate the future value of a client's current savings for retirement.
- Identify potential sources of income available in retirement.
- Calculate the target amount of capital required at retirement to provide income stream outlined in objectives.
- Query the impact of variables/assumptions on the amount of income available for retirement such as number of years to retirement and anticipated inflation, rates of return and income taxes.
- Determine how objectives or current strategies can be altered in order to ensure that funds available in retirement meet the projected amount required.

3. Assess the eligibility requirements for government assistance plans such as CPP and OAS for retirement and quantify the expected benefits early, normal and delayed retirement.

- Explain the eligibility rules for receipt of benefits form Canada Pension Plan (CPP) and Old Age Security (OAS) pension.
- Quantify the amount of benefits for which a client is eligible in retirement.
- Determine the impact on amount of benefit received for early, normal and delayed retirement.
- Explain the eligibility and amounts available to those who receive the Guaranteed Income Supplement (GIS) and Spouses Allowance (SPA).
- Explain the tax treatment of all government benefits received in retirement.

4. Compare and contrast the merits, risks and retirement income associated with defined benefit vs. defined contribution registered pension plans

- Explain the characteristics of both defined benefit and defined contribution pension plans.
- Contrast the two pension plans by describing who assumes the risk of the investment risk of the plan. (Who assumes the risk of fluctuations in inflation, interest rates etc).
- Calculate the expected amount of retirement income that will be available from either retirement plan.
- Identify key factors that will affect the choice between defined benefit and defined contribution plans.
- Explain the impact of decisions that may face client such as early retirement, options upon termination

5. Explain the advantages and disadvantages of individual pension plans (IPP) and deferred profit sharing plans (DPSP).

- Explain the characteristics of the IPP and DPSP.
- Explain the tax consequences of contributions IPP and DPSP.
- Outline the advantages and disadvantages of an IPP and determine the type of individual for which an IPP would be most suitable.
- Summarize the advantages , disadvantages and suitability of a DPSP

6. Calculate annual contribution limits, the pension adjustment, and the deductibility and carry forward amounts with respect to RRSPs.

- Calculate the RRSP contribution limit and the related RRSP contribution room available for carry forward.
- Calculate the tax savings associated with contribution to one's RRSP.
- Discuss the purpose of a pension adjustment and the impact it can have on one's savings in a RRSP.
- Distinguish between the amount that one can contribute to a RRSP, the amount one can deduct in a taxation year and the amounts available for carry forward.

7. Summarize the relevance of various RRSP rules to your client including over-contributions to RRSP, beneficiary designations, spousal RRSP, self-directed RRSP, foreign content rules and implications of withdrawal.

- Explain the benefits and drawbacks associated with over contribution to RRSP and determine when a taxpayer can face penalties for such over contributions.
- Identify scenarios where a spousal RRSP can assist in equalizing retirement income between spouses.
- Explain the rules surrounding spousal RRSP to ensure that the higher taxpayer does not get taxed upon withdrawal of funds.
- Explain the relevance of having "named beneficiaries" for your RRSPs.
- Explain the application of the foreign content rules and the consequences for breaching them.
- Explain the overall implication that RRSP withdrawals can have on your overall financial plan.

8. Recommend the methodology (RRIF, Annuity, LRIF, and LIRA) that best suits your client when liquidating retirement investments.

- Identify the three potential courses of action available to a taxpayer upon maturity of their RRSP.
- Explain the advantages and disadvantages associated with a lump sum withdrawal of RRSP funds upon maturity.
- Explain the advantages and disadvantages associated with the purchase of an annuity upon maturity of an RRSP, and select the specific terms of an annuity to meet the goals of your client.
- Explain the advantages and disadvantages associated with the transfer of RRSP funds to a RRIF.
- Calculate the minimum annual withdrawal requirements associated with the use of an RRIF.
- Outline the impact of death upon the use of all of these options.
- Explain the concept of reverse mortgages (reverse annuity mortgage and straight reverse mortgage) and their suitability as a source of retirement income.

DELIVERY METHODS:
Lecture, supplemented with independent study, collaborative work, and/or online learning.

LIST OF TEXTBOOKS AND OTHER TEACHING AIDS:
The CFP Education Program, CCH/Advocis, Modules 4, 11, 12, 13, 14

TESTING POLICY:
Tests and exams will be closed-book. You may use a non-programmable financial calculator (e.g. Hewlett-Packard 10BII or Texas Instruments BA II Plus). Notebook computers, electronic dictionaries, cell phones, PDAs and other personal communications devices are prohibited.

ASSIGNMENT POLICY:
Students unable to submit an assignment on the due date should discuss the matter in advance with the professor. At the professor's discretion, late assignments may not be accepted. Where late assignments *are* accepted, the professor will apply a late penalty

EVALUATION SYSTEM:

Assessment Tool:	**Description:**	**Outcome(s) assessed:**	**EES assessed:**	**Date / Week:**	**% of Final Grade:**
Test # 1	Module 4: CPP & OAS	1 & 3	1 to 6	Week 3	10%
Test # 2	Module 11: RPPs	2, 4, 5	1 to 6	Week 5	10%
Test # 3	Module 12: RRSPs	6	1 to 6	Week 7	10%
Test # 4	Module 12: HBP & RRIFs	7 & 8	1 to 6	Week 10	10%
Test # 5	Module 13: Annuities	8	1 to 6	Week 12	10%
Assignment	Modules 4, 11, 12, 13, 14	1 to 8	7 to 11	Week 13	10%
Final Exam	Modules 4, 11, 12, 13, 14	1 to 8	1 to 6	Week 15	40%
				TOTAL:	**100%**

GRADING SYSTEM
The passing grade for this course is: 50%

A+	**90-100**	**4.0**	**B+**	**77-79**	**3.3**	**C+**	**67-69**	**2.3**	**D+**	**57-59**	**1.3**	**Below 50**	**F**	**0.0**
A	**86-89**	**4.0**	**B**	**73-76**	**3.0**	**C**	**63-66**	**2.0**	**D**	**50-56**	**1.0**			
A-	**80-85**	**3.7**	**B-**	**70-72**	**2.7**	**C-**	**60-62**	**1.7**						

Excerpt from the College Policy on Academic Dishonesty:
The *minimal* consequence for submitting a plagiarized, purchased, contracted, or in any manner inappropriately negotiated or falsified assignment, test, essay, project, or any evaluated material will be a grade of zero on that material.
To view George Brown College policies please go to www.gbrownc.on.ca/policies

Retirement Planning: Fall 2009 Topical Outline

Week	Topic / Content	Outcome	Chapter/Reference
Week 1 Wednesday, Sept. 9, 2009	▪ Course Overview ▪ Canada Pension Plan	▪ # 1 & 3	▪ Course Outline ▪ Module # 4, Unit # 1
Week 2 Sept. 16	▪ Old Age Security ▪ Employment Insurance ▪ Workers' Compensation	▪ # 3	▪ Module # 4, Unit # 2 ▪ Module # 4, Unit # 3 ▪ Module # 4, Unit # 4
Week 3 Sept. 23	▪ **Test # 1** ▪ Time Value of Money ▪ Registered Pension Plan Basics ▪ Defined Benefit Pension Plans	▪ N/A ▪ N/A ▪ # 2 & 4	▪ N/A ▪ N/A ▪ Module # 11, Unit # 1 ▪ Module # 11, Unit # 2
Week 4 Sept. 30	▪ Individual Pension Plans ▪ Defined Contribution Pension Plans	▪ # 5	▪ Module # 11, Unit # 3 ▪ Module # 11, Unit # 4
Week 5 Oct. 7	▪ **Test # 2** ▪ Registered Retirement Savings Plans (Part 1)	▪ N/A ▪ # 6	▪ N/A ▪ Module # 12, Unit # 1 (pages 12-5 to 12-25)
Week 6 Oct. 14	▪ Registered Retirement Savings Plans (Part 2) ▪ Locked-In Retirement Accounts	▪ # 6	▪ Module # 12, Unit # 1 (pages 12-26 to 12-41) ▪ Module # 12, Unit # 2
Week 7 Oct. 21	▪ **Test # 3** ▪ Home Buyers' Plan ▪ Lifelong Learning Plan ▪ Deferred Profit Sharing Plans	▪ N/A ▪ # 7	▪ N/A ▪ Module # 12, Unit # 3 ▪ Module # 12, Unit # 4 ▪ Module # 12, Unit # 5

Week 8: Intersession − October 26 to 30, 2009

Week	**Topic / Content**	**Outcome**	**Chapter/Reference**
Week 9 Wednesday, Nov. 4	▪ Registered Retirement Income Funds (RRIF)	▪ # 8	▪ N/A ▪ Module # 13, Unit # 1
Week 10 Nov. 11	▪ **Test # 4** ▪ Life Income Funds (LIF) ▪ Annuities ▪ Reverse Mortgages	▪ N/A ▪ # 8	▪ N/A ▪ Module # 13, Unit # 2 ▪ Module # 13, Unit # 3 ▪ Module # 13, Unit # 4
Week 11 Nov. 18	▪ Retirement Compensation Arrangements (RCA) ▪ Goal and Objective Setting ▪ Retirement Assets	▪ # 8 ▪ # 1	▪ Module # 13, Unit # 5 ▪ Module # 14, Unit # 1 ▪ Module # 14, Unit # 2
Week 12 Nov. 25	▪ **Test # 5** ▪ Exam Review (Part 1)	▪ N/A ▪ # 1 − 8	▪ N/A ▪ Handouts
Week 13 Dec. 2	▪ Exam Review (Part 2)	▪ N/A ▪ # 1 − 8	▪ N/A ▪ Handouts
Week 14 Dec. 9	▪ Exam Review (Part 3)	▪ N/A ▪ # 1 − 8	▪ N/A ▪ Handouts
Week 15 Dec. 16	▪ **Final Examination**		▪ Modules 4, 11, 12, 13, 14

- **Schedule is approximate and may vary as circumstances dictate**

For information on withdrawing from this course without academic penalty, please refer to the College Academic Calendar: **http://www.georgebrown.ca/Admin/Registr/PSCal.aspx**