

Alberta Doctors' Digest

Sponsored article: Secure your retirement with Medicus

How the Medicus Pension Plan can secure your retirement

When it comes to retirement planning, incorporated physicians, including those in Alberta, face unique challenges. The combination of fluctuating markets, tax considerations and the uncertainty of outliving your savings can make retirement planning complex. That's where the Medicus Pension Plan steps in, offering a reliable and tax-efficient retirement income solution that provides you with peace of mind today.

What is a defined benefit pension plan?

Imagine a retirement where you receive a predictable, secure monthly income without the fear of outliving your savings. That's exactly what a defined benefit pension plan like Medicus provides. After making contributions throughout your career, you can count on a lifetime pension from Medicus that offers stability and peace of mind.

Unlike other retirement savings vehicles such as registered retirement savings plans (RRSPs) or tax-free savings accounts (TFSAs), a defined benefit pension plan provides a steady income based on your years of participation and salary history. The longer you participate in Medicus, the larger your pension benefit will be – making it a smart choice to start as early as possible.



The Medicus Pension Plan offers a reliable and tax-efficient retirement income solution

Why the Medicus Pension Plan?

Medicus is a multi-employer pension plan, which means contributions are pooled across participants allowing for greater efficiency. The plan was designed specifically for incorporated physicians in Canada – to provide peace of mind and predictable lifetime retirement income. It offers several distinct advantages that make it an ideal retirement income strategy for incorporated physicians.

Lifetime pension

Medicus provides you with a predictable monthly pension for life, removing the stress of managing your savings, worrying about market downturns or outliving your retirement savings. Your pension is paid out every month, giving you peace of mind today over tomorrow's retirement income, and Medicus has been designed with the ability to provide cost of living increases, which can help protect your purchasing power during retirement.

Tax efficiency

Contributions to Medicus are made by your professional corporation based on a fixed formula. Contributions to Medicus are tax-deductible to your corporation, are not a taxable benefit on your personal individual income tax return, and the investment earnings in the plan's assets grow tax-free, making Medicus a predictable and tax-efficient way to save for retirement.

Contributions to Medicus can also decrease the amount of capital retained in your corporation, which in turn reduces the level of passive income in your corporation, in some cases allowing your professional corporation to retain access to the small business tax rate and to reduce exposure to the higher inclusion rate on capital gains, both during the lifetime of your corporation and for your estate. By contributing to Medicus, some of your professional corporation's capital would in effect be shifted to a tax-deferred vehicle that is separate from your corporation, which may be especially beneficial when managing the capital gains that often accumulate in physicians' corporations over the years.

Diversification

Participating in Medicus is a great way to diversify your retirement plan. If you are already working with a financial advisor, you can focus on broader financial planning strategies together that optimize your potential returns tailored to your risk profile and take advantage of the predictable monthly pension from Medicus that's paid every month for as long as you live. For example, after incorporating the security of Medicus into your financial plan, your advisor may recommend a more return-focused strategy for your other investments.

If you prefer to manage your own investments, you can continue to do so for your existing savings (such as RRSPs, corporate assets and other personal savings) and let Medicus be the safety net that provides the secure, predictable portion of your retirement income. Having a diversified retirement plan including a monthly pension from Medicus gives you both flexibility and peace of mind for retirement – it's a win-win.

Family security

Medicus also provides protection for your loved ones. In the event of your passing, your eligible spouse will continue to receive pension payments for the rest of their life, ensuring that your family remains financially secure. If you don't have a spouse, there are options you can choose from when you retire, including guarantee periods, to protect your beneficiary(ies) or estate.

Pension buybacks

Medicus offers physicians the opportunity to complete a pension buyback, which allows individuals to transfer assets into the plan to purchase additional pension. This means you can increase the pension you'll receive at retirement by making a one-time transfer of funds to Medicus – a great option for physicians at different stages in their career.

Take the next step

For Alberta's incorporated physicians, the Medicus Pension Plan offers a valuable solution to some of the challenges of retirement planning. By providing a predictable lifetime pension and tax-efficient contributions, Medicus ensures that your retirement is secure, and your financial future is bright.

To learn more about how Medicus can be an essential part of your retirement strategy, visit [medicuspensionplan.com](https://www.medicuspensionplan.com).

Medicus Pension Plan™ is a trademark of The Bank of Nova Scotia (Scotiabank), used under licence. Scotiabank is the sponsor of the Medicus Pension Plan, which is a registered pension plan and is registered under the *Pension Benefits Act* (Ontario) and the *Income Tax Act* (Canada). To determine if the Medicus Pension Plan is appropriate for your retirement planning needs and retirement income objectives, please consult with a financial advisor.

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