

2026 Projection Assumption Guidelines

Life takes planning and it starts with realistic projections

An important facet of the financial planner's work is to make a variety of projections: retirement income needs, insurance needs, children's education funding needs, etc. To make these projections, financial planners must estimate future inflation and borrowing rates, investment returns, how long the need will exist... In short, they must make assumptions.

This is why the Institute of Financial Planning and FP Canada Standards Council™ jointly publish the Projection Assumption Guidelines: to help financial planners make realistic financial projections. Judicious use of these assumptions should protect both the client and the financial planner.

How to use the Guidelines

These Projection Assumption Guidelines are intended as a guide and are appropriate for making realistic and defensible long-term (10+ years) financial projections. Predicting economic and financial markets changes is a difficult exercise, requiring the integration of a large number of variables and highly sophisticated valuation models.

Financial planners should also develop sensitivity analyses to illustrate and assess the impact of changes in assumptions on the client's financial position. This is particularly important when client goals may be at risk.

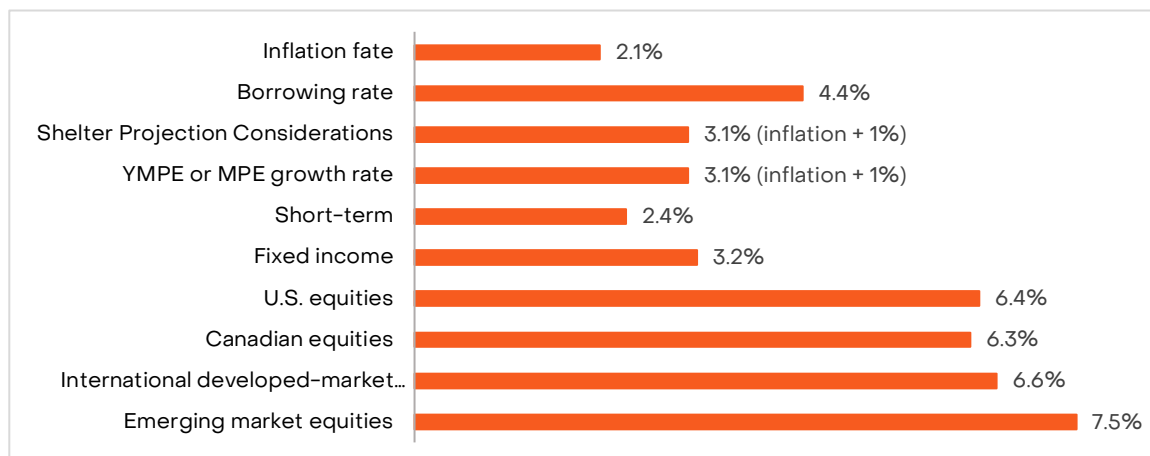
Guiding principles for establishing the Guidelines

These Guidelines were established using a variety of reliable and publicly available sources, including the triennial actuarial reports for the Quebec Pension Plan (QPP) and Canada Pension Plan (CPP), 50 years of historical data for inflation and benchmark fixed income and equity indices, and the Shiller earnings to price average for relevant equity market indices. Using numerous sources of data mitigates the potential bias that may be created by relying on any single source. The QPP and CPP actuarial reports are updated every three years which helps to ensure a level of consistency and relevance for the Guidelines. In addition, the use of market-based expected returns, updated annually, further ensures relevance.

These Guidelines do not represent the individual opinion of the members of the Projection Assumption Guidelines Committee, the Standards Panel, the Institute of Financial Planning, or FP Canada Standards Council.

Guidelines for 2026

Financial assumptions (before any adjustments for administrative and investment management fees)



Note that the administrative and investment management fees paid by clients both for products and advice must be subtracted to obtain the net return.

Life expectancy based on various survival risks:

Current age	10%					25%					35%					50%				
	M	F	M/F	M/M	F/F	M	F	M/F	M/M	F/F	M	F	M/F	M/M	F/F	M	F	M/F	M/M	F/F
20	99	101	102	101	103	95	98	99	98	100	93	96	98	96	99	90	93	96	94	97
30	99	101	102	101	103	95	97	99	98	100	93	95	97	96	98	90	93	95	94	96
40	98	101	102	100	103	95	97	99	97	100	93	95	97	96	98	90	92	95	94	96
50	98	100	101	100	102	94	97	98	97	99	92	95	97	95	98	89	92	95	93	96
60	98	100	101	100	102	94	96	98	97	99	92	94	96	95	97	89	91	94	93	95
70	98	100	101	99	102	94	96	98	97	99	92	94	96	95	97	89	91	94	93	95
80	98	100	101	100	102	94	96	98	97	99	93	95	97	95	98	90	92	95	94	96
90	99	101	102	101	103	97	98	99	98	100	95	97	98	97	99	94	95	97	96	98
100	105	105	106	106	107	103	103	104	104	105	102	103	104	103	104	102	102	103	103	103

The table used to calculate the probability of survival is the [CPM2014 Mortality Table](#), based on data from both public and private sector pension plans for 1999-2008, taken forward to 2026 using the CPM Improvement Scale B. For years beyond 2014, the same improvement scale was used to establish generational mortality rates. This mortality table and the improvement scale were published by the Canadian Institute of Actuaries in February 2014.

The survival risk (from 10% to 50%) represents the probability that an individual, at the age shown in the left column, will live beyond the projected age. It is recommended to assume a projection period for clients where the probability of outliving their capital is no more than 25%. Based on the table, a 70-year old would have a 25% chance of living to at least age 94 for a man and at least age 96 for a woman.

Guidelines' update and useful life

The Projection Assumption Guidelines are updated annually and available on institutefp.org.

Important

These Guidelines in no way represent predictions about short-term returns and should not be used for this purpose. Check out the full [Projection Assumption Guidelines](#) to learn more about the methodology used!