

# Financial planning your Retirement How do you get started?



The Cornerstone of  
Financial Independence  
is not the Privilege of the Rich....

It's a Plan of the Wise<sup>®</sup>

Fiscal Agents Savings and Investment



# Financial planning your Retirement

## *How do you get started?*

No matter what your age or stage of life, you should have some form of financial plan for retirement.

It's said that financial planning for retirement should be a career long process, and the longer you are able to set money aside for retirement, the longer the magic of compound interest will work for you.

Having said that it's not necessary to set aside huge sums of money in your early working years.

By starting at a younger age means you don't have to scramble later on to make up for the years you didn't put anything away. Nor have the worry about not having saved enough.

***The first step in financial planning for retirement is to ask yourself several important questions.***

- ◆ *What age do you want to be when you retire? \_\_\_\_\_*
- ◆ *What do you want to be doing? \_\_\_\_\_*
- ◆ *Are you going to stay in the same house or downsize? **Y / N***
- ◆ *Do you want to travel?" **Y / N***
- ◆ *A big question is how much you will need to live on in retirement. \_\_\_\_\_ **?***

Determine what you're spending now and then adjust it for what you imagine your situation will be in retirement.

Ask retirees how their spending changed. Involve your spouse and family in this discussion, as they may have valuable input you have not considered.

By starting saving at a younger age means you don't have to scramble later on to make up for the years you didn't put anything away. Nor have the worry about not having saved enough.

To see comparison savings work sheet visit [www.Fiscalagents.com/Sam-Larry](http://www.Fiscalagents.com/Sam-Larry)

# Common

## ISSUES / SOLUTIONS

Q *How do I know if I have enough money to keep me going for the rest of my life*

Q *How risky are the investments in your portfolio – are they still stable?*

Q *Who should retire first*

Q *Will interest rates effect my income*

Q *Is your GIC portfolio suffering from interest rate fatigue*



### **A sound plan should include investment planning, estate and tax planning.**

You also need to consider what will happen if you or your spouse get sick.

A critical illness can eat up your retirement capital, so extended health insurance may make sense for you."

Registered Retirement Savings Plans (RRSPs) and Tax Free Savings Accounts (TFSA) should play a role in most retirement plans.

"Retirement funds grow tax deferred within an RRSP, while TFSA returns are tax free".

You save tax on RRSP contributions while you are working and are in a higher marginal tax bracket.

When you take money out of your RRSP during retirement, you are in a lower tax bracket and will pay less tax."

If you don't have a financial plan for retirement, don't panic, because it's never too late to start.

"Calculate what size of nest egg you will need by visiting retirement calculators.

[www.fiscalagents.com/tools](http://www.fiscalagents.com/tools)

You may be under pressure to save more in a shorter time, but it's worth it.

Getting out of debt as soon as possible and trimming your expenses. You may even want to consider deferring your retirement for a few years. "Don't take chances by investing your money unwisely and hoping for a home run," advisors warn. "Create a reasonable and manageable plan."



# Common

## ISSUES / SOLUTIONS

**Q** *How do you budget for the unexpected*

**Q** *When is the best time to make a Will*

**Q** *What involved in being an executor of an estate*

**Notes:**

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## A sound plan should include investment planning, estate and tax planning.

Most people don't take financial planning for retirement seriously enough or start soon enough.

Many rely too heavily on government pensions. Other common mistakes include dipping into retirement funds before retirement, not taking full advantage of employer pension benefit plans and underestimating the level of income needed to support a retirement lifestyle.

Some people think they're going to win the lottery, which is not the best way to plan for retirement. You need to plan and be diligent.

Your retirement planning should go beyond financial elements. "If you had a busy career then you need to think about what will keep you active and happy in retirement."

Retirement can be the best time of your life if you plan for it.

Have you considered all the possible income sources, expenses and other financial variables?

Let's start with some of the most often asked questions in developing your plan or understanding.

We suggest providing simple and quick answers, which starts the planning process—its not a test and no-need to struggle over.

We're hoping to provide thought provoking questions or topic needing future investigation.

Let's start with some of the most often asked question in developing your plan

How do I know if I have enough money to keep me going for the rest of my life

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# Common

## ISSUES / SOLUTIONS

Q *Is my money safer in a bank a trust company or an insurance company?*

Q *What happens if I take my Canada Pension plan before I am 65*

Q *What happens to my RRSP and other investments if I pre-decease my spouse. Will she have to pay tax?*

### Notes:

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How risky are the investments in your portfolio – are they still stable?

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When I retire at 65 I am no longer on my drug benefit plan at work . Are the any alternatives.

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How does Revenue Canada claw back my OAS.

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How safe is my money.

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How do annuities work?

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What happens if I take my Canada Pension plan before I am 65.

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Can I contribute to an RRSP and still receive money from my RRIF.

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Is my money safer in a bank a trust company or an insurance company?

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# Common

## ISSUES / SOLUTIONS

Q *When is the best time to consolidate my retirement holdings*

Q *I'm looking for predictability in the building an investments portfolio*

Q *Should I contribute to an RRSP or TFSA*

### Notes:

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Why am I restricted in the amount that I can take from a LIF.

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Is my money safer in a bank a trust company or an insurance company?

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Do I have to turn my RRIF into an annuity when I turn 71?

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What is the Guaranteed Income Supplement and how do I apply for it ?

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What happens to my RRSP and other investments if I pre-decease my spouse. Will she have to pay tax?

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I plan to give most of what I have to my children when I die.

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How much does it cost to life in a retirement home and who pays?

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Why is a nursing home less expensive.

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What would happen if I don't have a Will.

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# Common

## ISSUES / SOLUTIONS

Q *What happens to a joint account if I pass away before my spouse*

Q *How can I avoid probate*

Q *What alternative or options are available when gifting*

### Notes:

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Who should I appoint as a Power of Attorney and what is the difference between power of attorney for care and power of attorney for property.

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What is the best way to transfer the wealth that I have created to my child when I die.

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What are probate fees and can they be avoided?

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What is the Guaranteed Income Supplement and how do I apply for it?

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When I die how much will Revenue Canada take in taxes? What can I do to reduce the tax burden.

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I have to appoint an executor. What do they do and how much do they get paid?

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Financial Independence does not happen by accident. Those with a wealth consciousness understand these principles intuitively and adhere to them.

You can start by reviewing your own personal circumstances in comparison with the principles. Assess what you are doing right and what you need to change.

If you'd like some help, or a second opinion on your progress towards financial independence – contact us for a free assessment at (905) 844-7700 or check out our website at [www.fiscalagents.com](http://www.fiscalagents.com) .

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A Cornerstone® Retirement Memo

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Estate Planning



### The Prudent Canadian's Guide to Effective Estate Planning

The essence of estate planning is thinking about the future, and developing a program to create, preserve, and transfer assets. Estate planning is about life - now and in the future. Most importantly, it's about the life of your family and loved ones, and the peace of mind that comes with ensuring their financial security.

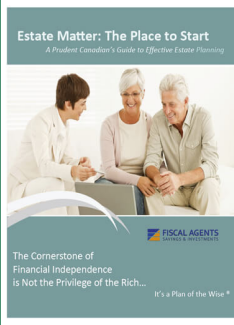
Estate Planning



### Why You Need an Estate Plan: 10 Simple Steps

Getting started with Estate Planning can seem like a daunting task. Inside this document you'll find the process broken down into steps - from selecting professionals to hire, setting up a balance sheet, understanding the role of insurance and more.

Estate Planning



### Estate Matter: The Place to Start

For most people, estate planning is a difficult subject to discuss and to plan for, because it forces us to come to terms with our own mortality.

Yet it is something you need to discuss openly with your loved ones today, because you can't do so after you're gone.

Estate Planning



### Estate Planning: Being an Executor What are your responsibilities & obligations?

Being named as an executor of an estate is a big undertaking requiring a considerable amount of time and knowledge. You have been entrusted to handle the financial affairs of the deceased in their absence and owe it to them to make sure you know what is required of you.

Retirement Planning



### Financial planning your Retirement: How do you get started?

No matter what your age or stage of life, you should have some form of financial plan for retirement. It's said that financial planning for retirement should be a career long process, and the longer you are able to set money aside for retirement, the more compound interest will work for you.

Retirement Planning



### Incapacity: Planning ahead helps

Accidents and aging are a part of life. Like an up-to-date will, a power of attorney is an important tool in financial and estate planning. Planning ahead in case of serious disability or health problems allows decision-making relating to property or personal care to proceed without unnecessary disruption.

General Interest



### Financial Independence Checklist

Experience has shown there are six key principles to financial independence. Those who adhere to them are more likely to succeed. Those who don't jeopardize their chances at financial independence. In this document we describe the six principles in detail, and provide a brief explanation on how you can apply them to your situation.

General Interest



### Planning for your children's future

In today's hectic world, planning plays an important role in the way we live our lives. From major decisions to relatively minor issues, planning is what makes our lives run smoothly.

We often put off tackling the chore of making the most important choices: Planning for our future and the futures of our children.

Reference Guides

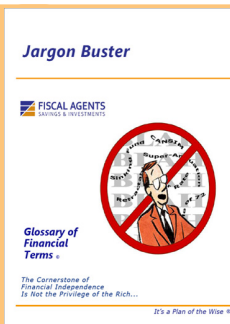


### Estate and Planning Organizer: Household Directory of Documents

A useful tool for anyone who understands the importance of keeping clear and concise records that, when completed, will be invaluable to you, your family members and loved ones, as well as to the executors of your estate.

This publication is completely interactive - you can add or update information to it whenever you like.

Reference Guides



### Jargon Buster: Glossary of Financial Terms

Designed for both the finance professional and the money market novice, with over 1,200 concise definitions of relevant terms used in the financial industry, the Jargon Buster touches on almost every facet of finance, investment and savings in a manner that is clear and easy to understand.