

## Your Retirement Planner

Your Church pension, personal savings and government benefits all add up to create your retirement income. Want to see what they add up to? Check out the Retirement Planner at:

<https://www.twtools.ca/SDARetirementPlanner>



**Life events** change your status, for example, through marriage, birth of a child, death or disability. A change in status may have an impact on your benefits with the Church and how you plan and save for retirement.

Your **beneficiary**, typically your spouse, is the person you designate to receive any retirement benefits payable in the event of your death.

If you have experienced a life event or wish to change your listed beneficiary, please contact the Retirement Department at **905-433-0011** or write to [retirement@adventist.ca](mailto:retirement@adventist.ca).

## Securing your peace of mind

You're on your way towards retirement. By the time you get there, you'll have worked hard your whole life for that moment. You'll be able to finally put your feet up or lace up your hiking boots. Whichever way you'll decide to relax and unwind during your retirement years, you'll want to rest assured knowing you've covered your bases and have attained some financial peace of mind.

That's why in this issue of *Planning for Retirement* you'll read about writing a will, planning a legacy, investing in a socially responsible way and maximizing your retirement income ... all while helping you enjoy your retirement to the fullest.

## Estate planning

Writing a will may not be high on your list of priorities at the moment, and it may not be something you want to think about when you're planning for your retirement. It's one of those inconvenient necessities of life, but is important nonetheless. Whether your assets are substantial or modest, it's wise to have a will in place to determine how your assets will be distributed. Otherwise, the courts will have to administer your estate, a potentially long, expensive and complicated process.



If you already have a will, make sure it is up-to-date and has been adjusted for any key **life events** that may have occurred since you first wrote it. This would also be a good time to review your list of **beneficiaries** and make sure that list is current as well.

You might want to consider these resources:

- **Planned giving and trust services:** This Church-provided service can help you draft your will, provide power of attorney services and much more! You can also ask about tax breaks, credits for charitable donations and leaving a legacy through your will (see more below). To get started, visit our website at [www.willplan.ca](http://www.willplan.ca).
- **Do-it-yourself kits:** Most bookstores carry do-it-yourself legal home will kits that contain everything you need to draft a legal last will and testament. However, if you'd like a second, professional opinion, you may wish to have a lawyer or notary review your do-it-yourself will to ensure you've completed the form accurately.

## Planning a legacy

Have you thought about naming your favourite charity in your will? Your generous donations can be continued after your death to leave a lasting legacy.

*Leave a Legacy* is a national program that can help you make charitable donations through your will. For more information, visit <http://www.leavealegacy.ca/program>.

Remember, charitable donations are tax-deductible. As an example, an individual living in Quebec who makes a \$500 charitable donation may receive approximately \$230 in tax credits. Amounts vary by province. For more information, visit the Canada Revenue Agency website: <http://www.cra-arc.gc.ca/chrts-gvng/dnrs/menu-eng.html>.

Once upon a time, legacies and estate planning were only for the rich and powerful, but times change. Today you can create your own legacy to help your family, the Church or your preferred philanthropic pursuits. It's well-worth your time to take a brief moment to determine if your estate is in order. You may rest easier knowing it is.

## Solidifying your financial foundation

Having a financial strategy requires some homework on your part. Understanding where your future retirement income will come from and how to grow and protect it from risk are key elements to getting an **A+**!

### Here are a few thoughts to consider as you plan:

- 1. Balance your basket: we all know the old adage** — don't put all your eggs in one basket (and don't count your chickens until they hatch!) — and it definitely applies to your retirement savings. While your Church pension is a great foundation, you'll need to add government benefits and your personal savings to your retirement basket to ensure you meet your financial goals.
- 2. Manage risk:** as you approach retirement, you may be in the process of reducing the level of risky investments in your portfolio. When you are younger, you have time to recoup losses, but as you age, you have less time to recover your losses. Try to reduce risk by transferring some of your investments into safer investment vehicles, such as low-growth mutual funds or Government Investment Certificates (GICs). For more on this see: *When safe is too safe*.
- 3. Consult a financial planner:** that's what they're there for! A financial planner can provide you with a clear plan to maximize your retirement income and avoid unnecessary risk. Get a referral from a friend or family member and meet with the planner at least once each year to keep yourself on track.
  - **And ask yourself:** did the financial planner listen to your needs, or try to sell you something? A planner who's too focused on selling you a product or service without understanding your situation might not be the best planner for you.
  - **Talk it over:** discuss your plan with your family; plan and save together.

Need more help finding a planner? The *Financial Planning Standards Council* sets the ethical code of conduct for Financial Planners in Canada and provides certification. For a list of professional financial planners in your area, visit <https://www.fpsc.ca/>.

- 4. Continue to plan:** you have your retirement funds in order and soon you'll be able to enjoy the fruits of your labour? Good for you! Does this mean you can stop worrying about your finances? Not entirely. The economy isn't fully back on its feet, and with people living longer than previously anticipated, retirement funds may not last as long as necessary.

In short, to help ensure you hit your financial goals in retirement (and in life), you'll want to know where your money is coming from, know how to protect it, and know where to get advice to help keep you on track. It's up to you to get and stay smart about your finances.

## When safe is too safe

Safety first, right? Even when it comes to your investment strategy? Maybe not. Money market funds are one of the safest bets out there — they are a key strategy when you want to maintain your savings as they rarely post losses. At a certain point in your life, you'll want to transfer some of your riskier investments into money market funds (or something similar) to preserve what you've saved.

But if your intention is to grow your retirement assets, which likely is your preference up to age 50 or so, a money market fund may not help you much. The fund's low risk/low return objective is meant to help you maintain, not grow, your investment. Sure, you don't risk losing your money, but you do risk not earning enough returns on your investment to build a future retirement income.

### What about when the markets are underperforming?

If you can predict a market downturn and move your investments into money market funds before you experience any losses from your riskier investments, you will be able to maintain the value of your investments. And well done! But the operative word here is **if**. Few people have been able to do this — not even the experts!

### Not invested in money market funds?

Are you sure? Money market funds may be a part of your RRSP or TFSA investment portfolio. These funds often make up a balanced portfolio, or a mix of investments that include high, medium and low risk investments. If you do have mutual funds in your portfolio, you may want to speak with your financial advisor to determine if you need to update your strategy to meet your long-term financial goals.

### What do you think?

If you have any comments or suggestions about this newsletter, contact us:

- Marilyn Pazitka, Director — 905-433-0011, ext. 2071 or [pazitka.marilyn@adventist.ca](mailto:pazitka.marilyn@adventist.ca)
- Charisma Hodgins, Administrative Assistant — 905-433-0011, ext. 2070 or [hodgins.charisma@adventist.ca](mailto:hodgins.charisma@adventist.ca)

**We appreciate your feedback!**

### Rule of 72

Want to know when your investments will double in value? The Rule of 72 can help — divide your investment's interest rate into 72. For example, if you want to know how long it will take to double your money at 4% interest, divide four into 72 and you get 18. That means your investments will double in value in about 18 years.

### Socially responsible investing

Over the last few years there has been a growing demand for socially responsible investments, otherwise known as ethical funds.

These types of investments are designed to ensure that your money isn't used to finance something you consider to be morally objectionable, such as gambling or the production of alcohol, tobacco or firearms.

If you are uncertain how your investments profit, do a quick Google search, speak with a financial planner or consult the Social Investment Organization website: <http://socialinvestment.ca/>.

### Next Issue

Be sure to let us know if there's a topic you'd like us to cover and we'll try our best to include your suggestions in future issues.