



**WHAT'S INSIDE:**

**PLAN THE RETIREMENT YOU WANT**

Think long term and craft your wealth plan



**TAKE ACTION**

Develop a plan to grow your assets and financial intelligence



**Estimate how long your money will last!**

Use the Retirement Planner to estimate your pension and consider different scenarios

The Retirement Planner can help you estimate your potential retirement income at any time. This Church-provided tool will allow you to visualize different scenarios and can be used when you meet with a financial advisor.

Get to know the Retirement Planner:

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

## You're in charge of your financial future

*...and we're here to support you*

Retirement touches many aspects of your life — your family, your finances, your future — and gives you a renewed perspective on your priorities. As you prepare for this phase of your life, whether it's right around the corner or perhaps a bit further off, it's important to take the time to visualize what retirement could look like for you and your family. Your idea of retirement is as individual as you are. This newsletter identifies some of the considerations you may have toward achieving your ideal retirement. Keep reading and you'll also discover some of the tools and resources available to help you plan for it.

## PLAN THE RETIREMENT YOU WANT



### 1 Define the retirement you want

Choosing your retirement date is a big decision. Today, more people are working past the traditional retirement age of 65 for a variety of reasons. What will you do? How will your lifestyle change? What does this mean to your family? And most importantly: what do you want to achieve? Start thinking about these elements, before even getting into the financial side of things.

### 2 Make a budget to determine how much money you'll need

Once you have a vision of the retirement you want, you'll need to understand how to afford it. The old rule of thumb suggested that you'll need between 60-80% of your pre-retirement earnings each year when you retire. However, a single year of employment earnings isn't always a reliable representation of your actual living standards. You also need to think about how your lifestyle might evolve and consider changes in your personal circumstances too. You can start by anticipating your needs and making a list and timeline of your future expenses.

**Expenses**

- Healthcare
- Activities, hobbies, vacations
- Housing
- Transportation
- Food, clothing
- Taxes
- Family
- Insurance

**Sources of income**

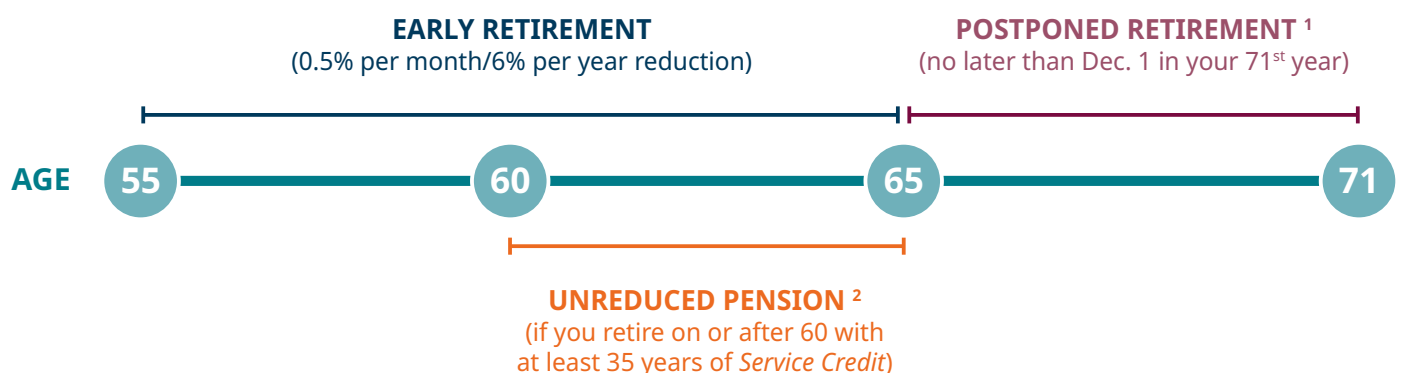
- Church pension
- Government benefits (C/QPP, OAS)
- Personal savings including investment returns
- Potential working income

### 3 Evaluate your investment strategy

A financial expert can help you build a strategy for the retirement you want. After analyzing your situation, a financial planner can help determine how much you need to save, in addition to what you could expect from your pension plan and government benefits, and what you need to do to stay on track to achieving your goals. For more information about financial planning services, visit [www.fpssc.ca](http://www.fpssc.ca).

### 4 Determine when you should retire

The normal retirement age is **65**, but you may choose to take either an early or a postponed retirement. Depending on your age and years of *Service Credit* when you retire, your pension maybe be calculated differently or reduced. To learn more about the ins and outs of retiring early or late, please refer to your Church pension booklet (<https://tinyurl.com/RetirementBooklet>). When you retire also affects the value of any government benefits you will be eligible to receive so consider your retirement date carefully. Remember, you can start your Church pension and government benefits at different ages.



<sup>1</sup> The Income Tax Act requires that you start receiving your pension no later than December 31 of the year you turn 71. The Church requires it by December 1 of the year you turn 71 because our retirement dates are always the first of the month.

<sup>2</sup> If you still earn income greater than the YMPE, you will not receive the extra benefit in full.





## Quick glossary

**Service Credit** – The total amount of time you’ve worked with the Church, whether in Canada, in the U.S., or abroad.

**YMPE (Year’s Maximum Pensionable Earnings)** – Earnings on which contributions to the C/QPP are based. The YMPE is adjusted each year by the government.

**Power of attorney** – A legal document giving the person of your choice the power to make decision for you when you are unable to.

**Will (or testament)** – A legal document expressing a person’s wishes regarding the management and distribution of his/her estate.

**Beneficiary** – A person you designate to receive any pre-retirement death benefits.

**Visit the Church Retirement page** for more resources and relevant links: <https://www.adventist.ca/retirement>

**More info on retiring** step by step at <https://tinyurl.com/SDACCsteps>

## TAKE ACTION

Once you have an idea of what you’d like your retirement to look like and what you’ll need to make it happen, it is time to take action. Even if your retirement is years away, you can still make small changes today that will make a big difference during your retirement years.

### Keep saving!

Make sure you have enough to last your retirement, as you will likely have many more years left to live.

- **Maximize your RRSP and TFSA contributions** – Saving more is a simple idea, and it’s also one of the most important things you can do today.
- **Eliminate consumer debt** – Credit card interest and financing fees can have a significant impact on your savings. Getting rid of your debt will have a positive and exponential effect on how your money will grow.
- **Build an emergency fund** – It is crucial at any age to be prepared for the unexpected, as even one costly bill can sometimes set you back and affect your situation seriously. Experts recommend saving enough to cover 6 to 12 months’ worth of daily living expenses.

### Review your investment portfolio and plan your estate.

Stay in control of your assets by reviewing your portfolio and planning your legacy.

- **Consider consolidating your assets** – To keep an eye on your investment portfolio, you may want to keep it simple. Keeping your investments with a single provider can help make reporting easier and may lead to additional management fee savings. However, sometimes there are risks in “putting all your eggs in the same basket”.
- **Estate planning and legacy** – Being prepared with an estate plan will spare your family some financial burden and help ensure that your assets are distributed as you wish. A financial planner, especially for valuable and/or complex situations, can be a big help. You should create a *will* and assign a *power of attorney* to make decisions on your behalf if you become unable to do so yourself. You will also need to name your *beneficiaries* for life insurance, retirement benefits (fill in the *beneficiary* designation form for your retirement benefits at <https://tinyurl.com/SDACCbeneficiary>), properties and shared assets. Review this plan at least every 5 years and communicate with your spouse and heirs to ensure a smooth transition of assets.

### Know the basics.

Understand what’s available to you, and what you need to do to qualify.

- **Keep yourself informed** of any new rules at the provincial and federal level, and at the Church, in order to stay on top of your plan.
- **Continually evaluate your investments** and check your progress toward retirement, as your situation and goals change over time.
- **Start planning as early as you can** before your desired retirement date. This will leave you as much time as possible to evaluate your situation, set goals and build the right wealth plan for the future.
- **When you are ready to retire**, meet with your employer at least five months before you plan to retire in order to initiate the retirement process and obtain your retirement application. You can also go online to complete your retirement application and send it to your employer. Go to <https://tinyurl.com/RetirementBooklet> to review your Planning for Retirement booklet.

Retirement is an exciting phase of your life to look forward to and also a great opportunity to reflect on your impact to your family and community. Here is a list of action steps to guide you through the process, and help you anticipate the important decisions you’ll have to make:

### Checklist summary

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Define the retirement you want                        | <input checked="" type="checkbox"/> Keep saving and eliminate your debt                   | <b>when ready...</b>   |
| <input checked="" type="checkbox"/> Make a budget to determine how much money you’ll need | <input checked="" type="checkbox"/> Review your investment portfolio and plan your estate | <input checked="" type="checkbox"/> Contact your employer and the Retirement Department          |
| <input checked="" type="checkbox"/> Evaluate your investment strategy                     | <input checked="" type="checkbox"/> Know the basics and keep up to date                   | <input checked="" type="checkbox"/> Select your options and return required forms on time        |
| <input checked="" type="checkbox"/> Determine at what age you should retire               | <input checked="" type="checkbox"/> Visit the online Retirement Planner                   | <input checked="" type="checkbox"/> Now stay on track and...<br><b>Don’t forget to have fun!</b> |

### 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.

### TELL US WHAT YOU THINK!



If you have any questions, comments or suggestions about this newsletter, please don’t hesitate to contact the Retirement Department:

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