



New Realities of Retirement Demand a New Approach to Planning

The definition of retirement continues to evolve. It is not only defined differently from the retirement of previous generations, but is also unique because of your need to address the ever-changing financial landscape. Today, a successful retirement plan encompasses and adapts to the changes in market conditions and your lifestyle, income needs, family status, personal health and longevity.

To begin, do you have a clear picture of where you want to be when you retire? Do you see yourself in a warm climate, playing golf every day? Or do you see yourself starting a new career or pursuing a passion you didn't have time for while you were working full-time? The new generation of retirees doesn't intend to slow down – retirement is simply the next phase of life.

And while the definition of retirement continues to evolve, what hasn't changed is the need to have a solid plan as you transition to the next stage of life.

To effectively manage your finances and achieve the retirement lifestyle you have always imagined, it's essential to bring together all of the pieces of your financial picture to build a comprehensive plan of action.

It's the Whole Picture That's Important

Using sophisticated planning software, your BMO Nesbitt Burns Investment Advisor can generate a retirement analysis customized to reflect your unique situation.

Your Investment Advisor will take into account all of your current and potential future sources of income, including government programs, company pension plans, RRSPs, RRIFs, TFSAs, employment and investment income. Then he or she will factor in current tax rates, inflation and income earned on future investment capital created by an inheritance or the sale of a business or vacation property.

Your Investment Advisor can take into account the various stages of retirement and develop unique scenarios for each. For example, the early years are characterized by an increase in expenses as you take that trip of a lifetime or furnish your new condo down South. During the middle years, life settles into more of a routine and expenses tend to decrease. In the later stage of retirement, expenses may increase again due to health care costs.

A look at your anticipated expenses, as well as potential future sources of retirement income, will quickly identify if there will be a shortfall between the lifestyle you want and your ability to finance it.

An essential element of retirement planning is an investment strategy that will enable you to reach your retirement goals.

An important step in this process is determining how your investments should be allocated among the various asset classes: cash, bonds and equities. Asset allocation takes into account the current economic environment

and the outlook for the economy and investment markets, then overlays your retirement objectives and risk tolerance.

Once your proper asset mix is determined and your retirement needs assessed, your Investment Advisor will work with you to develop a strategy for achieving your goals.

Reviewing Your Options

Your Investment Advisor will provide you with a clear and easy to understand analysis and then help you interpret and evaluate your various options such as early retirement or, alternatively, working longer. He or she will show you how your financial affairs will bear out in each scenario and the affect on your lifestyle, depending on the choices you make.

Getting Started

To prepare your retirement plan, your Investment Advisor will need to know where you stand today, where you want to be in the future and when you want to get there.

To help you get organized, your Investment Advisor will provide you with a questionnaire to gather the information needed to prepare your personal retirement analysis.

Now is the Best Time to Begin

An ancient Chinese proverb says, "The best time to plant a tree is twenty years ago. The next best time is today." This proverb definitely still holds true today. Don't delay planning for your retirement. Contact your BMO Nesbitt Burns Investment Advisor today and discover how to realize your retirement dream.

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If you are already a client of BMO Nesbitt Burns, please contact your Investment Advisor for more information.

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