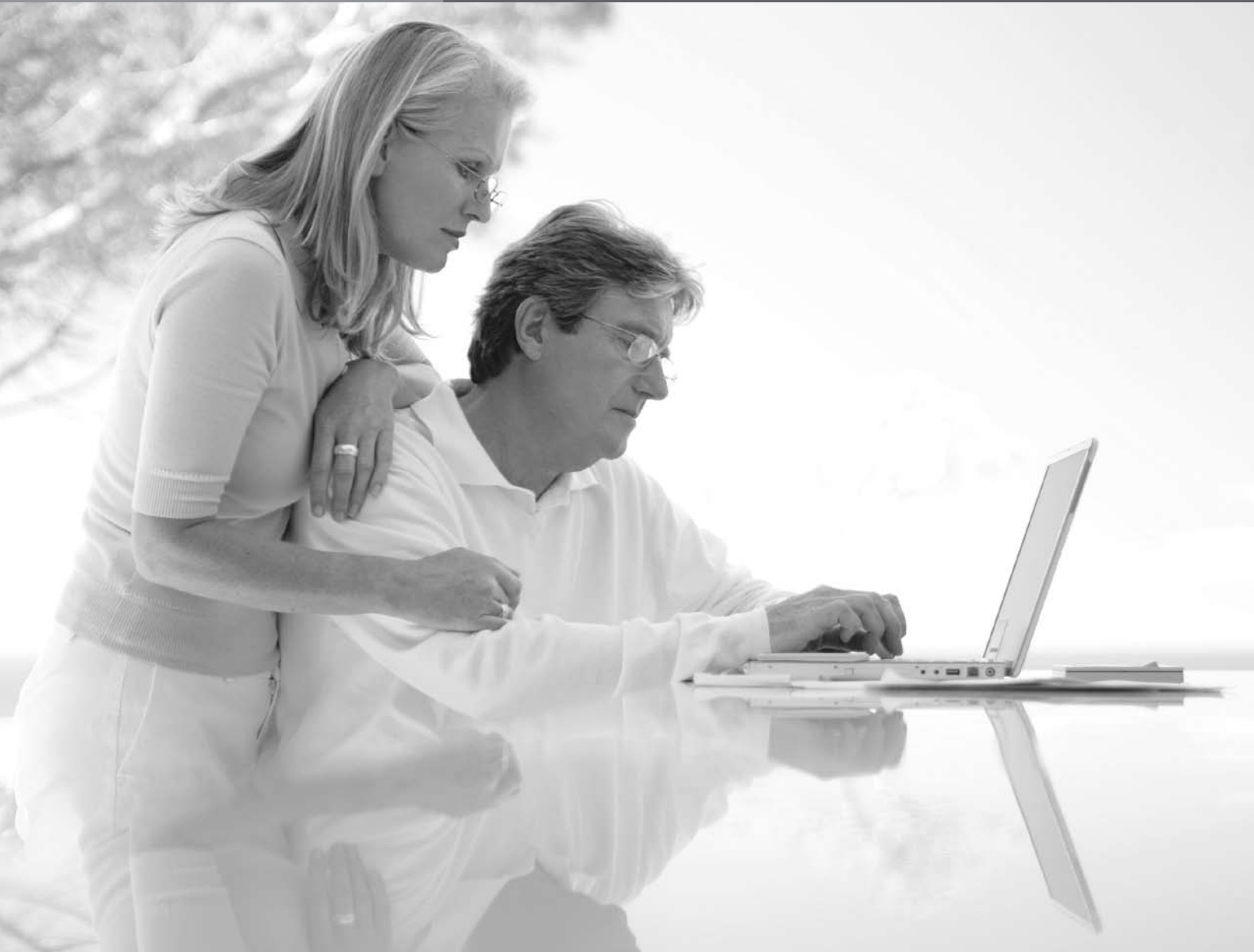


BMO NESBITT BURNS

# Take Charge of Your Retirement™

Workbook



BMO  Nesbitt Burns®

Making money make sense®



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# Take Charge of Your Retirement™

*“A goal without a plan is just a wish.”*

*Antoine de Saint-Exupéry, author of The Little Prince*

Knowing how much money you’ll need in retirement and having a plan in place to reach your goals can help provide you with assurance. By planning ahead, you will know whether or not you are on track to meet your goals. You will also have a frame of reference that you can use to decide what changes to make to deal with unforeseen events that may arise.

The first step is to think about your retirement future in as much detail as possible. This makes it easier to determine how much money you will need. The exercises in this booklet will help you explore your short and long term goals,

along with what your day-to-day activities will be. It also encourages you to think about your whole retirement, not just the first few years.

The *Take Charge of Your Retirement™* program is about making choices that are right for you and feeling confident about your future. The questions throughout this booklet are intended to help you get a clearer picture of your retirement. If you have a spouse or partner, discuss these questions together. Your BMO Nesbitt Burns Investment Advisor can then work with you to tailor a financial plan to your goals and priorities.

**How old do you feel ?**

**How old are you now?**

**Is there a difference?**

If you are like many people, you feel younger than you actually are, perhaps quite a bit younger!

Feeling younger is a wonderful thing, except we know that when people feel much younger than their actual age, they put off planning. The goal is to continue to feel young and do the planning to create the retirement you want.

# My Retirement Picture

Thinking about the specifics of your retirement can be challenging. For many people, it's hard to think very far into the future amidst the hectic schedules of everyday life. To make it easier for you to think about your future, think about your retirement as if it were a picture. A balanced picture has four corners: Who (Relationships); What (Lifestyle); Where (Home); How (Health). Although different things are important to different people, it is important to think about the specifics of each of these four corners, and how they impact each other, when planning your retirement.

## Who (Relationships):

- Who are you going to spend most of your time with?
- Is there anyone who may be dependent on you physically or financially?
- Do you plan to leave money to anyone such as children or a charity?

## What (Lifestyle):

- What will you be doing in terms of big dreams and day-to-day life?

## Where (Home):

- Where will you be living and spending your time?

## How (Health):

- How may your health, or someone else's, impact your retirement?

Once you consider your actual life in retirement, using these four corners as a guide, you will have a clearer picture of your future. When you know how you want to spend your time, and who you plan to spend it with, it is easier to figure out how much money you need. Working with a BMO Nesbitt Burns Investment Advisor can bring your retirement picture to life. This booklet helps you complete your picture; your Investment Advisor can help you frame your picture with the financial plan.

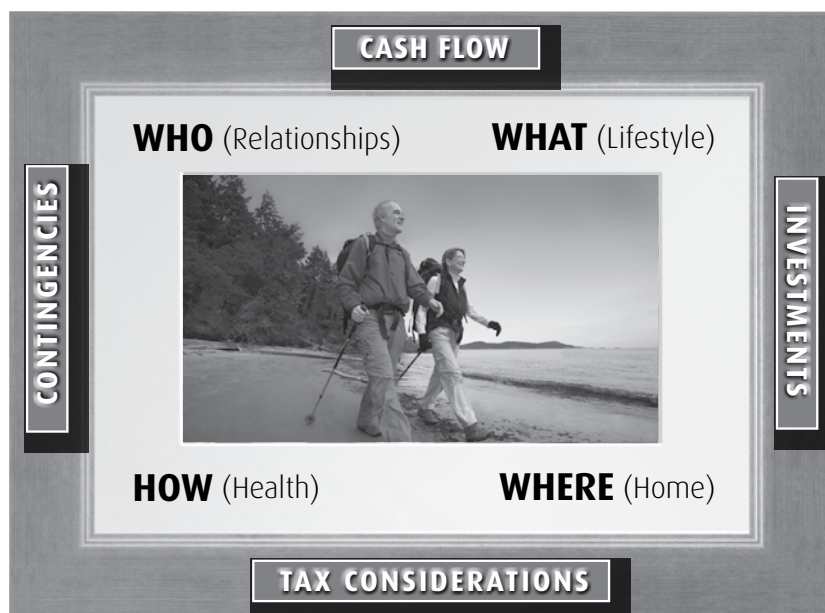
## Framing Your Retirement Picture

A financial plan acts as a frame for your retirement picture – it keeps your goals from getting lost amidst day-to-day living. It also surrounds your retirement picture with the key financial elements to consider so your goals can become a reality. It provides security for your picture.

On the next few pages, you will have the opportunity to think about the four corners of retirement and record your thoughts about each of them. Think about your retirement in three phases: immediate, medium and long-term.

Sometimes people plan only for the first couple of years of retirement, yet we know that retirement can last as long as 20 to 30 years. For each corner, there are a series of questions for you to answer. There is also a place at the end of each set of questions to summarize how you see each corner of your retirement.

It is likely that some things will change over time, so review your answers regularly to see how your retirement picture is evolving.



# Step 1: My Retirement Picture

## Who (Relationships)

A successful retirement includes maintaining a sense of meaning and social connections. Having supportive relationships as we age is very important, and research shows that people with good social support live longer and live healthier – both mentally and physically. For this corner, consider the people you picture yourself with in retirement, including those who may be dependent on you.

1. Who is part of my retirement picture? Consider how much time will be spent with spouse/partner, children, grandchildren, family, friends, community groups, etc.

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2. Who can I count on if I need something in retirement such as emotional support or help with tasks?

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3. How could I expand my support network (the people I may need to rely on)?

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4. Is there anyone who might be dependent on me in retirement?

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**Snapshot** | Based on your answers above, summarize the most important people and relationships in your retirement.

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## What (Lifestyle)

People often dream of retiring “some day” but haven’t given much thought about how they are going to spend their time. Some of us are dreamers and others are more practical. It is a matter of personal choice. In this corner, give some thought to how you are going to spend the day-to-day in retirement. Remember, the goal is to sustain meaning in your life; how you want to do that is completely up to you.

1. What do I picture myself doing in retirement?

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2. Will I continue to work? Yes or no. If yes, what type of work and for how long?

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3. What do I enjoy doing today and plan to continue doing in retirement?

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4. If I could do anything in retirement, I would.....

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**Snapshot** | Based on your answers above, summarize the most important activities in your retirement.

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## Where (Home)

Retirement may include living in a different place or having more than one home. Or it may be about continuing to live exactly where you live now. As you think about where you are going to live in retirement, remember that your retirement could last 20 to 30 years.

1. Where will I live in retirement?

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2. How important is it for me to live close to family/friends, recreational activities, or medical services I may need?

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3. Will I have a second residence in retirement? If so, where will it be?  
in another country?

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4. What would prompt me to move in retirement? Will I move more than once in retirement?

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**Snapshot** | Based on your answers above, summarize where you will live in retirement.

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## How (Health)

Your health has the potential to impact your overall retirement picture, either positively or negatively. Many times people don't want to think about how healthy they might be in the future because they assume it means thinking about what is going to be "wrong" physically or mentally. This is not necessarily the case. Often, people haven't planned to live as long as they will live in relatively good health. As you consider this corner, remember, you want to think about keeping your mind – as well as your body – healthy for as long as possible.

1. What sorts of health issues would require me to rethink my retirement picture?

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2. What stress factors am I currently dealing with or do I anticipate?

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3. What can I do now to ensure I have the healthiest retirement possible –physically, mentally, emotionally?

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4. What types of physical and mental exercise do I envision myself doing in retirement?

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**Snapshot** | Based on your answers above, summarize your health in retirement.

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## Step 2: Creating a Flexible Future

Circumstances in any of the four corners of the picture and frame can change, so it is important to build flexibility into your retirement picture. The following exercise can help you create flexibility and prioritize what is most important in your picture.

<b>What's important to me in retirement?</b> Be sure to think about the Who, What, Where and How.	<b>Needs</b> Something you must have in order to feel that your retirement has meaning to you.	<b>Wants</b> Something that you would like to have in your retirement, but is not essential to the meaning of your retirement.	<b>Priorities</b> Write down your needs and wants in order of importance.
			<b>Needs</b>
			1.
			2.
			3.
			4.
			<b>Wants</b>
			1.
			2.
			3.
			4.

**It's important to think about why each item matters to you.** For example, a golf club membership: is this important because of the social aspect (your friends are members), for fitness, carrying on a family tradition, prestige in the community, or a combination of factors? Once you understand why something is important, you may find that there are multiple ways to fulfill it, thereby giving you options and flexibility for your future.

## Step 3: Financial Implications

Now that you have a clearer picture of your retirement, a financial plan can provide a solid frame for your picture. Here are some questions to get you thinking about some of the financial aspects of your retirement.

The first question is about your estimated monthly expenses during retirement – this is something only you can determine. Your Investment Advisor will factor it into your financial plan, but you know your expenses best. The other questions in the table touch on some of the other financial considerations that play a role in your retirement and financial plan. In the table, place a check mark in the column that best represents your answer. Don't be concerned if you have check marks in the "don't know" column, as these are the questions you will want to discuss in greater detail with your Investment Advisor.

**How much are your monthly expenses likely to be in retirement? \$ \_\_\_\_\_**

(Please work through Appendix A to calculate).

Cash Flow (Income & Expenses)	Yes	No	Don't Know
• Are you expecting to work for pay during retirement?			
• Do you have a pension or other guaranteed sources of income?			
• Do you know at what age you may access your government and employer pensions?			
• Are you expecting an inheritance?			
Investments	Yes	No	Don't Know
• Are you going to be relying on the income from investments to fill the gap between your expenses and your pensions?			
• Do you understand what you are invested in, and are you comfortable with your investments?			
• Do you feel comfortable that your investment portfolio properly reflects your risk tolerance?			

Tax Considerations	Yes	No	Don't Know
<ul style="list-style-type: none"> <li>• Is the income you receive from your investments structured in a tax-efficient manner?</li> </ul>			
<ul style="list-style-type: none"> <li>• Do you have a plan to draw down your investments in the most tax-efficient way?</li> </ul>			
<ul style="list-style-type: none"> <li>• Do you understand the potential tax implications of living outside Canada for a portion of the year?</li> </ul>			
<ul style="list-style-type: none"> <li>• Do you understand that various types of investment income are taxed differently?</li> </ul>			
<ul style="list-style-type: none"> <li>• Have you calculated the tax implications on the sale or transfer of a second property (if applicable)?</li> </ul>			
Contingencies	Yes	No	Don't Know
<ul style="list-style-type: none"> <li>• Do you have long-term care insurance, or have you set aside sufficient assets to pay for potential long-term care costs?</li> </ul>			
<ul style="list-style-type: none"> <li>• Have you considered the impact on your retirement savings goals if you were unable to work for any reason?</li> </ul>			
<ul style="list-style-type: none"> <li>• Is your will up-to-date?</li> </ul>			

## Step 4: Next Steps

### **With your BMO Nesbitt Burns Investment Advisor:**

- Discuss your retirement priorities and your answers to the financial questions
- Obtain/review your financial plan

It's a good idea to review your retirement priorities from time to time to see if any have changed. If you have a spouse or partner, discuss these together. Be sure to let your Investment Advisor know about any significant changes in your retirement priorities so that any necessary adjustments can be made to your financial plan.

# Appendix A: Expense Worksheet

Expenses Needs	
Mortgage/Rent	\$
Property Taxes	\$
Utilities	\$
Home Phone	\$
Internet	\$
Cable	\$
Mobile 1	\$
Mobile 2	\$
Medical Expenses	\$
Groceries (incl toiletries & cleaning products)	\$
	\$
	\$
	\$
	\$
Lease Payments	\$
Car Insurance	\$
Gas	\$
Expenses Wants	
Entertainment	\$
Miscellaneous Expenses	\$
Recreational Activities	\$
	\$
	\$
	\$
	\$
	\$
	\$
<b>Total Expenses</b>	<b>\$</b>

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