Checklist

More than 10 years to retirement

Welcome to tomorrow. Prepare now to retire well later.

At this point in your life, you probably have a number of financial goals, like buying a home, sending your children to college or university, travelling and saving for retirement. Prioritizing these goals can be a juggling act, which means that saving for retirement can sometimes fall by the wayside. This checklist provides tangible action items that you can do now to help you retire when and how you want.

Make saving easier with a strategy that works for you

- Set up a Continuous Savings Plan that automatically puts money into your Registered Retirement Savings Plan (RRSP). Investing smaller amounts regularly is easier than coming up with a lump sum at the end of the year. This allows you to take advantage of dollar cost averaging for any investments that fluctuate with the market. The result of this continuous investment is that more shares tend to be purchased when prices are low and fewer shares are purchased when prices are high.
- Consider RRSP loans to help you maximize your accumulated RRSP contribution room.
- Use time to your advantage: invest early to generate and take advantage of compounded growth.
- If you think you'll be earning more down the road, make your RRSP contribution immediately but hold off claiming it on your Income Tax until the year when your income is higher. RRSP contributions are deducted from your total income for the year. The less income you earn, the less income tax you potentially owe. This can result in a refund if you have paid more income tax than required.
- Participate in employer savings plans. Some employers will match your contributions up to a maximum, so be sure to contribute enough to take advantage of your employer's match.
- Contribute to a Tax-Free Savings Account (TFSA) – any interest, dividends, or capital gains you earn are tax-free. Unlike your RRSP, you can withdraw money from a TFSA without tax implications.

Know where your money is going, so you can keep more of it

- Create a weekly or monthly budget to understand how you're spending money. You may uncover areas where you can cut back spending and apply those funds towards an RRSP, TFSA or other savings vehicle, or to pay down debt.
- Pay the total amount owing on monthly credit card and household bills on time to avoid late fees or interest charges. Or, consider consolidating your debts so you can secure a better interest rate on the monies owing.
- Use the pre-payment options available on your mortgage to make extra payments and consider bi-weekly payments to pay off your mortgage sooner and reduce interest charges.

Consider your entire financial picture

- Create a financial plan that includes retirement and any other major life goals you may have. A BMO financial professional can guide you and help build your plan.
- Work with your BMO financial professional to determine your risk tolerance and time horizon. This will help determine the type of investor you are so you can choose the right investments.
- Review your portfolio at least once a year to determine if you are still comfortable with your investments and if the asset mix reflects your goals.

Protect yourself and your loved ones

- Group health and dental benefit plans offered by your employer or professional organization can help with costs not covered by the government. Ensure you have coverage for your current and future needs, as these plans can sometimes be continued into retirement as well. Private benefit plans are also available.
- Think about how a major life-changing event like an illness or disability could affect you and your savings. Determine if the coverage you already have through work or other sources is enough. Consider purchasing life insurance, critical illness insurance, and/or long-term care insurance.
- Determine if you have any other insurance needs, such as homeowner's insurance or liability insurance.
- Ensure your Will is up to date in order for your estate to be distributed according to your wishes.
- Ensure your Power of Attorney documents are up-to-date in order for your wishes to be carried out should you become incapacitated.
- Review and update the beneficiary designations for RRSPs, Registered Retirement Income Funds (RRIFs), Tax-Free Savings Accounts (TFSAs), and insurance policies.
- Record the locations of your family assets (including property, accounts, and investments). Give a copy to your executor and lawyer.
- Protect your identity and personal information. Review all statements and records as you receive them, and review your credit rating annually (you can obtain a credit report from **equifax.ca** or **transunion.ca**).

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For more information, speak with your BMO financial professional.

BMO Wealth Management

We're here to help.™

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