

Solutions

Ready to retire? Ask your advisor these 9 questions.



As you get ready to stop working, your advisor can help make sure you're financially prepared.

YOU'VE BEEN WORKING and saving for this moment for most of your working life – now retirement is on the horizon. But you're not done planning yet. In fact, there's never been a more important time to talk to your advisor. Start with these nine questions:

- 1. CPP/QPP – now or later?** The amount you receive from the Canada/Quebec Pension Plan partly depends on when you take it. At 60, you'll get less than if you wait until you're 65. Ask which option is right for you.
- 2. How should I withdraw from my RRSP?** It's time to convert your Registered Retirement Savings Plan into an income stream. Ask when to make the jump, what assets you should hold and whether there are alternatives to a Registered Retirement Income Fund.
- 3. What about my pension?** If you have a workplace pension, how much you get and how you draw on it depends on whether it's a defined contribution or defined benefit plan. Ask what you're entitled to and how it fits with your other sources of income.
- 4. Can income splitting help?** The tax paid on your retirement income can make a big difference in your cash flow. Ask about how income splitting can help make your savings go further. Strategies include spousal RRSPs, pension splitting and CPP/QPP splitting.
- 5. What's the right level of investment risk?** After you retire, your nest egg can still generate returns. Ask what level of investment risk is right for you, and how to help manage that risk while growing your assets once you're no longer working.
- 6. What if my savings aren't enough?** Do you have enough to retire, and if not, what are your options? Delaying retirement by a few years, taking on a part-time job after you retire or renting out part of your home can all help boost your retirement income.
- 7. How do I handle debt in retirement?** If you are approaching retirement with debt, ask your advisor about the best way to deal with it, whether it's through trimming expenses, downsizing your residence or streamlining your debt repayment plan.

8. Am I covered? Your current health and life insurance benefits may end once you leave your job. If so, find out what your options are for individual coverage.

9. What about my will? If you haven't reviewed your estate plan in a while, this could be a good time to do so. Make sure your will and power of attorney are up to date, and ask your advisor or legal representative about ways to prepare your estate to maximize tax efficiency. ■



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