

RETIREMENT CHECKLIST

Preparing for Your Next Chapter



How prepared are you for retirement? Retiring is a process - not a quick, one and done task. This checklist identifies the steps you should take to retire successfully on your timetable.

- A few years (or more) out from retirement? **Steps 1 – 5** help you think through your needs and preferences.
- Ready to make your retirement official? **Step 6** outlines what to do in the final months before you retire.

Step 1: Choose a Target Retirement Date

☐ Set a Date

Are you looking forward to an early retirement, or hoping to work a few extra years? Target a specific date, then plan in reverse from there. You are eligible to retire once you reach age 60 or have 30 years of service. While your actual date may change, approximating a date allows you to begin creating an exit strategy so your departure can be a smooth one — both for you and your sponsoring employer.

Step 2: Estimate Your Retirement Expenses

☐ Imagine Your Future Life

How do you envision your retirement? Are you planning to move? Will you take on a part-time job? Do you plan on making a big purchase like a home, taking on an entrepreneurial venture or going on a dream vacation. Make sure you include your spouse or partner as you visualize your retirement to make sure you are on the same page.

☐ Create a Retirement Budget

Create a budget to support the retirement lifestyle you envision. People generally spend about 85% of their current budget in retirement. Start by applying this calculation to your current budget, and make adjustments from there. Our Pension Calculator and Financial Planning Tool can help you with this.

☐ Estimate Future Health Care Costs

When you retire, you will likely lose the health insurance benefits you had with your employer. As a result, you'll need to estimate the full cost of your healthcare coverage in retirement. Also factor in your out-of-pocket costs including deductibles. Find out if you will be eligible for benefits like National Health Insurance and how these benefits can help cover some of your expenses. The point is to create a realistic retirement budget.

Step 3: Estimate Your Retirement Income

☐ Determine Your Pension Income

You have options as to how you will receive income from your retirement savings. Determine what those options are and what works best for you. If you are not planning to stop working right away, think about reinvesting your retirement savings. Think about how much risk you want to take with your savings, how much flexibility/liquidity you need, your legacy plan, and all your sources of income. Work with an advisor to go over the options that best fit your specific needs.

☐ Determine Your National Insurance

To complete your budget estimate, you'll need to factor in any National Insurance benefits you may be eligible for. Be sure you are aware of all the terms and conditions so that you can properly plan. For example, if you retire early, you will not be eligible for the full retirement benefit.

☐ Inventory Other Retirement Income Sources

Identify all other potential retirement income sources and note your estimated income from each. Sources can include: previous employer retirement plans, spouse's retirement assets, spouse's pension, rental income, part-time work income, etc. To make it simpler and less time-consuming to track your investments, consider consolidating them in one convenient place.

Step 4: Create Your Retirement Plan

☐ Plan and Strategize

Now that you've completed steps 1 through 3, you have a better idea of what you have and what you need to retire. You can now formulate a plan to help you meet your target. This may mean saving more, changing your investment strategy or working longer. Here is where you make an actionable plan towards achieving your goal.

Once you've created your retirement plan, you'll want to determine how you'll distribute income from your retirement plan account and other income sources. You want your income to last for your entire retirement — perhaps 30 years or longer. Start by matching your lifetime income (National Insurance payments, pension payments, etc.) to your necessary budget expenses (food, housing, utilities, etc.). Ideally, your lifetime income will match necessary expenses. More flexible income sources can fund discretionary expenses like travel, eating out, or shopping. If your income is less than your projected expenses, you may want to consider working another year or reducing your expenses.

Step 5: Put Your Wishes in Writing

☐ Trust and Estate Planning

Estate planning is not just for the wealthy; it can help ensure your dependents and heirs are taken care of financially upon your death. A will enables payment of final debts and expenses and the orderly distribution of assets at your death. Need help getting started? Our Trust and Estate planning team are available to guide you.

A durable power of attorney generally authorizes someone to act on your behalf for purposes of financial affairs during your lifetime. A health care power of attorney authorizes someone to make medical decisions on your behalf in the event of incapacity. Be sure to designate and update, as necessary.

Step 6: Activate Your Retirement Plan

☐ Contact your RF advisor

Please inform us of your plan to retire at least three months prior to your retirement date. This will allow you ample time to complete and return required forms.

☐ Activate Your Retirement Benefits and Other Investments

If you plan to receive benefits like National Insurance or plan to withdraw money from your investments, make sure you've done all the necessary paperwork to activate them. Activate your retirement budget including your defined pension income. You may want to schedule a meeting with your advisor to ensure all the necessary activities in your plan have been activated.

☐ Activate Your Health Coverage

Transition from your employer sponsored health plan and activate the plan you fund yourself. Make sure that you have registered for National Health Insurance (if this is part of your plan) before you transition so that there are no gaps in your coverage.

Congratulations!

These steps can help you transition smoothly and confidently into retirement.

Once a year, revisit your retirement plan to confirm that your income and expenses are aligned. You should also review your asset allocation, retirement income sources, and health coverage. Most of all, enjoy this phase of your life!