



Retirement

WHAT'S INSIDE:

- Five things you need to know before you retire
- The Retirement Diaries – Top saving tips for members of all ages
- *Are you ready?* Take our Checklist Challenge to find out

WILL YOU HAVE TO MAKE DIFFICULT CHOICES WHEN YOU RETIRE?



Make sure you have enough saved for life's essentials!

Retirement should be a time where you enjoy the important things in life, like spending time with your friends and family, not worrying about having enough money to cover your basic needs.

In this edition of the *Planning for Retirement* newsletter, we're focusing on making sure you're well-prepared for the future. Taking simple steps now will help you have the retirement you deserve.

FIVE THINGS YOU NEED TO KNOW

So you want to plan for your retirement, but it's difficult to know where to start. Here are five things you need to know to develop your personal plan. It's easier than you think!

SOUND FAMILIAR?



A recent Royal Bank of Canada survey had some interesting findings. Does this sound like you?

- Almost half of Canadians aged 55 and older say they are not on track with their retirement planning
- 46% said their number one concern was whether or not they will have enough money to retire
- 34% said having enough money to cover health-care costs was also a major fear

1 How much you will need to retire

A good place to start is with your yearly income as this is the amount of money you are living on today. Experts recommend having 60 - 80% of your annual income to live on when you retire, but it really depends on the lifestyle you want.

How to find out ▶

- Look at your spending habits and decide how much you think you will need
- Don't forget the cost of potential extras like post-retirement insurance and vacations

2 Where your money will come from

As well as your Church pension benefit you will be entitled to a pension from the government. You may also have other sources of income including retirement benefits from other jobs, or personal savings and investments.

How to find out ▶

- To estimate your Church pension, access the Retirement Planner (see #5 for instructions)
- To find out more about your government pension (C/QPP) and Old Age Security (OAS) benefits visit www.servicecanada.ca

3 When you will retire

It's important to know what your retirement date will mean for your pension payments. The normal retirement age for your Church pension is the first day of the month you reach 65. However, you can retire any time after age 55 with a reduced pension or you can qualify for an unreduced pension if you are at least age 60 with 95 points.

How to find out ▶

- Read the Church Pension Plan booklet
- Visit the *Retirement Planner* to see how your retirement date affects your pension benefit

4 If you need to save more

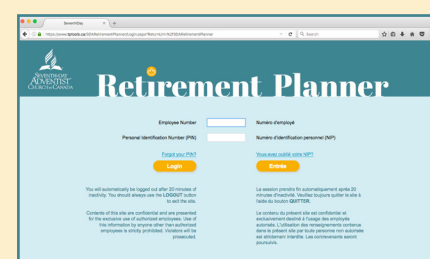
Is there a savings shortfall between the pension you have and the amount you will need? If you need to save more, there are great savings accounts available. A Registered Retirement Savings Plan (RRSP) or Tax-Free Savings Account (TFSA) can help you achieve your savings goals.

How to find out ▶

- Speak to a qualified financial advisor about your retirement goals and the best option for you – you can get a referral through the Financial Planning Standards Council

5 How to keep track of your Church pension

- Access the online Retirement Planner at <https://www.tptools.ca/SDARetirementPlanner>
- Log in using your employee number and PIN
- Forgot your access information? No problem, contact the Retirement Department at 905-433-0011



THE RETIREMENT DIARIES

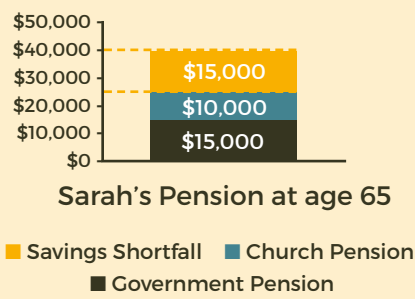
So what happens if there's a gap between the money you need and the money you are expecting to receive when you retire? Let's take a look at two typical Church Pension Plan members at different life stages who need to save more. It's never too early, or too late to take action.



SARAH

Age: 29
Income: \$52,000 a year
Retirement goal: \$40,000 a year

Sarah's savings shortfall ▶



Advice for Sarah

Sarah needs to add some personal savings to help her to reach her goal of having \$40,000 a year in retirement income.

RRSPs could be a great way for Sarah to save additional money as it provides a tax-free savings opportunity now. RRSP savings are only taxed after Sarah makes withdrawals.

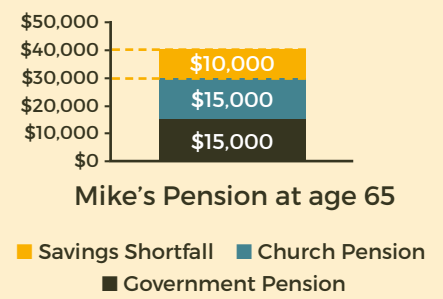
The earlier Sarah starts saving the less she has to save per month. For example, to save an extra \$100,000 by age 65 (assumes 3% annual rate of return), Sarah would need to put away **\$136** per month starting at age 30 or **\$715** per month at age 55.



MIKE

Age: 51
Income: \$60,000 a year
Retirement goal: \$40,000 a year

Mike's savings shortfall ▶



Advice for Mike

Mike needs to carefully consider the options available to him. These could include:

- Are his goals too ambitious? He may need to adjust his retirement expectations
- Increasing his savings. If Mike wants to stick to his planned retirement date every little bit counts
- Look for other sources of income to supplement his retirement savings
- Consider working past age 65 in order to have more time to prepare

Canada

Government Benefits

For information on the Canada Pension Plan, Old Age Security, the Canadian retirement income calculator and retirement planning visit:

<https://www.canada.ca/en/services/benefits/publicpensions.html>

RETIRE READY CHECKLIST CHALLENGE!

Being ready to retire just takes a bit of preparation. Complete these simple tasks that will put you on the right road towards retirement.

Start Now ▶

- Make a plan. Use our online Retirement Planner to stay on track
- Talk to a professional advisor if you need help to reach your goals
- Need to boost your savings? Start or maximize your RRSP or TFSA contributions
- Your health is your wealth, so exercise and take care of your diet, and general wellbeing

5-10 Years To Retirement ▶

- Reduce or eliminate all debts
- Check or update your beneficiaries on all retirement accounts

1 Year To Retirement ▶

- Contact the Retirement Department at least 90 days before you retire
- Wrap up your work commitments, and enjoy!

NEXT ISSUE

Be sure to let us know if there's a topic you'd like us to cover and we'll try our best to include your suggestions in future issues.



TELL US WHAT YOU THINK!

If you have any questions, comments or suggestions about this newsletter, please don't hesitate to contact the Retirement Department:

- Marilyn Pazitka, Director – 905-433-0011, ext. 2071 or pazitka.marilyn@adventist.ca
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WE APPRECIATE YOUR FEEDBACK!