

YOUR RETIREMENT-READY CHECKLIST



There's a surprising amount to be done when you're approaching retirement. This checklist can help you feel sure you've got all the tasks taken care of...whether your retirement date is still a few years away, or just around the corner.

THREE TO FIVE YEARS BEFORE YOU RETIRE

1. Start your wellness plan.

- Think about and record activities you're interested in that support each of the six factors in wellness: physical, emotional, intellectual, social, environmental, and spiritual.

2. Do a financial check-up.

- Record your spending habits and consider how they will change in retirement.
 - The *Annual Expenses and Retirement Income Worksheet* will help. A similar sheet is available online at [myretirementcafe.ca](https://www.sunlife.ca/myretirementcafe).
 - Eliminate or reduce debt. See the sidebar for more information on this step.
- List your sources of retirement income and the amount of income from each.
 - The *Annual Expenses and Retirement Income Worksheet* will help. Remember to include all sources of income (government benefits, employer-sponsored plans, personal savings, etc.).
- Complete online or paper retirement planning tools, such as:
 - Sun Life Financial's Retirement planner at [mysunlife.ca](https://www.sunlife.ca/mysunlife).
 - Sun Life Financial's [myretirementcafe.ca](https://www.sunlife.ca/myretirementcafe).
 - Employer-specific retirement planner, if one is available.
- If you don't already have one, work with a qualified advisor or financial planner to put a financial plan in place.

Making debt disappear

While you can't wave a magic wand to make debt disappear, it's uncanny how a focused effort to reduce debt works. And it pays to make it a priority, as the debt you currently carry as an income-earner may prove to be less affordable during retirement.

Tackle the debt with the highest interest rate first – for example, credit card balances. If you don't have the money to pay a lump sum, increasing your monthly payments can make a significant difference.

Whatever the cause of your debt, aim for as clean a slate as possible when you retire. Without that steady pay-cheque, you may need more of your savings for day-to-day living than you realize.

(See the **Resources** section of this checklist to find these resources.)

Are you on track?

Yes – I'm right where I thought I'd be.

I've saved more than I expected.

No; what do I do?

Great. Move on to Step 3, below.

Excellent. Move to Step 3, below, but make a note to consider any tax implications of extra savings.

Don't panic. Before you move on to Step 3:

Work through the Retirement planner on mysunlife.ca.

Meet with your financial planner
OR
Set up a meeting with a Sun Life Advisor.

Not on track? What next?

If you just cannot save more, here are some alternatives:

- Adjust your planned retirement lifestyle.
- Retire later. Try the Retirement planner with a later retirement date and check the difference.
- Ease into retirement by working part-time. This can help with your income worries and adjusting to a new lifestyle too.
- Consider collecting government benefits later. Canada Pension Plan is available as early as age 60, but at a reduced amount.
- Consider using the equity from your home to help fund your retirement if you're "house rich and cash poor". You may choose to downsize or look into a home equity loan.

Before doing anything, please be sure to seek out good advice and understand all the consequences and costs.

3. Ensure you have an estate plan in place.

- Designate beneficiaries for registered plans and insurance policies:
 - This allows your assets to bypass your estate and be transferred immediately to your beneficiary, rather than waiting for your will to be probated.
- Prepare a will. It may include directions on:
 - Your principal residence.
 - Leaving assets for your loved ones.
 - Paying taxes.
- Complete a directive or a power of attorney (known as a living will in Quebec). There are two types:
 - A financial power of attorney names someone to handle your financial affairs if you are unable to, while you are alive.
 - A medical power of attorney authorizes someone you name to make decisions regarding your medical treatment if you are unable to.
- Consider the liabilities on your estate:
 - Factor in taxes whether through life insurance, cash on hand or assets that can easily be used to make sure you have enough to cover taxes and other costs of settling your estate.
- Specify your final wishes:
 - Doing this, even informally, can save your family a lot of stress and worry at a difficult time. So let those close to you know what you want in terms of your final arrangements, either in your will, power of attorney, or in a separate document.
- Do it right:
 - Your estate may not be complicated, but there can be many pitfalls in the planning process. Be sure to discuss your estate plans with a lawyer or other professional advisor.

What if...?

Even the best-made plans sometimes go wrong. This is a good time to review your insurance portfolio and consider other types of coverage.

- Life insurance may seem to be less important close to retirement, as most of the things we needed to protect have generally been taken care of. However, many of the assets you have accumulated in life may become taxable in death, so don't cancel those policies until you have completed your estate plan to protect the size of your estate.
- Critical illness and long-term care are the costs that have the most impact on a retirement fund. Either can require you to draw from your retirement savings and leave you with less income for the rest of your retirement.

SIX TO TWELVE MONTHS BEFORE YOU RETIRE

1. Make sure your savings are still on track.

- List where your retirement income will come from, and how much you will receive from each savings source.
- Record your spending habits, and consider how they will change in retirement.
- Use online or paper retirement planning tools.
- Revise your financial plan if necessary.

See Page 1 for more details and resources for these steps.

2. Set your retirement date.

- Talk to your HR department; depending on your plan, you may have some choice on the date, or it may be less flexible.
- Think about when you will need to start using your savings as income and ask if it can stay in the plan until you need it, or if you need to:
 - Transfer it to Sun Life Financial or another institution, to continue saving.
 - Start an annuity.
 - Convert it to a Life Income Fund (LIF), Registered Retirement Income Fund (RRIF), or other similar product that may apply.

DID YOU KNOW?

If you currently have a retirement plan with Sun Life Financial, you can convert your medical/dental benefits to Sun Life Financial within three to six months of leaving your plan.

What other options are there? Check with a Sun Life Benefits Specialist at **1-866-224-3906** (choose option 1) or with your advisor.

3. Think about health benefits during retirement.

- Ask your HR department or your benefits provider if you can extend your workplace benefits into retirement benefits.
- Talk to a professional about other kinds of insurance you may need: critical illness or long-term care for example.

4. Consider starting your paperwork for your government benefits.

Visit servicecanada.gc.ca for information about:

- Canada Pension Plan (CPP); (Quebec Pension Plan information is available at rrq.gouv.gc.ca.)
- Old Age Security (OAS).
- Guaranteed Income Supplement (GIS).

Consider whether you want to start receiving this income now, or wait until later to increase the payments; don't forget it is generally taxable income. If you want to start receiving benefits at retirement, here are some key points to consider:

- CPP: You must be 60 years or older to receive this benefit; apply at least six months in advance.
 - QPP: You must be 60 years or older to receive this benefit; apply a few months in advance.
 - OAS and GIS: You must be 65 years or older to receive this benefit*; apply six months in advance.
- * Note: OAS/GIS changes impact anyone born on or after April 1, 1958.

DURING RETIREMENT

1. Manage your retirement plan.

- Decide whether you want to be responsible for making decisions about your retirement savings or if you'd rather transfer that responsibility to an advisor. Even though you've retired, you still need to monitor your accounts as economies, lifestyles and costs change.

RESOURCES

You may wish to contact...	How to get in touch...	Find out about...
Government of Canada	servicecanada.gc.ca T: 1-800-277-9914 (English) 1-800-277-9915 (French) 1-800-255-4786 (TTY)	Canada Pension Plan (CPP) Old Age Security (OAS) Guaranteed Income Supplement (GIS) Request a statement of contributions, helping you see how much income you'll receive from government sources.
	hc-sc.gc.ca	Canadian health-related news, including Canada's Food Guide.
Government of Quebec	rrq.gouv.gc.ca	Quebec Pension Plan (QPP). Request a statement of participation, helping you see how much income you'll receive from Quebec Pension Plan.
Sun Life Financial	myretirementcafe.ca	Online retirement planning information and calculators to help you determine your retirement expenses and income.
	mysunlife.ca You will need your access ID and password	Online retirement planning tools <ul style="list-style-type: none"> • Retirement planner • Investment risk profiler • Pre-retirement calculators • Webcasts to help you determine if you're on track, make decisions, and understand your income needs, government benefits and retirement income products.
	brighterlife.ca	Informative articles on money, health and family, including a section devoted to retirement topics.
	my money @ a glance	Our member newsletter helps you plan and save. To subscribe, sign into mysunlife.ca . From my financial centre , choose Retiring soon from the Requests menu. Select my money @ a glance then Subscribe to our RSS feeds .
	healthinsuranceincanada.ca T: 1-866-224-3906 (option 1) Any business day from 8 A.M. to 6 P.M. ET	Health benefits and retirement savings and income products.
Financial Planning Standards Council	FPSC.ca	Find a financial planner and see resources about financial planning.
Canadian Association of Retired Persons (CARP)	CARP.ca	Information, issues and quality of life articles for Canadians over age 50.