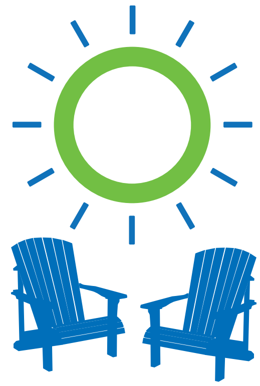
Planning for Your Retirement



Introduction

Most of us can look forward to spending at least one-quarter of our lives in retirement, thanks to improved standards of living, advances in medical care, and trends toward early retirement – either voluntary or forced. Making the most of those years calls for thoughtful planning well ahead of the retirement day. Financial matters, as well as decisions regarding lifestyle, must be considered to ensure that you make a successful rather than stressful transition to retirement.

When to Start Planning

It's never too early to start planning for your retirement. The sooner you start, the more choices are open to you and the more flexibility you have in making adjustments to reach your eventual goal. Ideally, you should start planning your retirement finances in your 20s or early 30s and be fully involved in carrying out a well thought-out plan by your early 40s.

Planning for your retirement years is as important as planning your finances. Developing leisure interests and activities early in life will lay a good foundation for meaningful, stimulating retirement years.

How to Begin Planning

There are three basic areas to consider in planning for retirement:

- Your finances, including your needs, and resources such as savings, investments, and pension income;
- Your proposed retirement age; and
- Your personal goals and planning activities for retirement.

Personal values affect these considerations, so planning should be a family matter.

To help you through the planning process, your credit union offers this booklet. Whether you're fast approaching retirement, or whether you're starting now on a long-term plan for your future, you'll find useful information and advice here.

Use of the Term "Spouse"

Throughout this booklet, the term "spouse" includes other individuals who have been given similar rights under the applicable legislation.

Determining Your Financial Needs

Considerable energy and effort goes into developing a social "safety net" for retired people in Canada. Governments provide publicly funded pensions, set standards for private pension plans, and offer tax incentives for pension saving. Employers design and fund employee pension plans. A whole financial planning industry is available to provide advice and services.

Nevertheless, it's up to you to provide for your own financial security by setting your long-term retirement goals and developing a plan for achieving them.

The first step in any plan is determining where you are and where you want to be. This means analyzing your present financial position and projecting it to the time in the future when you want to retire.

As part of your plan, you must determine your needs during retirement, considering such things as your spending habits, whether you'll own or rent your home, and how much of a reserve you'll want for unexpected expenses.

Retirement Income

Sources of Retirement Income	**Estimated Monthly Retirement Income**
Your employer's pension payment	$
Your Canada Pension Plan	$
Your Old Age Security	$
Your Guaranteed Income Supplement	$
Your RRSP income	$
Profit-sharing fund payout	$
Any earned income in retirement, salary expected	$
Rental income (net)	$
Any other fees, payments for services	$
Disability and/or endowment/ insurance payments	$
Business or real estate income	$
Savings account interest	$
Canada Savings Bond interest	$
Term deposits, guaranteed investment certificate interest	$
Tax-Free Savings Accounts (TFSA)*	$
Income from stocks, bonds, mutual funds, etc.	$
Investment income from any expected inheritance	$
Other net worth property, investments, which you expect to create income	$
Other income sources: alimony, social welfare, disability insurance, employment insurance	$
Spousal Income (if applicable):	
Employer's pension payment	$
Canada Pension Plan	$
Old Age Security	$
Guaranteed Income Supplement	$
RRSP income	$
Total Expected Monthly Income	$

* The TFSA is another tax sheltered product for investment earnings and gains. Unlike RRSPs, withdrawals of contributions and income/gains are not taxable. TFSAs have been available since 2009. Contact your Credit Union for additional information on this registered product.

Retirement Income Expenses

Estimate Your Monthly Cost of Living

	Need Now		Need in Retirement	
	$ Monthly	$ Annually	$ Monthly	$ Annually
Budget Need: (excluding savings and income taxes)				
Food: (including meals out)				
Housing: (utilities, rent/ mortgage, furnishings, property taxes, maintenance, homeowner's insurance)				
Transportation: (gasoline, auto insurance, licence, maintenance, public transportation)				
Clothing & Personal Care: (dry cleaning, cosmetics, toiletries)				
Medical Care: (drugs, dental, health insurance, other medical expenses)				
Entertainment: (recreation, books, magazines)				
Other Items: (gifts, donations, life insurance)				
Total Expenses				

Strategies for Saving

Without a specific savings strategy, most people find it difficult to save. The trick is to build saving into your budget, rather than leaving it as an afterthought. If the cash has a way of disappearing before it reaches your savings account, try a payroll savings plan so that the money can't take a detour. Make sure you're realistic about your savings budget – if you aim too high, you'll soon find your good intentions are unworkable.

You can earn the best return on your money by following a few basic techniques:

- Channel all idle money into a savings account that will earn interest, even if only for a few days or weeks. For example, if you make monthly mortgage and car loan payments, keep the funds in a daily interest savings account and transfer them to chequing just before your payments are due (check first to make sure transfer costs don't apply). Or use a chequing savings account.
- Transfer savings that won't immediately be needed from your regular savings account into higher-paying term deposits or a high interest savings account. To cover yourself in emergencies, stagger the maturity dates of the term deposits so that one is always coming due shortly.

The cornerstone of many retirement savings strategies is to put your savings into a registered retirement savings plan (RRSP).

RRSPs are designed specifically to help you save for your retirement. Qualifying contributions made to an RRSP can be claimed as a tax deduction. No tax is paid on the interest and other income earned from these contributions until the funds are withdrawn. At retirement, the funds held in your RRSP can be converted to your own personal pension. This pension can take the form of a Registered Retirement Income Fund, Life Annuity or Term Certain Annuity. For further information about RRSPs, refer to the credit union booklet: *Understanding RRSPs.*

Another helpful savings vehicle is the Tax-Free Savings Account (TFSA). This registered product has been available since 2009. Unlike RRSPs, the contribution limit is not tied to your income and the contributions are not tax deductible. Interest and other income earned on the contributions accumulate tax-sheltered. A withdrawal of contributions and/or income is not taxable. For further information, contact your credit union or refer to the credit union leaflet: *Understanding TFSAs.*

Savings ultimately are not only a source of financial security, they also earn income for you. The following chart demonstrates the amount of savings that you need to accumulate to produce a specific monthly income at various rates of interest. For example, to earn $200 per month when interest rates are 4% requires $60,000 of savings.

Annual Interest Rate	**Monthly Income Earned**				
%	$100	$200	$350	$500	$1000
	Required Savings and Investments (In Thousands)				
3.00%	40.00	80.00	140.00	200.00	400.00
3.25%	36.92	73.85	129.23	184.62	369.23
3.50%	34.29	68.57	120.00	171.43	342.86
3.75%	32.00	64.00	112.00	160.00	320.00
4.00%	30.00	60.00	105.00	150.00	300.00
4.25%	28.24	56.47	98.82	141.18	282.35
4.50%	26.67	53.33	93.33	133.33	266.67
4.75%	25.26	50.53	88.42	126.32	252.63
5.00%	24.00	48.00	84.00	120.00	240.00
5.25%	22.86	45.71	80.00	114.29	228.57
5.50%	21.82	43.64	76.36	109.09	218.18
5.75%	20.87	41.74	73.04	104.35	208.70
6.00%	20.00	40.00	70.00	100.00	200.00
6.25%	19.20	38.40	67.20	96.00	192.00
6.50%	18.46	36.92	64.62	92.31	184.62
6.75%	17.78	35.56	62.22	88.89	177.78
7.00%	17.14	34.29	60.00	85.71	171.43
7.25%	16.55	33.10	57.93	82.76	165.52
7.50%	16.00	32.00	56.00	80.00	160.00
7.75%	15.48	30.97	54.19	77.42	154.84
8.00%	15.00	30.00	52.50	75.00	150.00
8.25%	14.55	29.09	50.91	72.73	145.45
8.50%	14.12	28.24	49.41	70.59	141.18
8.75%	13.71	27.43	48.00	68.57	137.14
9.00%	13.33	26.67	46.67	66.67	133.33
9.25%	12.97	25.95	45.41	64.86	129.73
9.50%	12.63	25.26	44.21	63.16	126.32
9.75%	12.31	24.62	43.08	61.54	123.08
10.00%	12.00	24.00	42.00	60.00	120.00
10.25%	11.71	23.41	40.98	58.54	117.07
10.50%	11.43	22.86	40.00	57.14	114.29
10.75%	11.16	22.33	39.07	55.81	111.63

Investing for Profit

Successfully investing your savings takes thought. Do it in a hit-or-miss way and you'll end up with a mismatch of securities that has no relation to your objectives. A well-planned approach to investing, on the other hand, can be a profitable way to provide for your retirement.

Fundamental steps to success include:

Diversify

Don't put all your savings in one type of investment. While fixed term investments such as term deposits, guaranteed investment certificates (GICs), Canada Savings Bonds or provincial savings bonds will give you a guaranteed rate of return, their value will be eroded by inflation. It is desirable to have a portion of your portfolio in investments that increase in value, such as mutual funds or stocks.

For the small investor, mutual funds are the simplest way to diversify. They generally increase in value over time, but are not a method of getting rich quick. Because they may decrease in value on a temporary or permanent basis, people usually invest only a portion of their savings in mutual funds.

Learn the Risks Involved

Every investment entails some degree of risk. Ask questions before you invest.

Deposits at your credit union are covered by deposit insurance to varying degrees. Canada Savings Bonds are guaranteed by the government of Canada. Other bond values can fluctuate considerably with interest rate changes.

Real estate has been a profitable investment in many parts of the country. But property values can be affected by factors beyond your control – mortgage rates, local business conditions, re-zoning, etc. Adding to its appeal is the fact that increases in value are considered capital gains, qualifying for favourable income tax treatment.

Shares and equity mutual funds offer the best opportunity for long-term growth because there's no limit to their future value or earnings. However, these investments carry more risk, and there are no guarantees.

Match Your Investments to Your Objectives

Your investment strategy will change with your circumstances. When saving for a downpayment on a home, for university expenses only or a vacation, most people will use term deposits or bonds that will keep their money safe and mature when needed.

Time Your Investments

Interest rates rise and fall over time. You don't want all of your term deposits to mature at once, in case that is at a time when interest rates are low. Choose a variety of terms (one to five years) and maturity dates.

Public Pension Plans

A number of government programs provide retirement income. Specific provisions of these programs are subject to change – for more information, check the related Government of Canada website at http://www.esdc.gc.ca/eng/retirement/index.shtml.

Canada Pension Plan (CPP)

Everyone employed or self-employed in Canada is required to make contributions to the CPP. Retirement benefits are provided by the plan if you have made contributions for at least one year. The amount of your pension depends on your income level while contributing to CPP, the number of years you contributed and your age when you started your pension contributions. The benefits are indexed annually based on the federal cost of living index.

At age 65 you will be eligible to receive full CPP payments, but you can apply to receive CPP as early as age 60 with a reduction, or opt to delay payments until age 70 to increase the amount.

If you begin CPP payments prior to age 65 the payment amount will be reduced each month. An individual who begins payment as early as age 60 will receive 36% less than if they applied at age 65.

If you delay your CPP until after age 65, the monthly payment will be increased by 0.7% for each month delayed up to age 70. An individual who starts receiving pension at age 70 will receive 42% more than if they had taken it at age 65.

CPP also pays survivor benefits to your estate, spouse and dependent children, as well as benefits to you and your dependent children if you are disabled.

You must apply to receive benefits. It is important to note that you will want to submit your application several months in advance, as retroactive payments will not be made.

Old Age Security (OAS)

People 65 and over who are eligible under residence requirements also receive a monthly pension from the federal government. The amount is adjusted quarterly, in January, April, July and October, based on the federal cost of living index. One month after you turn 64 you will receive a letter from Service Canada advising you of automatic enrollment or a requirement to complete an application.

The 2018 annual amount is approximately $7,160.04 (July 2018 maximum monthly payment $596.67). An individual with net income above $75,910 must repay part or all of the maximum OAS amount. The repayment amounts are normally deducted from the monthly payments before it is issued. The full OAS is eliminated when an individual's net income is $123,302 or above.

You may choose to defer receiving your OAS for up to 60 months after the date you become eligible. Delaying payments will increase the monthly amount by 0.6% for every month delayed to a maximum of 36% at age 70. However, if you do choose to defer your OAS Pension you will not be eligible for the Guaranteed Income Supplement and your spouse or common-law partner will not be eligible for the Allowance benefit for the period you are delaying your OAS pension.

Guaranteed Income Supplement (GIS)

If you are 65 or over, have a low income, and live in Canada, you are eligible for GIS. This supplement is adjusted quarterly based on the federal cost of living index, but benefits do not decrease if the index drops. You must apply in writing for the GIS by completing the application and submitting the required documentation.

OAS Spouse's Allowance

An OAS pensioner's spouse may be eligible for a Spouse's Allowance if the spouse is between the ages of 60 and 65 years of age and meets OAS residence requirements. The amount is based on the combined monthly income of the couple. If your spouse is between the ages of 59 1/2 and 65, and wants to apply, they must submit their application in writing along with required supporting documentation.

Provincial Government Programs

Additional retirement supplements are available from provincial governments. These vary from province to province – ask your provincial government information centre for more information.

Private Pension Plans

Private pension plans – usually called registered pension plans – are established by employers for their employees. Registered pension plans take the form of either money purchase plans or defined benefit plans. Each has its own advantages and disadvantages you should be aware of in making decisions about your retirement.

Defined Contribution Plans

Defined Contribution plans (sometimes called money purchase plans) link pension benefits to contributions made to the plan during your employment. The contributions, together with accumulated earnings, are used to purchase a pension for you at retirement. The size of the pension will depend on the amount of money in your fund at retirement and the annuity yields available at the time.

The pension contributions are usually calculated as a percentage of earnings and are paid by you and your employer or sometimes by your employer alone.

Defined Benefit Plan

A defined benefit plan links pension benefits to earnings during specific years of service. For example, your annual pension might be equal to 2% of your average annual earnings during your last five years of service, multiplied by your total years of service. Or it could be the average of your highest years of earnings. An actuary estimates the level of contributions by employer and employee needed to fund the benefits. Any shortfall in the fund over the years must be made up by the employer.

Key Details about Registered Pension Plans

It's important to be aware of certain details about the pension plan where you work, so you can make informed decisions in planning your retirement. Things to consider are:

Vesting. Employer's contributions are vested in an employee when they belong to the employee and can't be retracted by the employer. If the employee leaves the company before full vesting, he or she loses part or all of the employer's contributions. Vesting occurs over or after a certain time period; an increasing number of plans provide for full vesting after two years, regardless of age.

Locking in. Pension funds are locked in; an employee cannot withdraw them for any other use.

Portability. A pension is portable if vested contributions can be transferred to a new plan when an employee leaves the job before retirement. In this case there are three main alternatives: transfer to the new employer's plan, transfer to a registered retirement savings plan (part or all may be locked in), or leave the funds in the old plan to provide a pension on retirement.

Spouse's Benefits. A pension plan should continue payments to the spouse after an employee's death. Many plans pay the survivor at least 60% of the deceased's entitlement.

Early Retirement. Many plans provide for pension benefits starting as early as 55, but at a reduced level, because they are made over a longer time period.

Adjustments for Inflation. High inflation rates in the early 1980's seriously eroded many pensions. Ideally, a pension plan provides benefit adjustments to compensate for inflation. Otherwise, the employer may or may not make voluntary increases in pensions to compensate for inflation.

Deferred Profit-Sharing Plans

Deferred profit-sharing plans (DPSPs) are similar in many ways to registered pension plans. However, because the employer's contributions are based on company profits, no contributions need to be made in a loss year.

Employer contributions are limited to the lesser of 18% of employees current year compensation or half the money purchase limit of $26,500 for 2018.

Amounts received from a DPSP must be included in your taxable income. Installment payments are to begin no later than age 71, but may be as early as 69 depending on your plan. Refer to your specific plan document for the exact age deadline. The payments may continue to be tax sheltered with a transfer to an RRSP or with the purchase of an annuity.

Personal Pension Plans – RRSPs and More

Because you make the decisions regarding them, personal pension plans – based on savings, registered retirement savings plans, or sometimes life insurance – give you the most flexibility in planning for your retirement.

Registered Retirement Savings Plans (RRSPs) are one of the most popular personal plans. Contributions to your RRSP are tax deductible to allowable limits and the plan's earnings are tax-sheltered. You pay tax only when you withdraw funds from the RRSP – often at a lower tax rate after retirement.

You may have any number of RRSPs, but your total deductible contributions can't exceed specific limits based on income, as set by government regulations. You may also be able to make contributions to a plan for your spouse, which can help reduce the family income tax in your retirement years.

RRSP Maturity Options

Your RRSPs must mature before December 31 of the year in which you reach age 71. This means you must make some arrangements by that date for your RRSP funds to convert to retirement income.

Retirement income options include:

- Transferring the RRSP funds to one or more Registered Retirement Income Funds (RRIFs).
- Buying a Term Certain Annuity to age 90 (TCA 90) (also called Fixed Term Annuity – FTA).
- Buying a life annuity.

Or any combination of the above.

If you don't choose one of these retirement income options, you have the alternative of withdrawing your funds in lump-sum amounts. These withdrawals will be subject to immediate taxation at the applicable rates.

You don't have to have your RRIF or annuity with the same institution as your RRSP – shop around for the best rates and options.

Registered Retirement Income Funds (RRIFs)

RRIF payments are based on a schedule of your choice. Payments from a RRIF can continue throughout your or your spouse's lifetime.

A RRIF is flexible enough that you can have the payments made for a specific payment amount (e.g. $400 per month) or paid over a specific period of time (e.g. all payments made over 10 years).

Regardless of which payment option you choose at first, the schedule and amount may be altered to meet your changing needs in retirement. However, you must receive a legislated "annual minimum amount", calculated as a percentage of the RRIF balance at the beginning of the year. The formula for calculating the annual minimum amount can be based on your spouse's age. For example, if your spouse is younger, the amount will be smaller than if the payment was calculated based on your age.

RRIFs are the most popular choice today for people whose RRSPs are maturing.

- You control your payment schedule.
- You control the investment of your RRIF funds, with the option of placing your funds in fixed-term investments, variable accounts, mutual funds or self-directed RRIFs.
- A RRIF allows you to react to unexpected expenses that you can't meet with your other sources of income. In addition to your regular payments, you can also withdraw lump sums from your RRIF to deal with emergencies.
- The balance in your RRIF is paid to your estate or beneficiary when you die, or the contract can continue in your spouse's name.
- Subject to the terms of your RRIF investments, you can convert all or part of your RRIF to an annuity.
- Depending on the type of investment you select, your RRIF may be covered by deposit insurance. Prior to setting up a RRIF with any financial institution, be sure to inquire about their deposit insurance coverage for RRIFs.

Term Certain Annuities to Age 90 (TCA 90)

A TCA 90 provides income to age 90. Generally, payments are made in equal amounts, but you can also choose a variable rate annuity, in which the payments may change with interest rates. As with a RRIF, you can base the annuity's term on the age of a younger spouse.

Depending on the terms of your annuity, if your needs change, you may be able to cash in your annuity before age 90, although a substantial cost is usually involved. Tax is payable if you die before age 90, the remaining principal balance (subject to withholding taxes) is paid to your heirs, or payments can continue to your surviving spouse.

Life Annuities

A life annuity provides income until you die, in amounts based on average life expectancy and interest rates at the time of purchase. Unless otherwise specified, no payments are made to your heirs. However, you may be able to cash in your life annuity before your death, depending on the contract's terms. As with term certain annuities, this move usually involves a substantial cost and you must pay tax on the cash you receive, unless you transfer it to a RRIF.

Life annuities can only be issued by life insurance companies, but can be arranged through most insurance agencies.

You can choose from a number of forms of life annuity, plus a number of options. Choices include:

Single Life. A single life annuity provides payments for your life only.

Joint and Last Survivor. These annuities make payments during the lifetimes of two people (for annuities purchased with RRSP funds they must be spouses). Payments continue until the death of the second person.

Guaranteed Term. Ensures payments for a specific period of time (usually 10 or 15 years). If you die within the guaranteed term, the cash value at that time of the remaining guaranteed payments will go to the designated beneficiary or your estate. The longer the guarantee period, the lower the annuity payments.

Indexed. Indexed life annuities provide an increase from 1% to 4% in the payments each year. The payments in the early years are much lower than a normal life annuity. Annuities linked to the consumer price index are rare because they are prohibitively expensive.

Life Income Funds (LIFs), Restricted Life Income Funds (RLIFs), Locked-in Retirement Income Funds (LRIFs), and Prescribed RRIFs

If your RRSP is a Locked-in RRSP or Locked-in Retirement Account (LIRA), it contains money transferred from a registered pension plan and may not be accessed under normal circumstances, until retirement.

Upon retirement your lock-in savings can be transferred to a retirement income option to receive income; however, funds must remain locked-in. There are provincial and federal jurisdictions governing locked-in funds.

Under the *Federal Pension Benefits Standards Act, 1985* (PBSA, 1985) pension jurisdiction, a Locked-in RRSP is transferable to a Life Income Fund (LIF) or a Restricted Life Income Fund (RLIF). The RLIF functions like a LIF; however, the RLIF provides a one- time 50% unlocking option.

The Prescribed RRIF is available under Saskatchewan and Manitoba pension legislation. In Saskatchewan there are no maximum payment or conversion restrictions for this option. On the other hand, in Manitoba the Prescribed RRIF permits a "one time" transfer of up to 50% of an MB LIF or RPP to a Prescribed RRIF; subject to pre-approval from the Manitoba Superintendent of Pensions.

Some Tax Considerations

RRSPs, RRIFs, LIRAs, Locked-in RRSPs, RLSPs, LIFs, RLIFs, LRIFs, Prescribed RRIFs and annuities all act as a form of tax shelter, in that you only pay tax on amounts withdrawn from the plans – usually at a lower rate as you generally have less income once you retire.

There are additional ways you can reduce income tax–either during your prime earning years (which can add to your savings for retirement), or in your actual retirement years.

- Consider making a $2,000 over contribution to your RRSP.
- Contribute to a spousal RRSP.
- Pay your spouse a salary if you own a business.
- Some opportunities exist for income splitting and pension sharing opportunities between spouses.
- Claim medical expenses.
- Diversify with a TFSA.

The largest single investment for most people is a home. It is also a tax shelter because any gain realized when it is sold is tax-free.

Remember that the only definitive authority on the subject of taxes is the Income Tax Act and its regulations. For complete information, contact your District Taxation Office.

Checklist	**Yes**	**No**
Have you determined what additional government pension benefits you can expect when you retire?		
Have you visited your employer's pension benefit supervisor to find out how much pension you can expect, and what choices are available to you?		
Did you ask if there are any special conditions regarding heirs?		
Have you worked out a simple but complete picture of your assets and liabilities?		
Do you know what you own and what you owe?		
Are you making the best use of services available to you through your credit union?		
Have you discussed your retirement with your credit union manager or retirement planning specialist?		

When to Retire

A sound financial plan for your retirement must take into account the age at which you'll retire. This defines the number of years you'll be able to accumulate assets and contribute to retirement plans, as well as the length of time you'll draw on these for retirement income.

In the past, 65 has been the usual retirement age, but people today are taking a more flexible approach. Some are preparing for earlier retirement, while others are continuing to work as long as possible. (Some employers have mandatory retirement ages – check your own situation.)

In determining your retirement age and date, consider the following questions:

Projections	**Date/Year**
When will your children finish their schooling?	
When will your mortgage be paid off?	
When will you know what you want to do in retirement?	
When can you get the maximum amount from your accumulated RRSPs?	
When will you become eligible for Canada Pension Plan and Old Age Security payments?	
For how long are you likely to enjoy good health?	
When are you eligible for retirement income from your employee pension plan?	

Planning for Retirement Living

Where to Live

Your own home is one of the best investments you can make during your working life. Secure, satisfactory housing at a reasonable cost plays a large part in your financial security in retirement.

In deciding whether to continue in your existing home, you should ask yourselves these questions:

- Will you be spending more time at home after retirement; will your current home suit this lifestyle?
- Will you be able to meet existing home costs – taxes, insurance, maintenance and any mortgage payments – with your retirement income, or would a smaller, less expensive home be more practical?
- Should you sell your current home and buy a less expensive one or will you have more cash to meet your wants and needs during retirement?
- Is the size of your existing home suitable? Extra space can be helpful when a husband and wife are both at home most of the time – each can have a separate retreat for hobbies, etc.
- Is the layout of your existing home suitable? Are there too many stairs, for example?
- Are you willing to devote time and money to maintain your home and garden, or would you rather live somewhere with less responsibility?
- Are repairs and maintenance needed that should be handled before you retire on a reduced income?
- Are you located close enough to family and friends, activities that interest you, hospital and medical care, shops, and transportation?

If You are Thinking of Moving, Consider These Points:

- Ask yourself the same questions about a new home that you asked about your existing home (as set out above).
- If you're going to move, you should consider doing it before retirement, to give yourself time to adapt to the change.
- Be careful about moving to a different type of housing. If you're used to a larger house and garden, an apartment may be too confining for you. Talk to people who have lived in the type of housing you are considering. Try renting before you buy.
- Be careful about moving to a distant or remote location. Living permanently somewhere is different from going there on a holiday – the weather may not be as nice year-round or facilities may only be seasonal. Give special thought to the nearness of family, friends, health care, shopping, entertainment and recreation.

Retirement Activities

While you're working, your job provides you with activities, challenges, and interaction with others. After you retire, you'll need other interests to provide a meaningful focus on your life and energies.

To prepare for this change, you should begin planning your retirement activities and involvements well before you retire. In fact, it's wise to begin participating in some of these before you actually leave work, to give your life continuity.

Some Suggestions for Planning Your Retirement Activities Include:

- Maintain close family relationships, while keeping them in balance. Look after your grandchildren if you enjoy doing it, for example. But don't hesitate to set limits to the time you're willing to devote to helping your family.
- If you're married, consider developing some separate activities and interests – too much time together can sometimes lead to problems. On the other hand, you should share household tasks and be prepared for the time when one of you may have to manage on your own. Both of you should be able to cook and handle finances, for example.
- Use your existing skills and knowledge. Many organizations need volunteers where your abilities can make a real contribution.
- Gain new skills and knowledge. Adult education courses on a tremendous variety of topics are available from both public and private organizations, often at a very low cost for retirees.

- Join organizations of people interested in the same subjects as you.
- Read for entertainment and information. Libraries have a wealth of books and other materials available at little or no cost.
- Keep up-to-date on current events. This will help you remain an active member of your community.
- Have regular holidays. They're not just a rest from your activities – they're healthy breaks from regular routines and surroundings.
- Take a part-time job. You may find the activity you need in part-time work, rather than by searching for some new interest. The extra income may also help, but look for enjoyment and satisfaction first.
- Start your own business. Research the field and obtain sound advice first – lack of planning causes most small business failure. Remember too, that running a business can be demanding financially, physically, mentally and emotionally.

Whatever you plan for your retirement living, make your motto "I'll do it now", not "One of these days, I'll…".

With a realistic plan prepared well in advance, you'll find your retirement years a happy, fulfilling time of life. Enjoy them.

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