

ScotiaMcLeod Insights

Strategies for your financial success

Retirement on Your Mind?

For many people, the very word "retirement" invokes visions of traveling the world or spending sun-soaked afternoons relaxing on a tropical beach. Realistically however, *transitioning* from the daily routine of your career to what could be viewed as a 30-year long weekend is a foreign and sometimes disconcerting reality. Gaining a clear understanding of the financial implications of such a dramatic shift in your lifestyle, let alone the many important decisions which will need to be made down the road is fundamental in realizing your retirement vision.

Transitioning into (and through) Retirement

The notion of retirement planning has evolved over the years to include family issues, legacy concerns, health and emotional challenges and various other topics of a more personal nature; all of which transcend the usual deliberations on the more familiar financial and investment themes. Planning should always be viewed as a *process; one which serves to identify potential pitfalls; which left unchecked could prove to be an impediment to achieving your lifestyle goals.* When considering your retirement goals ahead, begin by asking yourself the following questions:

- Do I have clear vision of what retirement will look like?
- Am I following the principles of healthy aging?
- Is my life full of sustaining and supportive relationships?
- Will *work* continue to be part of my retirement vision?
- Do I follow a balanced approach to leisure activities?
- Are there considerations which might affect where you live?
- Have I achieved *financial comfort*?

Early Retirement; Ready or not?

Your decision to leave the workforce can sometimes be motivated, *even expedited* by an offer of an optional and often highly complex, early retirement (severance) package. Severance packages come in many forms; generally speaking it is your job description, level of responsibility, salary and tenure that comprise the underpinnings of an offer.

In addition to making sense of the numerous and varied pension income options, having a clear understanding of accrued pension credits and adjustments, tax considerations and any ongoing (group) benefit entitlements is key to making an informed decision. Taken a step further, a review and comparison of the pensions' *commuted value* can in certain circumstances uncover additional wealth accumulation and/or income generating opportunities. A thorough assessment of any severance package offered is always wise.

Please call to discuss your Retirement options:

Dale A. Swan

CFP, FMA, FCSI
Ch.P. *Strategic Wealth*
Wealth Advisor
Life Underwriter*

Direct: 604-661-7455
1-800-601-6650 (ext. 7455)
email: dale@daleswan.ca
dale_swan@scotiacleod.com
Web: www.daleswan.ca
ready2retire@scotiabank.com



Plan • Empower • Achieve

Your Retirement Planning

Your retirement strategy involves much more than simply choosing the right Pension Option or topping up your RRSP. It requires that you reflect upon what you would like to achieve, how you plan to live and what legacy you wish to leave behind for your loved ones.

Your plan will most certainly change over time, along with your personal and financial situation. By working with you to understand your goals and time horizons, together we can create a financial framework to achieve your vision of retirement.

As vital as this framework is, equally important is the ability to adapt your plan to your changing circumstances, objectives and risk tolerances.

A Disciplined Approach to Help
You Achieve Financial Comfort

STEP 1

Understand one's circumstances and financial goals ahead

STEP 2

Analyze and assess one's current financial goals and situation

STEP 3

Prepare recommendations based upon one's personal Wealth Planning

Step 4

Present findings and Document strategies and Investment Policy

Step 5

Implement all agreed upon strategies and schedule progress meetings

Step 6

Monitor & Refine the Planning as one's circumstances and objectives change

 ScotiaMcLeod®

Invest like a Pension Manager?

Diversification is an essential tool for any investment portfolio to be successful long-term. By holding a diverse mix of asset classes and investment management styles, your portfolio will benefit from having access to additional investment opportunities, yet at the same time gain protection from potential market/economic downturns; which may occur in any one area.

Though there is often a tendency for investors to judge individual money managers and securities on a "what have you done for me lately" basis, from an investment management standpoint, it is Asset Allocation which has proven to be the single-most important factor influencing long-term results. With over 90% of the return outcome related to asset mix, it is no wonder institutional managers make this priority #1.

Coordinate the overall Financial Picture

Not unlike the integration of government benefits (CPP/OAS) with your employer pension plan, the coordination and management of your overall savings strategy is often far more effective when assets are brought together -- allowing for enhanced portfolio diversification, simplified tax reporting and the potential for reduced costs.

Don't forget your RRSP!

Your allowable RRSP contribution is based upon your prior year's *earned income*. It is calculated as the lesser of 18% of earned income or the maximum deduction limit for that specific year. Members of a registered pension (Defined Benefit and/or Defined Contribution) plan or Deferred Profit Sharing Plan will note a reduction in their allowable RRSP contribution limit by the amount of the Pension Adjustment figure. Since 1991, all unused contribution room has carried forward and may be used to offset taxable income in any one year – be sure to review your most recent Canada Revenue Agency Notice of Assessment to confirm your RRSP contribution eligibility for the current tax year.

Contribute early; and often...

Retirement & tax planning should be practiced year-round. Contributing early and regularly can have a profound impact on values over time. Too often investors defer to the RRSP deadline and by doing so, not only forgo potential investment returns, but miss out on valuable tax savings. Where appropriate, consider spousal RRSP contributions to provide for future income-splitting opportunities.

Enhanced Retirement Income

Beyond taking full advantage of new Pension Income-Splitting rules at age 65 (and various other tax leveling strategies,) moneys set aside for retirement can be invested to generate an enhanced and often *tax-efficient* monthly cash-flow. With access to the widest array of investment vehicles and insurance-backed alternatives, portfolios can be constructed to reflect your own personal financial objectives; for desired/required returns, risk tolerance, income and liquidity needs, tax constraints and time horizon.

Why ScotiaMcLeod?

For over 85 years ScotiaMcLeod has built lasting relationships by providing relevant solutions and exceptional client service. In addition to being one of Canada's leading and most respected Investment Dealers, ScotiaMcLeod is known as an innovator of many financial products and services.

This publication is intended only to convey information. It is not to be construed as an investment guide or as an offer or solicitation of an offer to buy or sell any of the securities mentioned in it. The author is an employee of ScotiaMcLeod, a division of Scotia Capital Inc. ("SCI"), but the data selection, analysis and views expressed herein are solely those of the author and not those of SCI. The author has taken all usual and reasonable precautions to determine that the information contained in this publication has been obtained from sources believed to be reliable and that the procedures used to summarize and analyze such information are based on approved practices and principles in the investment industry. However, the market forces underlying investment value are subject to sudden and dramatic changes and data availability varies from one moment to the next. Consequently, neither the author nor SCI can make any warranty as to the accuracy or completeness of information, analysis or views contained in this publication or their usefulness or suitability in any particular circumstance. You should not undertake any investment or portfolio assessment or other transaction on the basis of this publication, but should first consult your investment advisor, who can assess all relevant particulars of any proposed investment or transaction. SCI and the author accept no liability of whatsoever kind for any damages or losses incurred by you as a result of reliance upon or use of this publication in contravention of this notice.

All insurance products are sold through ScotiaMcLeod Financial Services Inc., the insurance subsidiary of Scotia Capital Inc., a member of the Scotiabank Group. When discussing life insurance products, ScotiaMcLeod advisors are acting as Life Underwriters representing ScotiaMcLeod Financial Services Inc.

® Registered trademark used under authorization and control of The Bank of Nova Scotia. ScotiaMcLeod is a division of Scotia Capital Inc., Member CIPF.



A New Retirement Reality

Chances are your retirement will be much longer and more dynamic than in your parents' case. However, this new reality translates to an increased need for prudent long-term planning.

Whether your goal is to optimize your retirement incomes, reduce tax, protect against the rising cost of health care or maximize the value of your estate, focusing attention now to your Wealth Planning will put you in control.

Tax Year	Registered Plan Limits
2009	\$21,000
2010	\$22,000
2011	<i>Indexed</i>

Dale A. Swan, CFP, FMA FCSI

With over 18 years industry experience to my credit and as a Certified Financial Planner (CFP) licensee and Fellow of the Canadian Securities Institute (FCSI,) I am keenly aware of the many issues and concerns facing those investors in contemplation of retirement.

Further, with my practice having a dual focus involving both comprehensive Wealth Planning supported by my *Team of Experts* and objective *pension-style* investment management practices; I am well-equipped to provide guidance with respect to all aspects of your strategy.

For a superior wealth planning solution, please contact
Dale Swan at 604-661-7455
dale_swan@scotiamcleod.com