

Retirement Stress Test



Be well-advised.

Janine Purves, CFP, CSA
Senior Financial Advisor

How prepared are you for everything that can happen in retirement?

With expected longevity approaching the 80's, and potentially into the 90's, retirement can now last longer than our working life.

Our assets and wealth need to meet many needs:

- helping us to live the lifestyle we want
- ensuring our income lasts as long as we do
- allowing for increased expenses potentially due to poor health or other emergencies
- keeping up with inflation, yet managing through market volatility.

We want you to enjoy retirement to the fullest, and we believe that planning can help.

To determine how prepared you are for the full onslaught of everything retirement can bring, please answer the following. Let's work to **DE-STRESS YOUR RETIREMENT!**

Lifestyle/cashflow:

	No		Yes
1. Can you picture a typical "realistic" day in retirement?	1	3	5
2. Can you fund this "pictured day" through your current resources?	1	3	5
3. Do you know how long your assets will last based on your expected income needs? Based on lower & higher than average growth rates?	1	3	5
4. Have you calculated longevity (90 + years) into your estimated cashflow needs?	1	3	5
5. Do you know the minimum amount of income needed to cover your absolute necessities?	1	3	5
6. Have you provided financially for short-term unexpected expenses (12-24 months) and emergency situations?	1	3	5
7. Do you know if you're taking advantage of all tax efficiencies for your current situation?	1	3	5
8. Are your living arrangements & current residence sustainable through financial and health challenges?	1	3	5
9. Are your investible assets sufficient to cover additional expenses for healthcare for 2 years or more?	1	3	5

Estate Issues:

	No		Yes
10. Do you have an up-to-date will, power of attorney? (have been reviewed in past 5 years, or since a major lifestyle or health shift)	1	3	5
11. Does your executor, power of attorney know where your documents are and has access to critical resources that would be needed?	1	3	5
12. Do you know your tax liabilities on death?	1	3	5
13. Have you reviewed your estate & will to ensure the most tax efficient distribution of your assets upon death?	1	3	5
14. Is your executor knowledgeable about the at least 2 of the following: real estate, estates & trusts, investments, tax, accounting?	1	3	5
15. Have you assessed how you can leave assets to your heirs and still ensure you have what you need to live on?	1	3	5
16. Have you made arrangements for your funeral?	1	3	5

Investments/Savings:

	No		Yes
17. Are you active in monitoring your investments?	1	3	5
18. With your current portfolio, would you be able to sustain your lifestyle if we experienced any market meltdown?	1	3	5
19. Consider what type of investor you are. Have you logically sold to re-balance in times of profit?	1	3	5
20. Were you able to remain calm and review your investments logically in the recent market meltdown?	1	3	5
21. Have you factored in the risk of inflation into your future income stream?	1	3	5
22. Are you comfortable that your portfolio can sustain an income for you for the long-term?	1	3	5

Health:

	No		Yes
23. Have you discussed and put a plan in place in case of failing health? Determined the steps you want taken, and how it would be managed financially?	1	3	5
24. Do you understand current & tentative health care costs and what you must cover?	1	3	5
25. Have you reviewed your current insurance coverage?	1	3	5
26. Have you reviewed if additional insurance could protect you against certain health or related issues? This includes: long-term care, life insurance, and health care benefits	1	3	5

To Help with our Assessment, please answer the following:

Are you single or a couple? _____

Are you currently retired? _____

Which age group do you fall into: Under 55, 55 – 64, 65 – 80, 80 & over

Frankly, when we retire, there are many more items that can arise and generally more assets to deal with. Our strategy and focus should change. No, we don't need to have 100% fixed income, but we do need to ensure some of our assets are protected and to allow for growth to sustain us through a long life and potential inflation.

We also need to know we're in a position to manage through poor health. We don't plan it, but it can happen. If you experienced chronic failing health tomorrow, are things set up so your best interests would be looked after? If not, now is the time to review this and set it up so you "de-stress" your life and know you can focus on the important stuff. The details are taken care of!!!

Your Scores on:

Lifestyle/Cashflow: _____

Estate Issues: _____

Investments/Savings: _____

Health: _____

Total Score: _____

SCORES

Scored > 100 points : You've done some planning and should have a well-managed retirement experience. Note, if there's one area you scored lowest on, speak to your financial advisor to identify your needs and review this area.

Scored 80-99 points: It appears that you should review areas of potential challenges in retirement. Often there's one specific area we're least prepared and may overlap. Verify your score for each section and determine where you are least prepared.

Scored < 79 points: You may be just approaching the retirement years and haven't considered the many phases we can deal with through retirement. As it can be a very long period planning out what can happen and knowing how you'll deal with it and identify how financial resources will be managed through each situation. This can be an all encompassing task – but once done allows you to know what you must focus on and frees you to focus on living – knowing you have a gameplan in plan for the potential challenges that can be thrown your way.

Key Factors:

- 1) Longevity
- 2) Health Concerns
- 3) Investment Returns
- 4) Efficient Savings
- 5) Effective Asset and Estate Management for both Minimum Taxes and Smooth Transition