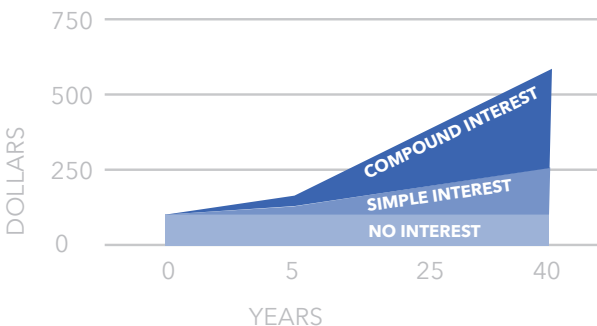


RETIREMENT AND BEYOND

What does retirement and beyond look like for you? Short answer: it depends. Retirement is different for everyone. Starting early, saving regularly, and managing a budget over your working years can make whatever your retirement plans are become a reality. It has been proven that people who start saving early for retirement have more in savings and meet their desired level of financial freedom in retirement.

Starting Early

The benefits of starting to save early are most noticeable because of **compound** interest. This is the building of wealth through interest earned on both your initial investment, as well as interest earned on interest earnings. The graph below shows how an initial investment of \$100 will grow if no interest, simple interest, or compound interest is earned. You can see that compound interest grows your investment substantially faster, even if you only contribute one time!



By consistently contributing to a compound interest savings plan, your savings will continue to grow as you approach retirement. It's less about the amount of your contributions, and more about the total length of time you make consistent contributions.

Where Does the Money Come From?

Depending on yours and your employer's retirement saving plan, there are many different income sources available to retired individuals. As you approach retirement, determine which sources of income in retirement you can receive.

- Employer Sponsored Pension Plans
- Canada Pension Plan (CPP)
- Old Age Security Pension (OAS)
- Guaranteed Income Supplement (GIS)
- Personal Retirement Savings (RRSP, TFSA, RIF, LIF)
- Guaranteed Annual Income System (GAINS)
- CPP Survivors Pension
- Veterans Affairs Canada programs and services
- War Veterans Allowance
- Seniors Tax Credits

Budgeting in Retirement

For most in retirement, your monthly income is a fixed amount with very little fluctuation. Creating and following a budget is imperative to manage your retirement income and ease stress while you navigate life's ups and downs. Create your budget with the expectation of a long life to avoid feeling financial pressure as you continue to age.

Visit with MNO Financial Literacy webpage to access a Budget and Expenses Tracker worksheet to help you in your budgeting and planning.

Questions

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Disclaimer

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