

# Sample Plan 3 (one module)

**Prepared For:** James & Brenda Wilson

**Prepared By:** Anne Expert CFP, CLU  
Financial Advisor

**Date Prepared:** June 14, 2012



## Table of Contents

- Personal Information
- Retirement

## Personal Information

### personal

<b>First Name</b>	James	Brenda
<b>Last Name</b>	Wilson	Wilson
<b>Birthdate</b>	25/01/1960	05/10/1962
<b>Age</b>	52	49
<b>Marital Status</b>	Married	Married
<b>SIN #</b>		
<b>Employer</b>		
<b>Occupation</b>		

### address

**Street**  
**City**  
**Province**  
**Postal Code**  
**Country**  
**Contact Information**  
**Home Phone**  
**Your Work Phone**  
**Spouse's Work Phone**  
**Email Address**  
**Email Address**  
**Notes**

### know your client

**Investment Knowledge**  
**Risk Tolerance**

### dependents

<b>First Name</b>	<b>Last Name</b>	<b>Birthdate</b>	<b>Age</b>	<b>SIN #</b>
-------------------	------------------	------------------	------------	--------------

### wills

<b>James</b>	<b>Brenda</b>	
<b>Do you have a will ?</b>	No	No
<b>Date of last update</b>		
<b>Location of will</b>		
<b>Notes</b>		

# Personal Information

life insurance	company	insured	coverage amount
----------------	---------	---------	-----------------

disability insurance	company	insured	monthly coverage
----------------------	---------	---------	------------------

other policies	company	insured	coverage amount
----------------	---------	---------	-----------------

notes
-------

advisors	name	telephone
----------	------	-----------

## Retirement Planning

### Retirement Tradeoffs

Planning for retirement involves tradeoffs. The amount of retirement capital you need will often depend on when you start investing, when you retire, the return on your investments, your income expectations, income indexing, your current saving levels and the amount of government pension income you expect to receive.



How much income will you **NEED?** \$50,000

How much income will you **HAVE?** \$30,000

Income shortage per year **\$20,000**



Will you have enough capital to make up the shortage?

Note: These numbers are for illustration purposes only and do not reflect your financial situation.

#### More capital required if

- You start investing later in your life
- You retire early and increase the length of your retirement
- You earn a low rate of return on your investments
- The amount of income you need at retirement is higher
- Your retirement income is indexed to inflation
- Your current retirement savings levels are low
- Government pension sources are expected to be lower

#### Less capital required if

- You start investing early in your life
- You retire later and decrease the length of your retirement
- You earn a higher rate of return on your investments
- You lower your income expectations at retirement
- You don't index your retirement income to inflation
- Your current retirement savings levels are higher
- Government pension sources are expected to be higher

## Retirement Plan Summary

An important aspect of your financial plan is to ensure that you are financially secure during your retirement years.

In this retirement plan, we compare your income needs to your income sources during retirement to determine if you have enough assets to sustain your desired lifestyle.

The amount of assets you will need during retirement will depend on:

- The length of your retirement
- Your income expectations
- Rate of return on your investments
- Your RRSP and non-RRSP saving levels
- The amount of income you receive from government and employer pensions
- The amount of income you receive from other sources

Based on the information you provided and the assumptions outlined on the attached page, the results of your retirement plan are summarized below:

### results

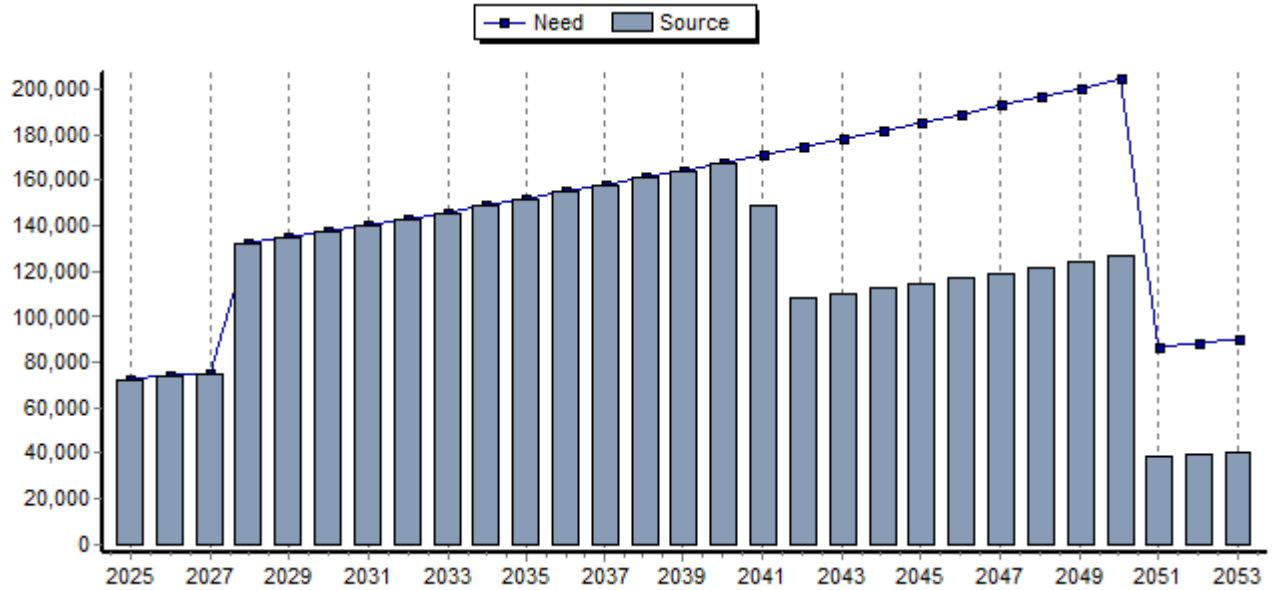
You do not have enough funds to sustain you through retirement.

Additional assets required to fund your retirement:	\$ 214,949
Annual investment required to make up the above asset shortage:	\$ 11,030

# Retirement Plan Summary

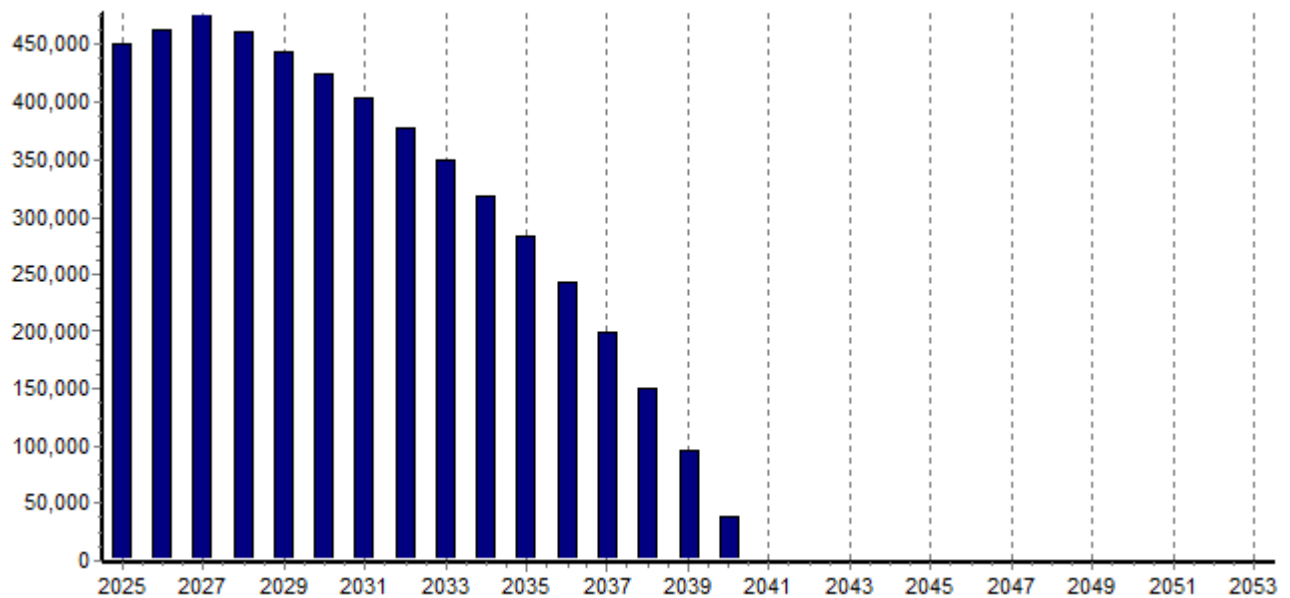
## income needs versus sources

This graph compares your income needs to your income sources during retirement. An income shortage is indicated if the Needs line is above the Sources bar and a surplus is indicated if the Sources bar is above the Needs line.



## investment assets

This graph shows the value of your investment assets (registered and non-registered) during retirement.



<b>Table 1A Retirement Income Needs: Accumulation</b>						
Year	Client Age	Spouse Age	Income Need	Assets		
				Reg'd	Non Reg'd	Total Assets
2012	52	49	125,000	130,000	-	130,000
2013	53	50	127,500	144,400	-	144,400
2014	54	51	130,050	159,892	-	159,892
2015	55	52	132,651	176,560	-	176,560
2016	56	53	135,304	194,494	-	194,494
2017	57	54	138,010	208,791	-	208,791
2018	58	55	140,770	224,156	-	224,156
2019	59	56	143,586	240,669	-	240,669
2020	60	57	146,457	258,419	-	258,419
2021	61	58	149,387	277,499	-	277,499
2022	62	59	152,374	298,010	-	298,010
2023	63	60	155,422	320,059	-	320,059
2024	64	61	158,530	343,766	-	343,766
2025	65	62	137,445	350,191	100,000	450,191
2026	0	63	140,194	376,073	86,955	463,028
2027	0	64	142,998	403,898	72,685	476,583
2028	0	65	132,130	433,813	27,346	461,160



## Retirement Income Needs: Distribution

Year	Client Age	Spouse Age	Income Need	Income Sources				Inv't Balance	Annual Income Shortage
				CPP & OAS	Pensions & Other	RRIF	Inv't Assets		
2025	65	62	72,765	23,701	30,000	-	19,064	450,191	-
2026	66	63	74,220	24,175	30,600	-	19,445	463,028	-
2027	67	64	75,705	24,658	31,212	-	19,834	476,583	-
2028	68	65	132,130	50,303	31,836	-	49,991	461,160	-
2029	69	66	134,772	51,309	32,473	-	50,990	444,084	-
2030	70	67	137,468	52,335	33,122	-	52,010	424,908	-
2031	71	68	140,217	53,382	33,785	-	53,050	402,996	-
2032	72	69	143,022	54,450	34,461	20,335	33,777	378,098	-
2033	73	70	145,882	55,539	35,150	17,849	37,345	349,945	-
2034	74	71	148,800	56,649	35,853	14,986	41,312	318,244	-
2035	75	72	151,776	57,782	36,570	25,991	31,432	282,676	-
2036	76	73	154,811	58,938	37,301	23,361	35,211	243,184	-
2037	77	74	157,907	60,117	38,047	20,316	39,428	199,434	-
2038	78	75	161,065	61,319	38,808	16,798	44,140	151,064	-
2039	79	76	164,287	62,545	39,584	12,794	49,363	97,971	-
2040	80	77	167,573	63,796	40,376	8,464	54,937	40,449	-
2041	81	78	170,924	65,072	41,184	3,572	39,304	-	-21,793
2042	82	79	174,342	66,374	42,007	-	-	-	-65,962
2043	83	80	177,829	67,701	42,847	-	-	-	-67,281
2044	84	81	181,386	69,055	43,704	-	-	-	-68,626
2045	85	82	185,014	70,436	44,578	-	-	-	-69,999
2046	86	83	188,714	71,845	45,470	-	-	-	-71,399
2047	87	84	192,488	73,282	46,379	-	-	-	-72,827
2048	88	85	196,338	74,748	47,307	-	-	-	-74,283
2049	89	86	200,265	76,242	48,253	-	-	-	-75,769
2050	90	87	204,270	77,767	49,218	-	-	-	-77,284
2051	0	88	86,589	39,661	-	-	-	-	-46,928
2052	0	89	88,321	40,455	-	-	-	-	-47,866
2053	0	90	90,087	41,264	-	-	-	-	-48,824

## Retirement Plan Assumptions

income needs	James	Brenda
Retirement starts at age	65	65
Retirement ends at age	90	90
Current income need	\$ 75,000	\$ 50,000
Percentage of above needed at retirement	75.00%	80.00%
Index pre-retirement income at	2.00%	2.00%
Index post-retirement income at	2.00%	2.00%
Change income need again?	No	No
Change income need at age	-	-
Percentage of new income need required	-	-
Index new income need at	-	-
Additional amount to be left to your estate		

rates of return	pre-retirement	post-retirement
<b>James</b>		
Registered Funds	8.00%	8.00%
Tax rate	3.00%	20.00%
Non-Registered Funds	7.76%	6.40%
<b>Brenda</b>		
Registered Funds	6.00%	6.00%
Tax rate	30.00%	20.00%
Non-Registered Funds	4.20%	4.80%
Average rate(registered and non-registered)	6.49%	6.30%

Canada Pension Plan benefits	James	Brenda
Are you currently receiving CPP benefits?	No	No
If you are currently receiving CPP benefits:		
Is this the first year of receiving CPP benefits?	-	-
Current annual CPP amount being received	-	-
If you are not currently CPP benefits:		
Start receiving CPP at age	65	65
What percentage of maximum CPP do you qualify for?	100.00%	100.00%

Old Age Security payments	James	Brenda
Do you qualify for OAS benefits?	Yes	Yes
Index CPP and OAS benefits at	2.00%	2.00%

## Retirement Plan Assumptions

- The OAS clawback is not factored into the calculations.
- Funds to cover income shortages are first drawn from Non-Registered Assets. Once the Non-Registered Assets are depleted, funds are withdrawn from Registered Assets.

<b>RRSP Contributions</b>	<b>James</b>	<b>Brenda</b>
<b>Stream 1</b>		
Annual Amount	\$ 5,000	-
Indexed At	0.00%	-
Start Age	52	-
End Age	56	-
<b>Stream 2</b>		
Annual Amount	-	-
Indexed At	-	-
Start Age	-	-
End Age	-	-
<b>Non-Registered Investment Contributions</b>	<b>James</b>	<b>Brenda</b>
<b>Stream 1</b>		
Annual Amount	-	-
Indexed At	-	-
Start Age	-	-
End Age	-	-
<b>Stream 2</b>		
Annual Amount	-	-
Indexed At	-	-
Start Age	-	-
End Age	-	-
<b>RRIF (Registered Retirement Income Fund)</b>	<b>James</b>	<b>Brenda</b>
Start Age	71	71
Payment Type	Minimum	Minimum

- All RRIF payments are withdrawn annually.
- Minimum payments are based on withdrawal rates for new RRIF funds (post 1992).
- The first minimum payment is delayed for one year.