

# Living your Retirement



**The big day has finally arrived! Now you're free to sleep as late as you want and do whatever your heart desires. Congrats! But once you've enjoyed your coffee and orange juice, read your paper, and put everything away, what next? Have you given it some thought?**

We've gathered some good advice, testimonials, and a few tips to help you kick off this new chapter of your life and live it to the fullest with healthy personal finances.

In Canada, the average life expectancy is 84.1 years for women and 80 years for men. Women in Toronto live longest with an average life expectancy of 87.2 years and men in Richmond, British Columbia top the list, living 85.2 years, on average. \*

*\*Statistics Canada 3-year average for 2015, 2016 and 2017*

## Living your retirement: Be ready for the transition

"I couldn't wait to retire and spend time doing things other than my job," says Francine Loyer, a former Bank employee. "I loved my job, but it was demanding. And I had a plan—I was going to start a new business, open my own holistic care practice. I had so many ideas and not a single worry! But I didn't know about the first year," she says.

"I'd heard about it, but didn't really believe it," says Madeleine Watson, another retiree from the Bank. "During that first year, you really don't feel like doing a thing! It's true."

And there's nothing wrong with slowing down the pace. Just be aware that your list of projects may have to be put on hold for a year or so, while you catch up on those lost hours of sleep from the days when your morning alarm rang ever-so early.

Also, make sure you don't become too isolate. Now that seeing colleagues at work is a thing of the past, you'll be spending more time by yourself. You might consider participating in activities or sports you enjoy to maintain social connections. "I found the solitude difficult," says Ms. Loyer. "You must force yourself to go out from time to time. When you're retired, the phone seems to stop ringing."

## Living your retirement: Embark on new adventures

If taking cruises, volunteering, travelling, playing golf, and your other hobbies aren't enough, or cost too much, why not consider going back to work, even just a few hours a week? According to Ms. Loyer, "There are so many options, the sky's the limit!"

About 10% of Canadians plan to continue working when they retire or expect to finance part of their retirement with income from a rental property or business. \*

*\*2019 survey by the Financial Consumer Agency of Canada*

Make sure you crunch the numbers before returning to the workforce. It may not sound logical, but additional income from working could have negative financial consequences. Your tax bracket might increase and your government pensions might decrease.

Before you apply for a job, it's important to think first about maximizing your retirement income. Of course, this applies if you're considering returning to work to earn more money. If you're doing it because you need a new challenge, then this calculation isn't so important.

### **Living your retirement: Take a look at your finances**

You can use several strategies to maximize your income and optimize your finances. If you have a partner, take advantage of income-splitting by contributing to your spouse's RRSP, or make some withdrawals from a RRIF in their name. You can also better plan your withdrawals and, in some cases, even postpone several of your pensions. Sometimes, the longer you wait to start receiving these pensions, the bigger the payments will be!

"When I was working, I wasn't really thinking about retirement," says Ms. Watson. But the more I think about it now, the more I realize that you have to know when to call it a day. We sometimes take our jobs too seriously. But your money, that's really important. Make your finances a priority. There are solutions that will give you more breathing room.

And that's what turns your dreams into reality.

***First Published on May 20, 2020 by National Bank – Updated on February 25, 2021***

Any reproduction, in whole or in part, is strictly prohibited without the prior written consent of National Bank of Canada.

The articles and information on this website are protected by the copyright laws in effect in Canada or other countries, as applicable. The copyrights on the articles and information belong to the National Bank of Canada or other persons. Any reproduction, redistribution, electronic communication, including indirectly via a hyperlink, in whole or in part, of these articles and information and any other use thereof that is not explicitly authorized is prohibited without the prior written consent of the copyright owner.

The contents of this website must not be interpreted, considered or used as if it were financial, legal, fiscal, or other advice. National Bank and its partners in contents will not be liable for any damages that you may incur from such use.

This article is provided by National Bank, its subsidiaries and group entities for information purposes only, and creates no legal or contractual obligation for National Bank, its subsidiaries and group entities. The details of this service offering and the conditions herein are subject to change.

The hyperlinks in this article may redirect to external websites not administered by National Bank. The Bank cannot be held liable for the content of external websites or any damages caused by their use.

Views expressed in this article are those of the person being interviewed. They do not necessarily reflect the opinions of National Bank or its subsidiaries.

For financial or business advice, please consult your National Bank advisor, financial planner or an industry professional (e.g., accountant, tax specialist or lawyer).