

What every older
Canadian should
know about

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FINANCIAL PLANNING



**FEDERAL/PROVINCIAL/TERRITORIAL
MINISTERS RESPONSIBLE FOR SENIORS**



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Making a financial plan is a way to take charge of your financial future. A financial plan helps you understand your choices and reach your life goals. Financial planning is for everyone and as you get older and face changes such as retirement, it is important for you to have as much information as you can about your financial future. Even if you are starting late, planning will help you get your financial affairs in order and let you know where you stand.

LILLIAN'S STORY:

After Lillian's husband died, she became worried about her finances. Approaching retirement, Lillian was concerned she wouldn't have enough income to remain in her home for much longer. After making a financial plan, Lillian more clearly understood how much income she had from her pension plan and other savings, and what assistance she could receive from government sources. Making a financial plan gave Lillian a clearer picture of her choices and helped her make informed, workable decisions.

What is a financial plan?

A financial plan looks at where you are now and where you want to be in the future, and lays out a plan to help you get there. When you are making a financial plan you will have to think about your long-term needs and about the kinds of things that might happen to you in the future.

A financial plan will address a number of different topics, including your:

- Current and future living expenses
- Current and future sources of income, including government and other benefits
- Assets—their current and future value
- Tax planning
- Insurance needs
- Investments

Why do I need a financial plan?

A good financial plan will help you understand what your choices are today and in the future, reduce uncertainty about the future and help you make good decisions. A financial plan will answer these types of questions:

- How much income do I need?
- Do I have enough money to retire?
- Should I keep working?
- Do I need to sell property or other assets?
- How much insurance coverage do I need?
- How much money will I receive from government programs?
- How much will it cost me to live once I retire?
- How long will my savings last?

How do I start making a financial plan?

There are many free guides on the Internet to help get you started on your own financial plan, or you may wish to consult a certified financial planner. Some certified financial planners, elder planning counselors, specialize in working with people over 50.

If you choose to consult a professional, you should be aware that financial planners have different ways of getting paid. Some earn commissions by selling products such as insurance or investment plans, while others are paid on an hourly basis by clients.

TIPS AND SAFEGUARDS

If your financial situation is complicated, consider hiring a professional who has professional certification.

If your plan involves making legal documents, it is a good idea to consult a lawyer before you sign them.

Find out if a financial advisor has an interest in selling you something. Ask if the person makes a commission from the sale of financial products.

Keep your financial records (including bank and investment statements, bills, tax forms and tax returns) in a safe and accessible place. Canada Revenue Agency requires you to keep your income tax returns and related financial information for a period of six years.

Be informed. There are many free information resources available to help you. Visit the Government of Canada Web site: www.seniors.gc.ca to get started or go to your local library.

Do it sooner rather than later. Having a financial plan in place will help you make good decisions when something unexpected occurs.

OTHER BROCHURES IN THIS SERIES

What every older Canadian should know about:

1. Financial planning
2. Income and benefits from government programs
3. Managing and protecting their assets
4. Planning for possible loss of independence
5. Planning for their future housing needs
6. Having a will and making funeral plans
7. Financial abuse
8. Frauds and scams

Where can I find out more?

Your bank or credit union is a good starting place. They have resources and staff who can help you get started with your financial plan.

If you wish to hire a financial planner, you may want to contact the Financial Planning Standards Council, a not-for-profit organization that certifies financial planners in Canada. The Council can give you the names of certified financial planners, including elder planning counselors in your community. You can visit their Web site at www.fpsc.ca or call them toll free at 1-800-305-9886.

The Government of Canada has many resources to help you with financial planning, including an online program called the Canadian Retirement Income Calculator.

For more information, visit www.seniors.gc.ca or visit your local Service Canada office. To order additional copies of this publication, or for help finding a phone number in your province or territory, call 1 800 O-Canada (1-800-622-6232), TTY: 1-800-926-9105.

This document has been jointly prepared by the [Federal/Provincial/Territorial Ministers Responsible for Seniors Forum](#). The Forum is an intergovernmental body established to share information, discuss new and emerging issues related to seniors, and work collaboratively on key projects.

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