

How Much do I Need to Retire?



Monthly Spending

Begin by writing down the amount of your monthly spending. If you're not sure, this is often the amount that's deposited to your bank account each month.



Debt and Savings

Subtract debt payments, such as mortgage and car loan payments, if you'll be debt-free in retirement. Then subtract monthly or annual savings and investment deposits, such as RRSPs.



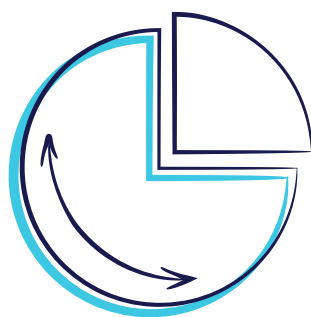
Pension Benefits

From that amount, subtract OAS and CPP benefits. The amount depends on your retirement age. Also subtract any employer pension or other guaranteed income.



Pre-Tax Amount

For income from RRSPs, multiply by an estimated tax rate: under \$4000 use 1.2, \$4-8000 use 1.3, over \$8000 use 1.4. This gives you the withdrawal amount so you can pay taxes and then spend the rest.



Capitalize

How much you need in your investment account depends on market growth and inflation. Multiply the number above by 200 and then by 300 to get a range.

Example

\$5,000 monthly income
- \$1,500 mortgage
- \$500 RRSP
- \$700 OAS
- \$700 CPP
= \$2,600 spending

$\$2600 \times 1.2$
= \$3,120 withdrawal
 $\times 200 = \$624,000$
which should last 15-20 years
 $\times 300 = \$936,000$
which should last a lifetime

For illustration only. Please call us for help to find your unique retirement amount.

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