
DECUMULATION CHECKLIST

For most people retirement planning is about the accumulation of RRSP, TFSA and other investments so that you will have the money you need when you retire. This phase of retirement planning has traditionally focused on strategies involving asset allocation, risk management and tax efficiency, with the goal of improving returns. But once retired, planning should shift from saving (accumulation) to spending (decumulation).

Decumulation planning refers to the de-accumulation of assets to maintain your retirement lifestyle goal. It's much more complex than accumulation planning because you now must decide how much and in what order you will spend the different assets you have accumulated. Get it wrong, and it could cost you hundreds of thousands over your lifetime.

To help you get this phase of your retirement planning right, answer the questions below to determine what is most important to you in a decumulation strategy.

Name

Date

When planning for my retirement, I am most interested in...

- ☐ The after-tax estate value that my heirs will receive when I am gone.
 - ☐ The value of my investments to support future discretionary spending.
 - ☐ The amount I can spend each year to support my lifestyle.
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My retirement planning horizon should maximize over-all value if...

- ☐ I live to between age 90 and age 100.
 - ☐ I live to between age 80 and age 90.
 - ☐ I live to between age 70 and age 80.
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When deciding on the best decumulation plan to implement...

- ☐ I am most interested in the long-term results.
 - ☐ I am most interested in the over-all results.
 - ☐ I am most interested in the short-term results.
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I plan to apply for Canada Pension Plan (CPP) benefits...

- ☐ I am currently receiving my Canada Pension Plan benefits.
 - ☐ As early as age 60 with a reduced benefit because I might not live long into my retirement.
 - ☐ At age 65 to get 100% of my annual benefit entitlement.
 - ☐ As late as age 70 to increase life-time benefits and reduce the risk of outliving my savings.
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I plan to apply for Old Age Security (OAS) benefits...

- ☐ I am currently receiving my Old Age Security benefits.
- ☐ As soon as I am eligible at age 65 because the rules may change in the future.
- ☐ At an age that reduces the risk of having my benefit entitlement "clawed-back".
- ☐ As late as age 70 to increase life-time benefits and reduce the risk of outliving my savings.