GUIDE TO PLANNING YOUR RETIREMENT
We think the best place to start is by thinking about the retirement you want.
Planning your retirement isn’t just about the numbers. There is a much bigger picture to consider to ensure you live a happy and financially secure retirement. We’re here to help you avoid the common pitfalls and enjoy the next chapter of your life.

What to think about at each stage:

- **5-10 years before retirement**
- **At retirement**
- **In retirement**
5-10 years before retirement

Retirement means different things to different people. It is a time of change and for many it can bring uncertainty.

But rather than being something to be scared of, retirement should be looked at as the start of a new chapter where you get to make the rules and are only limited by your creativity and passion for life.

The key is to plan your transition from working life to living an enjoyable and satisfying retirement.

Up until now, your focus has been on building a solid foundation through growing your assets and your financial smarts. Chances are your planning has been relatively simple. That’s ok as you have had other demands on your time and money.

Now that retirement is in sight, it is time to up the ante and take retirement planning seriously. You still have time to make adjustments if you need to change course.

We think the best place to start is by thinking about the retirement you want.
Now is the time to fine tune your calculations to determine how much your vision of retirement will cost and how you will afford it.
Dream your ideal retirement

Grab a coffee or your favourite bottle of wine, relax with your other half, and share your dreams for retirement. You want to answer the “what, where, and when” questions. Where do you want to live? What do you want to do? When do you want to do it?

Answering these questions is essential because they determine “how much” your retirement will cost. You must know the what, where and when of retirement planning in order to figure out how much money you’re going to need.

Think in stages. The early period of retirement when you’re active and spending money on things you’ve been promising yourself for years, will be very different from late stage retirement. Build a vision that both of you are excited to live.

When is it time to retire?

Once you have a vision of what retirement will look like, you need to consider when you want to turn this dream into reality. Having a target date will have a big influence on how much you can save, the size of your nest egg, your projected retirement income and how to make your savings last.

How much do you need to retire?

This is the 64 million dollar question, and the answer is unique to you.
Pre-retirement checklist

✔ Protecting yourself
   Review your “personal” insurance policies
   □ Do you have adequate health insurance cover?
   □ What kind of life insurance cover do you have and is it sufficient?
   □ Do you have income protection insurance and is it structured appropriately?

✔ Your finances
   □ Is your current household income likely to be stable for the foreseeable future or is it likely to change?
   □ Do you know how much you are spending each year? Is this sustainable?
   □ Do you have a budget to keep your savings on track?
   □ Do you have any options for earning additional income?
   □ Do you have money set aside for emergencies?
Your wealth
- Do you have an up-to-date picture of your current net worth?
- Do you anticipate inheriting or receiving a lump sum at some point?
- Do you intend to purchase any significant assets that will require borrowings or investment of your capital?
- Do you have any “dumb debt” that you can reduce or eliminate?

Your lifestyle
- Do you know what you would like your retirement to look like?
- Do you know how you would like to retire — gradually or right on your 65th birthday?
- Is it time to take up a new hobby or sport or develop a new skill?
- Are you exercising to stay fit, strong and healthy?
- Are there other family members that will be dependent on you for financial support when you retire?

Structuring your affairs
- Is your will and estate planning up to date?
- Have you reviewed the beneficiaries and your distribution instructions of your estate recently?
- If you have a trust, are your trustees regularly updated with your plans?
- Are your nearest and dearest up to speed with your thinking?
- Does your family know where your important documents are kept?
As your thinking about retirement evolves it’s important to retain flexibility and know what levers you can pull if you need to adjust your approach.

Some things to consider »
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Retirement doesn’t have to start at 65 — it could be ‘just another birthday’. Flexibility is key. Some options to consider include:

Delaying retirement
Every extra year you work is another year of earnings to add to your savings and another year of living that your savings don’t have to pay for.

Adopting a phased retirement
More and more people are working past retirement age in either a full or part-time capacity. There are many social, emotional, and of course, economic benefits to continuing to work after retiring. The added income can go a long way toward lowering the savings burden required to make ends meet. You may also find it beats 30 years of endless free time.
Some things to consider

We’re all on the same journey but we each have our own story. Whether you need financial advice, or just a sounding board, we’re here to help.
Congratulations! Welcome to the next exciting chapter of your life. After years of hard work and sacrifices, it’s time to enjoy all that life offers, on your terms.

If you’ve taken care to plan for your retirement then you should be feeling good as you enter the home stretch. It’s too late to make any drastic changes but now’s the time to get organized so your plan starts working for you.

As is often the case, it pays to ensure you have the basics covered — we’ve put together a checklist to help you plan and enjoy your retirement.
At retirement checklist

✔ Apply for NZ Super
  ☐ You can apply for NZ Super within 90 days of your 65th birthday. It pays to apply in advance as no payments are back dated if you apply after you turn 65.
  ☐ Are you eligible for any other government assistance?

✔ Protecting yourself
  ☐ Have you reviewed your health insurance cover recently?
  ☐ Are there any areas that are excluded that you should extend coverage to or consider self insuring and the cost involved?
  ☐ Changes to house insurance cover in recent years mean that replacement cover is no longer available. Your house now needs to be insured for a specified amount. If your House Sum Insured is insufficient your insurance might not cover the full cost of rebuilding your house. Now may be a good time to calculate the likely cost of rebuilding your house.
Your finances

☐ Have you determined how much income you need every month to fund your current living expenses?

☐ What are all of your sources of income in retirement?
  ☐ Part-time work
  ☐ KiwiSaver
  ☐ Other superannuation schemes
  ☐ NZ Super
  ☐ Dividends
  ☐ Interest
  ☐ Rental property income

☐ Have you decided on what income sources to draw your cashflow from to replace your pay cheque and how often this will be paid?

☐ Do you anticipate any changes in the level of your spending?

☐ Do you have a budget to keep track of your spending?

☐ Do you have money set aside for emergencies?

☐ Now’s a good time to consolidate your savings and automate your finances so it’s easier to manage whether you’re at home or on the road.
Your wealth

☐ Do you anticipate inheriting or receiving a lump sum at some point?

☐ Do you intend to purchase any significant assets that will require borrowings or investment of your capital?

Your lifestyle

☐ Have you fine tuned what your retirement will look like? Holidays, taking up new hobbies, learning new skills?

Structuring your affairs

☐ Is your will and estate planning up to date?

☐ Have you reviewed the beneficiaries and your distribution instructions of your estate recently?

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☐ Does your family know where your important documents are kept?

Print checklist »
Some things to consider

Downsizing your home
Downsizing to a smaller, lower maintenance, less expensive house can be a double win for your savings. You increase your investment income while simultaneously reducing or eliminating certain expenses such as mortgage payments, maintenance, rates, insurance and more — not to mention having less house to clean and care for.

Paying off your home
Housing costs typically comprise a large chunk of your income so entering retirement with a freehold home gives you a significant advantage and greater freedom in how you manage your budget.

Eliminating “dumb debt”
Debt makes the bank richer — not you. Interest paid is money wasted and counter to achieving your retirement lifestyle. Pay off higher rate debt like credit cards and vehicle finance.

Eliminating unnecessary expenses
Cast a laser over your typical spending habits. Is there room to cut back on some expenses? What can you really live without? Is it time to set your dependents free?
Congratulations — hopefully your retirement is playing out just the way you dreamed it would!

Just because you’re in retirement doesn’t mean that retirement planning is finished. Now it’s really important to regularly review, maintain and adapt your plan to keep on track.

Think of these actions as long-term maintenance.

**Annual Budget, Asset and Cash Flow Review**

Just because you put a retirement plan in motion doesn’t mean it necessarily worked according to plan. Sometimes your finances do better than planned and sometimes they do worse. For that reason, you must review your assets, budget, and cash flow each year so you can correct and adjust accordingly. This includes reallocating assets, reviewing investment performance, adjusting withdrawal rates, and anything else necessary to make sure your money lives as long as you do.
Healthy Habits
You may have used the excuse of being too busy working and raising kids to rationalise not preparing healthy food and exercising regularly, but you don’t have that excuse anymore. It’s hard to imagine a more important and worthwhile way to spend your new-found extra time than taking care of your health.

Update Your Estate Plan Periodically
Check with your lawyer to make sure your estate plan includes such items as powers of attorney and gifting, and that all beneficiary designations are accurate and current.

And lastly, make sure you are out there and enjoying yourself, whatever that may look like!