

Navi Planning Tips - Creating a Written Summary Plan



Creating a **NaviPlan** plan involves careful consideration of various aspects of your client's personal and financial situation. Upon delivery of the **NaviPlan**, your members will have received all the data used to create it and you will have done a great job in explaining their Financial Plan. Your member however, will want to refer to this plan from time to time and they may be referring to it at a later date (well after your meeting) and not remember or understand all the information provided to them. This is where a **1 or 2-page client-friendly outline** explaining the highlights of the Financial Plan is very helpful.

While using a written summary report isn't always critical in every part of the financial planning process, there are certain situations where summary details are indeed important. Here's why a written summary can be critical when creating a financial plan:

- **Accuracy and Precision:** Summary information ensures accuracy and precision. Financial planning involves numbers, calculations, and specific details. Any inaccuracies or

misinterpretations can lead to incorrect assumptions and recommendations. Using summary details reduces the risk of errors and ensures that the plan is based on accurate data.

- **Member Understanding and Agreement:** Summary information helps ensure the member and the financial planner are on the same page.
- **Financial Planning is Highly Personalized.** Different members have different goals, risk tolerances, and financial situations. Using summary information allows the financial planner to tailor the plan to the member's specific needs, ensuring that recommendations are relevant and aligned with the member's unique circumstances.
- **Documentation and Record-Keeping:** Summary information provides a clear record of what was discussed and agreed upon during the planning process. This documentation is important for both the member and the financial planner to refer to in the future. It can help avoid misunderstandings and disputes and can serve as evidence of the planning process and recommendations provided.
- **Clear Communication:** Summary information helps in maintaining clear communication between the member and the financial planner. It eliminates the potential for miscommunication or misinterpretation that can arise when paraphrasing or summarizing complex financial matters.
- **Complex Situations:** In complex financial situations, such as business succession planning, estate distribution, or investment strategies, summary details help ensure all intricate aspects are

properly understood and addressed. These situations often involve multiple variables, legal considerations, and potential tax implications, making accuracy paramount.

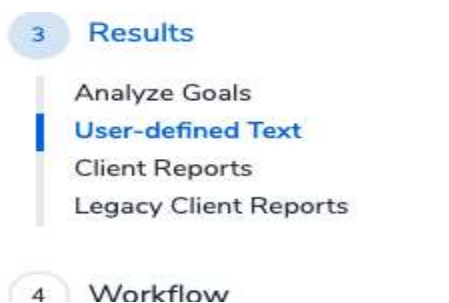
- **Trust and Credibility:** Using summary information demonstrates professionalism and attention to detail. It builds trust and credibility between the member and the financial planner. Members are more likely to trust a financial planner who demonstrates a meticulous approach to their financial concerns.

While summary information is important in certain contexts, it's also important to balance it with clear explanations and contextual understanding.

A written summary **should be provided to the member** and there are multiple ways we can do this.

NAVIPLAN SUMMARY TEXT

Consolidating your summary in a single section of the **Navi User** Defined Text simplifies the process. Access this option by clicking on "User Defined Text" within the Results section.



You can then enter your Objectives, Recommendations and Action Plan Under one heading - in this case I used Net Worth.

Use the following steps to create your Financial Planning Summary (refer to examples provided).

1. Create Objectives for your Member

Objectives

Description

Objective

- 1. Retirement:** Our primary objective is to ensure that John and Mary Kennedy can comfortably retire in 2035 with a sustainable retirement income of \$8,400 per month in today's dollars. This income will support their desired lifestyle and cover essential expenses, including housing, healthcare, and leisure activities. To achieve this, we will analyze their current retirement savings, investment portfolio, and projected expenses, considering inflation and potential market fluctuations.
- 2. Education Funding for Johnny and Janie:** We aim to establish a comprehensive education fund to cover 80% of the anticipated university costs for Johnny and Janie. By factoring in expected tuition, living expenses, and potential scholarship opportunities, we will develop an investment strategy that aligns with their time horizon and risk tolerance. This will provide them with the financial means to pursue higher education without burdening their parents' retirement plans.
- 3. Survivor Income Protection:** To ensure the financial security of the surviving spouse, we will establish an appropriate life insurance strategy. In the unfortunate event of the loss of one spouse, the insurance proceeds will provide the surviving spouse with a reliable income stream that will continue until retirement age. This income will alleviate financial stress and maintain the couple's standard of living.
- 4. Estate Planning Review and Modifications:** Our goal is to comprehensively review John and Mary's existing estate plan to ensure that it aligns with their current wishes and financial situation. We will evaluate their wills, trusts, beneficiaries, and any legal arrangements to ensure they reflect their preferences and provide for their loved ones in the most efficient and tax-effective manner. If necessary, we will make modifications to address any changes in family dynamics or financial circumstances.
- 5. Tax Efficiency and Risk Management:** Throughout the financial planning process, we will prioritize tax-efficient strategies to minimize tax liabilities and maximize after-tax returns. Additionally, we will assess their risk tolerance and recommend an investment portfolio that balances risk and reward, considering their long-term goals and preferences.
- 6. Regular Progress Review:** We will conduct periodic reviews to track the progress towards achieving their financial objectives. These reviews will provide an opportunity to adjust the plan based on changing circumstances, market conditions, or personal goals. Our aim is to ensure that John and Mary's financial plan remains dynamic and responsive to their evolving needs.

2. Create Recommendations

Recommendations

Description

Recommendations

We have thoroughly reviewed your financial situation and goals, and we are pleased to present our recommendations to help you achieve your objectives. These recommendations are tailored to enhance your retirement readiness, provide for your children's education, protect your family's financial well-being, and ensure the overall success of your financial plan.

1. Increase RRSP PAC for John and Mary:

- **John's RRSP PAC:** We recommend increasing your RRSP Pre-Authorized Contribution (PAC) plan from \$250 per month to \$450 per month. This adjustment will allow for more significant retirement savings, helping you build a more robust retirement fund over time.
- **Mary's RRSP PAC:** We advise increasing your RRSP PAC plan from \$650 per month to \$800 per month. This increase aligns with your goal of achieving a comfortable retirement income and further contributes to your long-term financial security.

2. Increase RESP Plan for Johnny and Janie:

- We propose increasing the monthly contribution to your Registered Education Savings Plan (RESP) for Johnny and Janie from \$350 per month to \$450 per month. This adjustment will help ensure that you can adequately fund their education expenses and support their academic pursuits.

3. Life Insurance Enhancement:

- Consider increasing your Life Insurance coverage by \$125,000 for both John and Mary. This adjustment will provide additional financial protection to your family in the event of an unexpected loss. It will ensure that your loved ones can maintain their standard of living and cover essential expenses during a challenging time.

4. Critical Illness Insurance:

- We strongly recommend considering the purchase of Critical Illness Insurance. This type of insurance provides a lump-sum payment upon diagnosis of a critical illness covered by the policy. Critical Illness Insurance can offer valuable financial support during recovery, covering medical costs, home modifications, and other expenses that may arise due to health challenges. Given your family's long-term financial goals, Critical Illness Insurance can act as a safeguard against unexpected medical hardships.

3. Create an Action Plan.

Action Plan

Description

We are excited to present your personalized financial action plan designed to help you achieve your goals and secure your financial future. The following action steps will guide you in making informed decisions and implementing necessary changes to your financial strategy.

1. Increase RESP PAC Plan:

- In September, increase your Registered Education Savings Plan (RESP) Pre-Authorized Contribution (PAC) plan to \$450 per month. This adjustment will ensure that you're on track to meet your children's education funding goals.

2. Increase RRSP PAC Plans:

- Starting in September, increase John's RRSP Pre-Authorized Contribution (PAC) plan to \$450 per month.
- Likewise, increase Mary's RRSP PAC plan to \$800 per month. These adjustments will enhance your retirement savings and support your retirement income objectives.

3. Meet with a Licensed Insurance Agent - (we can provide a referral for this):

- Schedule a meeting with a licensed insurance agent to review your survivor income insurance needs. This will help ensure that your surviving spouse is financially secure in the event of unforeseen circumstances.
- During the meeting, explore the option of purchasing Critical Illness Insurance to provide a safety net for potential health challenges. Critical Illness Insurance offers valuable financial support during recovery.

4. Provide a Copy of the Estate Plan:

- Please provide a copy of your current estate plan to us by the end of the month. This will allow us to ensure that your estate planning arrangements are in line with your wishes and up-to-date with any changes in your circumstances.

5. Review and Monitoring:

- Commit to reviewing your financial plan at least once per year. Regular reviews will ensure that your plan remains relevant and adaptable to changes in your life, financial markets, and goals.
- These reviews will provide an opportunity to adjust strategies, rebalance investments, and make any necessary modifications to your financial plan.

1-PAGE WORD DOCUMENT

An alternative approach for generating a summary involves utilizing a **one-page Word document**. This specific document comprises four quadrants that can be customized to align with your objectives.

- Refer to the following page for a sample layout for your reference.
- Note, your logo will be in the top right-hand corner.

YOUR FINANCIAL PLAN



A financial plan can help you achieve more. Plan 360° is the consultative process we use to provide our clients with comprehensive financial planning. It's designed as a blueprint to help determine your needs, priorities and outline the steps to achieve your financial goals.

John and Mary Kennedy

This page is provided as a summary of the plan created from Navi Plan Software in consultation with your advisor.

Planning Objectives

1. Retire in 2035
2. Retire with goal of \$8,000 net per month.
3. Cover university expenses up to 80% for Johnny and Janie.
4. Review insurance needs.
5. Review estate plan.

Education Plan for Johnny and Janie

1. Johnny's anticipated cost of post secondary education in 2026 is \$15,884 in today's dollars.
2. Janie's anticipated cost of post secondary education in 2028 is \$13,182 in today's dollars.
3. Inflation rate plus 2% is the projected cost.
4. Expected Shortfall of \$35,000.
5. Options:
 - a. Summer employment for Jonny and Janie.
 - b. Student Loans.
 - c. Living at home.

Retirement Assets

	John	Mary	Total
RRSP	\$120,000	\$105,000	\$275,000
TFSA	\$67,000	\$55,000	\$122,000
Total	\$187,000	\$160,000	\$397,000

John has a Federal Defined Benefit Plan of \$36,000 Lifetime plus a Bridge Benefit of \$6,600 per year to age 65.

Action Plan

1. Increase RRSP for John to \$450 per month.
2. Increase RSP for Janie to \$800 per month.
3. Increase RESP plan to \$450 per month.
4. Review insurance plan, consider increasing life coverage by \$125,000 each.
5. Review Estate Plan.

CLIENT REPORTS

To share the reports, you created in **NaviPlan** use the following steps:

- Add the reports to your Client Reports after the Objectives, Recommendations and Action Plan have been completed.
- Once you have completed them, they will appear in the Supplementary Section.
- Click Add to Reports for the Objectives, Recommendations and Action Plan.

The screenshot displays the 'Build Report' interface in NaviPlan. At the top, there are two tabs: 'Select Report' and 'Build Report', with 'Build Report' being the active tab. Below the tabs, there is a dropdown menu labeled 'Select a category:' with 'Supplementary Pages' selected. The main content area is titled 'End Of Report' and contains a grid of report options. Each option consists of a small thumbnail icon, a title, a brief description, and a button. The 'Important Terminology' option has an 'Add' button, while all other options have 'Remove' buttons.

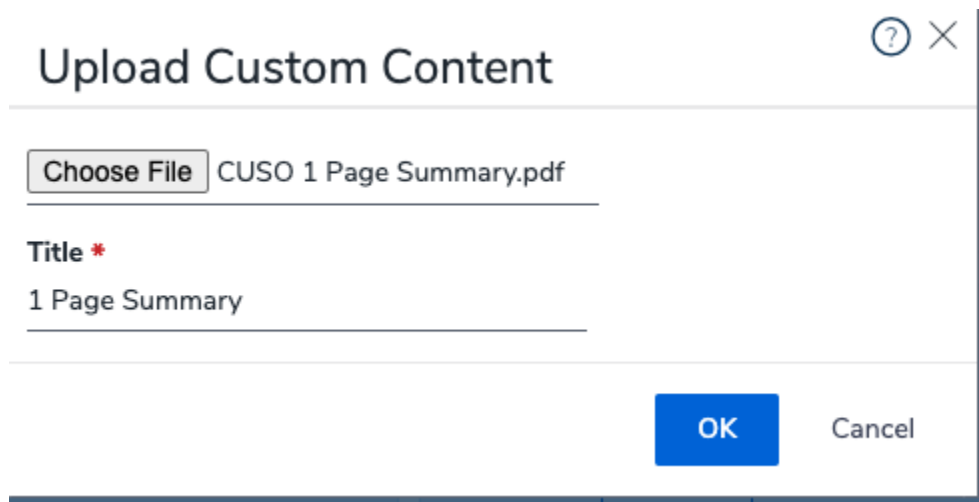
Report Title	Description	Action
Plan Analysis Synopsis	This report reflects a summary of the data entered into the plan.	Remove
Objectives	This report displays any user-defined text you have provided for your clients' financial goals.	Remove
Recommendations	This report displays the recommendations you have entered on the User-Defined Text page.	Remove
Action Plan	This report displays the action plans you have entered on the User-Defined Text page.	Remove
Important Terminology	This report displays a list of important terminology used in NaviPlan.	Add
Disclaimer	This report displays your disclaimer.	Remove
Delivery Acknowledgement	This report displays your delivery acknowledgement.	Remove

To upload your 1-page Word summary to **NaviPlan**, complete the following steps:

1. Save your Word Plan as a PDF document.
2. Under Supplementary Pages there will be a Custom Tab at the bottom of the End of Report Section.



3. Click Choose File to upload the document. Name your report as 1 Page Summary.



You can use the written summary of the Objectives, Recommendations and Action plan AND the 1-page summary for your member.

- I like to have the 1-page summary after the Table of Contents under the Client Reports.
- The Navi Summary can be used at the end of the reports prior to the Disclosure Documents.

For more information on Client Reports, see the Magical Portal under Client Reports.

Please feel free to reach out if you have any questions, require assistance with implementation, or need further guidance. Together, we will navigate your member's financial journey and ensure that they are well-prepared for the future.

Happy Planning!

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