

## Navi Plan (InvestCloud) Tips

### Retirement Expenses

After we have completed our data input for retirement planning, we need to have a discussion with our members in regards to their retirement expenses. Many newly retired people spend a good portion (up to 100% of their current income) in the first year of retirement as there are so many places to visit and things they want to do!!! That is totally acceptable, however, we need to create a plan to accomplish this. On the reverse side, in their latter years, they will generally not have the same spending needs due to limited traveling and everyday expenses may be reduced. ***With this in mind, is important to have discussions with Long Term Care Insurance as this cost may erode remaining retirement assets.***

For this illustration, we will assume the members have 30 years of retirement. The breakdown of their retirement expenses is as follows:

- 1) Go-Go Years - this will be the first 10 years of retirement - 60 - 70
- 2) Slow Go Years 70 - 80
- 3) The No Go Years - this will be the latter 10 years (80 - 90)

We will use the original case study of John and Mary Kennedy. Kennedy's plan to retire in 2035.

- 2035 to 2044 will be their Go Go Years (90% of their current income)
- 2045 to 2054 will be their Slow Go Years (70% of their current income)
- 2055 - Mortality will be their No Go Years. (60% of their current income)

**Go Go Years - Retirement to December 31, 2044.**

### Calculate Retirement Expenses

Enter the annual retirement expenses as a

percentage of the current estimated after-tax income

$$\$128,872 \times \underline{90.00\%} = \$115,985/\text{yr} \quad \$9,665/\text{mo}$$

percentage of the current lifestyle expenses

$$\$0 \times \text{-----} = \$0/\text{yr} \quad \$0/\text{mo}$$

specific amount  /yr  /mo

Add to Retirement Expenses

Clear

### Retirement Expenses

Add Retirement Expense

Description *	Member	Type	Amount	Frequency	Infl +/- Add'l	Start		End	
						Age	Date	Age	Date
Retirement Expense	Joint	▼ Lifestyle	▼ \$9,665	▼ Monthly	▼ <input checked="" type="checkbox"/> + 0.00%	59	Ret. (1st)	69	Dec 31 2044

**Slow Go Years - 2045 to 2054**

## Calculate Retirement Expenses

Enter the annual retirement expenses as a

percentage of the current estimated after-tax income

$$\$128,872 \times \underline{70.00\%} = \mathbf{\$90,210/yr} \quad \mathbf{\$7,518/mo}$$

percentage of the current lifestyle expenses

$$\$0 \times \text{-----} = \$0/yr \quad \$0/mo$$

specific amount \$0/yr \$0/mo

**Add to Retirement Expenses**

Clear

Retirement Expenses

Add Retirement Expense

Description *	Member	Type	Amount	Frequency	Infl +/- Add'l	Start		End				
						Age	Date	Age	Date			
Retirement Expense	Joint	Lifestyle	\$9,665	Monthly	<input checked="" type="checkbox"/> + 0.00%	59	Ret. (1st)	69	Dec 31 2044			X
Retirement Expense	Joint	Lifestyle	\$7,518	Monthly	<input checked="" type="checkbox"/> + 0.00%	69	Jan 1 2045	79	Dec 31 2054			X

## No Go Years - 2055 to Mortality

### Calculate Retirement Expenses

Enter the annual retirement expenses as a

percentage of the current estimated after-tax income  
 $\$128,872 \times \underline{60.00\%} = \$77,323 / \text{yr} \quad \$6,444 / \text{mo}$

percentage of the current lifestyle expenses  
 $\$0 \times \text{-----} = \$0 / \text{yr} \quad \$0 / \text{mo}$

specific amount  $\text{-----} \$0 / \text{yr} \quad \$0 / \text{mo}$

[Add to Retirement Expenses](#) [Clear](#)

Retirement Expenses [Add Retirement Expense](#)

Description *	Member	Type	Amount	Frequency	Infl +/- Add'l	Start		End		
						Age	Date	Age	Date	
Retirement Expense	Joint	Lifestyle	\$9,665	Monthly	<input checked="" type="checkbox"/> + 0.00%	59	Ret. (1st)	69	Dec 31 2044	
Retirement Expense	Joint	Lifestyle	\$7,518	Monthly	<input checked="" type="checkbox"/> + 0.00%	69	Jan 1 2045	79	Dec 31 2054	
Retirement Expense	Joint	Lifestyle	\$6,444	Monthly	<input checked="" type="checkbox"/> + 0.00%	79	Jan 1 2055	90	Death (2nd)	

Note, you will see from the original case study the Kennedy's retirement goal was only 82% based on the original criteria. After the modified expenses with the Go Go, Slow Go, and No Go strategy, the Kennedy's retirement goal has increased to 92%!!!

Good Luck and Happy Planning!!!!

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