

70 Year Old Retiree

Facts

David is retired with two children from a previous marriage and is in a common law relationship. His daughter is married and has two children and his son is living overseas and single. Both kids are self sufficient and in their thirties. David's current net worth is approximately \$4,000,000, which includes financial, real estate and business assets. He has RRSP's of approximately \$400,000, about \$150,000 in cash in his personal name and the remainder of their financial assets of \$950,000 are held in his holding company. He owns a half interest in a commercial real estate property through his holding company. He receives \$50,000 income from his commercial rental property and receives CPP & OAS of \$15,000 per year. His lifestyle expenses vary between \$80,000 and \$100,000 per year.

Concerns

- What is his minimum draw from his RRIF when he converts it at age 71?
- How much should he draw from his RRIF vs. his holding company?
- How should his investments be managed to be tax efficient?
- Will he have enough money to last his lifetime?
- Can he split income with his common law spouse to lower their taxable income?
- What are the tax implications and the arrangements made for the commercial property should he die prematurely?
- Make sure there is a smooth transition of his estate so that his children and his common law spouse are all treated fairly.

Solution

Once we created a vision document, gathered all of his relevant statements and documents, built a financial plan and established a two year roadmap for David we were able to prioritize his goals and tackle his concerns. The key concerns were to review his will and ensure it reflected his current wishes, along with getting a representative agreement in place for him. We next ensured his buy/sell agreement was completed. We have spent a number of sessions going through a retirement navigator to provide him with cash flow projections and tax advice in coordination with his accountant. David knows where he stands and what the benchmarks are in the future for withdrawal rates from his RRIF and corporate taxable portfolio. We have a wealth management binder for him with all of his important documents including annual tax returns, wills, insurance statements and financial plans. Every quarter we meet to review his net worth, cash flow and goals based planning to keep him on track.

Our Goal: Client Satisfaction

"Navigation Wealth Management understands my circumstances in its entirety and manages all of my financial investments. I have peace of mind knowing they are a reliable team that are attentive to my investments and helping me by guiding me through my financial plans."

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Wealth
Management**

KEEPING YOU ON TRACK

