

75 year old retiree

Facts

Clients, Jim & Joan, are retired snowbirds who spend the winters down south. They have two grown children in their 40's. Their son is a lawyer in Eastern Canada and their daughter is a homemaker married to a successful entrepreneur. Their current net worth is in excess of \$9,000,000, which includes financial, real estate and business assets. They each have RRSP's of approximately \$1,200,000, about \$3,000,000 in cash in their personal names and \$650,000 in their holding company. They require about \$180,000 of income from their investments before tax. They receive CPP of \$15,600, OAS of \$13,163 and minimum RRIF payments of almost \$100,000 per year. They are getting their OAS clawed back because their income is over \$68,000.

Concerns

- < Make sure their wills reflect their wishes because they were updated a number of years ago in another province and their son is the alternate executor
- < They own US property and they are concerned about the potential estate tax consequences
- < The structure and timing of their cash flows from their various buckets and how long they will last assuming certain withdrawal rates and return assumptions
- < Will they have enough money to last them their lifetime?
- < Plan five years at a time

Solution

After establishing their vision, gathering the relevant statements for their wealth management binder and financial plan, and setting up a goals' based planning system with a tracking and measurement approach we prioritized their concerns on a two year roadmap. Initially we addressed their wills and helped them by reviewing and drafting a will plan that we provided to their lawyer. This also addressed their concerns about their US property holding. In consultation with their accountant we developed a cash flow statement and projection over the next five years. We developed a time line that outlined the structure and timing of cash flows from the various buckets/pools to show them the likely values and duration of their funds given various assumptions for returns and needs. By putting their complete picture together Jim & Joan were able to clearly see their retirement income and wealth management throughout their retirement and gain the sense of confidence they were on track.

Our Goal: Client Satisfaction

"The Navigation Team has provided us with a total wealth management strategy based on our needs and expectations. In fact it exceeded them! We are very satisfied with the service provided."



The Navigation Team

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