

## Redefining Retirement

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Retirement used to mean a gold watch, a pension and spending time on hobbies or new pastimes. For some this may still be true, but times have changed and there are new realities that will affect how retirement will look in the future.

The largest segment of the population in Canada today, the "Baby Boomers", started retiring in large numbers a few years ago. Those born in 1947 are considered the first Baby Boomers and they reached age 65 back in 2012. Many were in position to retire immediately while some of their peers have had to postpone or scale back their retirement plans.

Many employers today are finding it increasingly difficult to fill all the jobs they have in their companies. This problem will continue to grow as the Boomers continue heading into retirement and there aren't enough new people to replace them.

Personal debt, expressed as a percentage of annual income, has reached an all time high in North America. More and more people will be reaching retirement age with significant debt they will have to service.

After working for several decades, it can be very stressful to suddenly stop - for both the retiree and his or her spouse and family. This can put a strain on even the strongest relationships. Here's how some have taken their steps into retirement:

**John** had a modest business and sold it when he turned age 60. The proceeds weren't quite enough, along with his RRSPs, to provide the income he needed. John got a job at a local hardware store as a sales clerk. He had always been a handyman around their home. His new job helps with his cash flow, keeps him in touch with people and his interests, and does not come with the stresses of running his own company. His employer lets John take as much time off as he wants for travel and family matters.

**Carol** has a favorite charity. Like most charities, they were finding it more difficult to find staff to fill certain paid positions. Carol already had an adequate retirement income, but still wanted to keep busy. She took a job with the charity, but did a cheque exchange when she got paid. This simply means that she donates her paycheck back to the charity in exchange for a tax receipt. The charity gets a mature, dedicated worker and Carol gets a nice tax break.

**Ralph and Carl** had worked together for many years. Both were interested in easing into retirement. Because they held almost identical positions, Ralph and Carl were able to arrange with their employer to job share, working alternate weeks. Their employer only had to fill one position right away and they were able to help train the new hire.

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## Want help with your retirement planning?

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