

my money At a Glance

Helping You Understand Financial Planning and Investments

Tis the season:

Face your fears and take charge of your retirement plans

At this time of year, we face many daunting tasks, like untangling the holiday lights or planning that 20-person family dinner. But admit it: afterwards, it's nice to step back and admire your home wrapped in twinkling lights. And doesn't it feel good after you've brought your relatives together for a memorable family tradition?

Well, the same goes for taking stock of your retirement savings plans – another often-dreaded seasonal duty. But take heart: you'll feel gratified after you've faced your fears and taken charge of the task – and it's much less work than stringing lights in the eavestrough or peeling potatoes.



⇒ Time for an honest self-assessment

Before we get started, let's address the elephant in the room. With the flow of disheartening economic news lately, it's natural to cringe at the thought of reviewing your retirement plans and statements. Perhaps the ups and downs in the markets are making you feel like your retirement goals are beyond your control?

If you have these thoughts, keep two things in mind. First, the best way to face any challenge is with your eyes open. While you may be tempted to ignore the storm, it's always better to know the facts. You'll likely feel relieved, and better prepared to make wise decisions that help you move forward.

Second, in the words of financial experts, saving for retirement isn't a race, it's a marathon. Basically, it takes time and patience to get to the finish line, and you can't let the aches, pains and doubts along the way defeat you.

Today's market volatility is just one leg in that long-distance run to retirement. In that spirit, a year-end review of your retirement plan is your chance to check your strategy, ensure it's still right for you, and gauge your progress. It's like peeking in the oven to check on that holiday turkey, to see if the meal will be ready when your guests arrive.

⇒ First step: do you have a plan?

Naturally, the first question is, do you have an investment plan that charts your personal and financial goals, including retirement? If you're a new Sun Life Financial plan member – or you just haven't gotten around to it yet – this should be your first step.

You can use Sun Life Financial's online tools like the Asset allocation tool (**Investment risk profiler**) and the **Retirement planner** found mysunlife.ca or seek the help of a financial planner.

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⇒⇒ Got a plan? Look it over

If you have a plan in place, it's the season to revisit the choices you made and the performance of your various investments. Follow these tips:

- ✓ **Gather your papers:** Collect all your retirement plan documents and statements, including your workplace plan and any individual savings accounts, personal RRSPs or pensions with former employers.
- ✓ **Check the numbers:** Review the balance of each account, take note of your plan value and how it changed during the past year. Also check how any ongoing contributions are being invested within your current plan.

Hint #1: While reviewing your investments, don't sweat the small stuff like the daily market ups and downs. Instead, focus on the big picture of maintaining a healthy, long-term portfolio.

Hint #2: Don't make any hasty decisions to sell funds or switch approaches before thinking carefully about your investment options.

- ✓ **Does your plan still make sense?** Review your plan and investment risk tolerance to make sure they still align with your goals. If your goals and assumptions still hold true, you can stick with your existing plan and be confident that you remain on the right track.
- ✓ **Fine-tune your investments:** If your overall plan still matches your needs, review the contents of your investment portfolio and consider some fine-tuning. You may realize it's time to further diversify your investments. Or, you may need to rebalance your asset mix, to ensure you're still investing in a way that matches your original investment strategy.
- ✓ **Increase your savings commitment:** Consider increasing your contributions, ideally through automatic payroll contributions that you don't have to think about during the year. Maybe it's time to set a budget to achieve household savings. Or perhaps you should consider other savings options, like the Tax Free Savings Account (TFSA).
- ✓ **Consider some extra advice:** If you have any doubts about your overall retirement plan, investment portfolio or other major financial decisions, consider consulting a qualified financial professional.

⇒⇒ It's done before you know it

The best thing about facing feared year-end tasks: it's amazing how they are over before you know it. After fretting over that family dinner party, you'll soon be waving goodnight to your guests and feeling satisfied with the results of your efforts.

The same goes for taking charge of your retirement plans. By taking a bit of time to review the facts and plan your next steps, you'll feel more relaxed, knowing that the task is under control and you're moving forward on your long distance journey to retirement.



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