Worksheet: How Much Can I Safely Spend in Retirement?

A Practical Guide for High-Income Canadians Seeking Confidence, Clarity, and Control

1. Your Safe Withdrawal Rate (SWR)

The Safe Withdrawal Rate helps estimate *how much of your portfolio you can withdraw annually without running out of money.*

Typical guideline: 3.5%–4%
(For affluent Canadians with rising longevity and market volatility, 3.5% is often more realistic.)

Your Numbers

- Total invested assets today: ______________________
- Safe withdrawal percentage (3.5%): ______________________
- Estimated annual withdrawal: ______________________

Example:
$2,000,000 × 3.5% = $70,000 per year (indexed to inflation)

> *Note: This is a starting point. Your actual number should be customized based on taxes, income sources, spending patterns, and investment strategy.*

2. Identify Your Guaranteed Income Sources

These income sources reduce the amount you need to withdraw from your investments.

List your estimated annual amounts:

Income Source	Annual Amount	Start Age

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CPP		
OAS		
Defined Benefit Pension		
Corporate Dividends		
Rental Income		
Business Income (if applicable)		

Total Guaranteed Income: ______________________

Now, Calculate the Gap

(Spending Goal – Guaranteed Income = Amount Your Portfolio Must Cover)

Annual spending goal in retirement: ______________________
Minus guaranteed income: ______________________
Your annual portfolio withdrawal need: ______________________

3. Longevity Planning: How Long Does Your Money Need to Last?

High-income Canadians often experience above-average longevity.
This is why planning should consider living to **age 95–100**.

Longevity Questions to Consider

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- At what age would you like to plan for? __________
- Do you have longevity in your family?
  - Yes
  - No
- Do you expect high healthcare costs in later years?
  - Yes
  - No
- Do you want to leave a financial legacy to children or charity?
  - Yes
  - No
- Are you planning to downsize or liquidate assets later in life?
  - Yes
  - No

Longevity Risk Self-Check

Choose all that apply:

- I want my money to last through age 95–100
- I want a predictable income, not market-dependent income
- I want a plan that adjusts for rising healthcare costs
- I want my portfolio to outlast me, not the other way around

4. Inflation Impact: Adjust Your Spending for Real Life

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Inflation is one of the biggest threats to retirement income, especially for retirees with 20+ year time horizons.

Estimate Future Spending Needs

Average long-term inflation assumption: **2%–3%**

Your monthly spending today: ______________________
Inflation assumption: __________%
Estimated monthly spending in 20 years: ______________________

Inflation Factors to Consider

- Rising healthcare expenses
- Higher cost of living in prime years (60–75)
- Unexpected family support (children, grandchildren, parents)
- Travel and lifestyle spending

5. Your Personal Retirement Spending Strategy

Answer these questions to clarify the retirement lifestyle you want:

a. What is your ideal retirement lifestyle?

- Maintain current lifestyle
- Spend more in the early years (active retirement)
- Travel-focused lifestyle
- Support children/grandchildren
- Philanthropy or legacy planning

b. What flexibility do you want in your spending?

- I want a stable monthly income
- I want to adapt spending based on markets

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- I want a hybrid strategy (some fixed, some flexible)

c. Do you want your money to…

- Last exactly for your lifetime
- Leave a meaningful legacy
- Prioritize security over growth
- Prioritize opportunities over restrictions

6. Your Retirement Spending Snapshot

Fill in your snapshot:

- Safe annual withdrawal estimate: ______________________
- Total guaranteed income: ______________________
- Annual spending gap your portfolio must cover: ______________________
- Longevity timeframe: ______________________
- Ideal lifestyle cost: ______________________

Does your current plan support this lifestyle?

- Yes
- Not sure
- I need a personalized analysis