Olivia can hardly wait to join her retired husband. She’s 50 now and wants to pack in her media job at 57. Henry, who is 58, wants her to work to the age of 60. That would be another 10 years of her working and him not.

Olivia brings in $98,000 a year, while Henry’s indexed pension pays him $13,370 a year. They also have investment income. Olivia has a defined-benefit pension plan that is not indexed to inflation.

They have a mortgage-free home in a town where houses are not hugely expensive and a cottage on a nearby lake. They use two different investment advisers and brokerage firms to manage their savings and investments, and wonder if they should continue this way or consolidate their holdings at one firm.

Can Olivia retire at the age of 57? they ask in an e-mail. Or should she work a few more years? Should they begin collecting Canada Pension Plan benefits at 60 or wait until they are 65?

Their retirement spending goal is $60,000 a year after tax. While they show a monthly surplus, they are setting aside that money for a big trip in the next couple of years and to replace their vehicles.

We asked Noel D’Souza, a money coach and financial planner with Money Coaches Canada, to look at Olivia and Henry’s situation. Mr. D’Souza holds the certified financial planner (CFP) designation.

What the expert says
Olivia needn’t work longer than the age of 57, Mr. D’Souza says. The couple will be able to comfortably achieve their retirement income goal of $60,000 a year – after tax and adjusted for inflation – to 95.

“Even better, because the majority of their retirement income will come from their defined-benefit pensions and government benefits, which continue for life, they do not need to worry about the stock market and their investment returns over the coming decades,” the planner says.

Olivia’s DB pension entitlement will continue to increase over the next seven years with her wages and years of service. At 57, she will get about $27,000 a year. “Combined with Henry’s indexed pension, which will have risen to about $14,000 a year in seven years, and Henry’s government benefits, including CPP estimated at about $9,000 a year at age 65 and Old Age Security of about $8,000 a year, they will have about $58,000 a year gross coming in from guaranteed income sources that will continue for life, most of which will increase with inflation (except for Olivia’s pension),” he says.

Once Olivia reaches 65, her CPP and OAS will begin, adding about $11,000 a year in CPP benefits and $10,000 a year in OAS, both adjusted for inflation. Altogether, “this will provide the vast majority of their retirement-income needs,” Mr. D’Souza says.

Because Olivia’s pension is not inflation-adjusted, over time, they will need to draw more from their retirement savings to meet their income goals, but the amounts will be modest compared to their accumulated savings pool, he says.

Should they take CPP earlier than 65?

Henry and Olivia do not need to rely on CPP benefits to supplement their retirement income in the years between 60 and 65, Mr. D’Souza says. As well, Henry will receive a bridge benefit from his pension from 60 to 65, effectively filling in for CPP. “They would therefore benefit by delaying taking their CPP,” he says.

If they started collecting CPP when each of them turns 60, they could generate total income of $79,300 a year, after tax and adjusted for inflation. Their CPP would be 36 per cent lower than if they started at the age of 65.

That would rise to $82,500 a year if they started CPP when each of them reached 65, the “normal” CPP payment, planner says. If they put off collecting CPP until they turned 70, they would have total income of $84,600 a year. Their CPP would be 42 per cent higher than if they started at 65.

“My recommendation would be to wait until at least age 65 to begin collecting CPP so they are not subject to the benefit reduction of 6 per cent a year before age 65,” Mr. D’Souza says. “The great news is that whatever age they choose to start their CPP, they will still achieve their retirement income goals.”

As for their investments, there are benefits to having a single, competent investment adviser manage the entire investment portfolio, the planner says. “On the other hand, many investors don’t want to put all their investing eggs in one adviser basket, and like having multiple advisers with whom they can discuss their portfolio.”

Henry and Olivia are paying reasonable fees for the service they are receiving, Mr. D’Souza says: 0.5 per cent for their registered holdings at one investment dealer and trading commissions in their non-registered account at the other. They should check their annual statements to ensure the fees are what they think they are and their performance is at least matching the relevant benchmark, the planner says.

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The people: Henry, 58, and Olivia, 50

The problem: Does Olivia have to work another 10 years or can she retire at the age of 57?

The plan: Go ahead and retire. Because they both have pensions, they should defer CPP until at least 65.

The payoff: A possible source of friction – Olivia’s retirement – resolved. Their retirement spending goal achieved.

Monthly net income: $8,085
**Assets:** Bank accounts $30,000; his non-registered $286,000; her non-registered $900; his TFSA $57,600; her TFSA $53,000; his RRSP $393,000; her RRSP $120,000; estimated present value of his pension plan $412,000; estimated present value of her pension plan $565,000; residence $290,000; cottage $120,000. Total: $2.3-million

**Monthly disbursements:** Property tax $385; home insurance $210; heat, hydro $330; maintenance, garden $170; transportation $560; groceries $520; clothing $55; gifts, charity $340; vacation, travel $185; dining, drinks, entertainment $480; grooming $30; club membership $35; pets $130; sports, hobbies $200; subscriptions, other personal $50; dentist, drugstore $45; health, life insurance $170; phones, Internet, TV $235; RRSPs $500; TFSAs $450; her pension plan contributions $210. Total: $5,290. Surplus: $2,795

**Liabilities:** None

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