

Retirement Planning & Wealth Building — Workbook

This workbook turns the course math into a plan you can fund this year and follow for decades. You will calculate your own retirement number, decide which dollar goes into which account, project your portfolio with real returns and fees, and write a withdrawal policy for the drawdown years. Work one section per module, in order, and use the templates to keep your numbers live.

The Math That Builds Wealth

Set your four core numbers, find your retirement target, and feel the cost of waiting in your own figures.

Worksheet: Your Four Core Numbers

Fill in the four inputs that drive every projection in this course. Use a real (after-inflation) return of about 4 to 5 percent for a stock-heavy mix, and plan all figures in today's dollars so inflation is handled automatically.

Current age

Target retirement age

Real annual return assumption (%)

Inflation assumption (%)

Current invested balance (\$)

Monthly contribution you can sustain (\$)

Annual retirement spending target, today's dollars (\$)

Exercise: Find Your Retirement Number with the 25x Rule

Work from desired income down to a target balance. Subtract guaranteed income first so you size only what your portfolio must cover, then multiply by 25 and by 30 to see both the standard and conservative targets.

- What annual income, in today's dollars, do you want in retirement?

- How much do you expect from Social Security, CPP, OAS, or a pension each year?

- What income must your portfolio cover (desired income minus guaranteed income)?

- What are your two targets: portfolio income times 25, and times 30?

Exercise: Feel the Cost of Waiting

Use the Rule of 72 and your real return to count doublings. This shows why starting now beats saving more later.

- Divide 72 by your real return: how many years to double your money?

- How many full doublings fit between your age now and 65?

- If you delay starting by five years, how many doublings do you lose?

- What is one contribution you can automate this week to stop the clock from costing you?

Checklist: Foundations in Place

- Wrote down my real return and inflation assumptions and will reuse them everywhere
- Calculated my portfolio income need after subtracting guaranteed benefits
- Set both a 25x and a 30x target balance
- Chose a current monthly savings rate as a percentage of income
- Set up at least one automatic recurring contribution

The Accounts: RRSP, TFSA, 401(k), and IRA

Map your accounts, capture every match, and decide which dollar belongs in which tax container.

Worksheet: Account Inventory and Available Room

List every retirement account you have or could open. Record the current balance, this year's contribution limit or remaining room, and the tax treatment so you can see your full sheltered capacity at a glance.

Confirm current-year limits with the IRS or CRA.

Account name (401k / IRA / Roth / RRSP / TFSA / taxable)

Tax treatment (deferred / tax-free / taxable)

Current balance (\$)

This year's contribution limit or remaining room (\$)

Employer match formula, if any

Amount contributed year-to-date (\$)

Exercise: Capture the Full Employer Match

The match is the highest-return move available. Confirm you are getting all of it before optimizing anything else.

- What is your employer's match formula (for example, 50 percent on the first 6 percent)?

- What contribution percentage do you need to capture the full match?

- Are you currently contributing at least that much? If not, by how much are you short?

- What is the dollar value of the free match you would gain by closing that gap this year?

Exercise: Traditional vs Tax-Free: Which Bucket for You

Decide your Roth-versus-traditional and TFSA-versus-RRSP balance based on your bracket now and your expected bracket in retirement.

- What is your marginal tax rate today?

- What tax rate do you realistically expect in retirement?

- Given that gap, does a deduction-now or a tax-free account serve you better right now?

- How will you split contributions to keep both a taxable-later and a tax-free bucket (tax diversification)?

Checklist: Funding Waterfall Followed

- Contributing enough to capture 100 percent of any employer match
- Paid down or scheduled payoff of debt above roughly 8 percent interest
- Funding a tax-free account (Roth IRA or TFSA) for flexible tax-free growth
- Maxing or increasing a tax-deferred account (401k or RRSP) for the deduction
- Placed bonds in deferred accounts and highest-growth equities in tax-free accounts

Building the Portfolio

Choose low-cost funds, expose hidden fees, and lock in an allocation and glide path you will hold through a market cycle.

Worksheet: Fee Audit of Every Holding

List each fund you own and its all-in cost. Add any advisory fee on top. Total your blended cost and flag anything whose extra expense is not buying a clear benefit. Aim for an all-in cost under 0.25 percent where possible.

Fund or holding name

Expense ratio / MER (%)

Advisory or platform fee on top (%)

All-in annual cost (%)

Lower-cost index alternative

Action (keep / replace)

Exercise: Set Your Allocation and Glide Path

Choose a stock-and-bond mix for your age and a plan to de-risk over time. Write the rule down before the market tests it.

- What stock-to-bond split fits your current age and risk tolerance?

- What will your split be at 50, at 60, and at your retirement date?

- Will you use a target-date or all-in-one fund, or rebalance manually?

- What trigger will prompt rebalancing (a calendar date, or drift beyond five percentage points)?

Exercise: Simplify to a Buildable Portfolio

Translate your allocation into a short list of specific, low-cost holdings you can actually buy and maintain.

- Which two or three index funds (or one all-in-one ETF) cover your target allocation?

• Which account will hold each fund, applying asset-location rules?

• How will you automate the recurring purchase and dividend reinvestment?

• What is your written rule for behavior during a market drop?

Checklist: Portfolio Built and Defended

Chose broad, low-cost index funds or an all-in-one asset-allocation ETF

Audited and cut any fee that was not buying a durable benefit

Wrote down my stock-to-bond allocation and glide path

Set a rebalancing trigger (annual date or drift band)

Automated contributions and dividend reinvestment to remove ongoing decisions

Turning Savings Into Retirement Income

Defend the early years against sequence risk, set a flexible withdrawal rule, time your benefits, and write it all down.

Worksheet: Withdrawal Policy Statement

Draft the rules your future self will follow during the drawdown years. Decide each line now, while you are calm, so a market panic cannot rewrite your plan.

Starting withdrawal rate (%)

Upper and lower guardrail bands (%)

Spending cut triggered when rate exceeds upper guardrail (%)

Cash buffer size (years of spending held in cash and short bonds)

Account drawdown order (taxable, then deferred, then tax-free)

Benefit-claiming age (Social Security / CPP / OAS)

Exercise: Build Your Sequence-Risk Buffer

Size the cash cushion that lets you avoid selling stocks in a downturn during the danger-zone early years.

- What is your planned annual withdrawal in dollars?

• How many years of spending will you hold in cash and short bonds at retirement (target two to three)?

• What total dollar buffer does that require?

• What discretionary spending could you cut in a bad year to protect your shares?

Exercise: Time Your Government Benefits

Weigh claiming early against deferring for a larger lifetime, inflation-indexed payment, and plan the bridge years.

- What benefit would you receive claiming early versus deferring to 70?
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- Given your health and family longevity, does deferral make sense for you?
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- If you retire before claiming, how will your portfolio bridge the gap?
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- How will you manage taxable income to limit OAS clawback or benefit taxation?
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Checklist: Drawdown Plan Locked In

- Chose a starting withdrawal rate and guardrail bands
- Sized and funded a two-to-three-year cash buffer
- Decided a benefit-claiming age and the reasoning behind it
- Set a tax-efficient account drawdown order
- Wrote the full withdrawal policy statement and stored it where I will find it in a panic

Your Action Plan

1. Calculate your retirement number: desired income minus guaranteed benefits, times 25 and times 30.
2. Set a current savings rate as a percentage of income and automate at least one recurring contribution.
3. Increase your 401(k) or group-plan contribution to capture 100 percent of any employer match.
4. Confirm this year's contribution limits with the IRS or CRA and open any tax-free account you lack.
5. Decide your Roth-versus-traditional and TFSA-versus-RRSP split based on your tax brackets.
6. Audit every fund's all-in fee and replace anything not earning its cost with a low-cost index alternative.
7. Write down your stock-to-bond allocation, glide path, and rebalancing trigger.
8. Apply asset-location rules: bonds in deferred accounts, highest-growth equities in tax-free accounts.
9. Draft a withdrawal policy statement with a starting rate, guardrails, cash buffer, and drawdown order.
10. Schedule an annual review to recalculate the number and rebalance the portfolio.

