

My Two Cents Worth: the “R” Word...

At forty something, I’m a card-carrying member of the boomer generation. Which means that, like it or not, I’m going to retire in approximately fifteen years. At least, I hope I am. But hitting the big five-oh made me realize that I needed to take stock of the *R* word and examine the fine print of my retirement portfolio. House? Check. Car? Check. Debt? Triple check. Pension plan? Nada. Faced with dwindling possibilities, I asked friends and colleagues to weigh in on the *R* word. “*I don’t think I’ve saved enough...*” and “*I don’t even have a pension plan*” were common refrains. Those of us lucky enough to own a house sounded the “*I’ll-sell-my-house-and-travel-the-world*” retirement plan. Human nature being what it is, many of us viewed retirement as an uncertain, far-off event. Now, with sixty-five looming, we’re wondering how in the world we’ll ever save enough to retire.

Indeed, the federal government's research reveals that a staggering two-thirds of the Canadian workforce doesn’t have *any* pension. While Canada’s old age pension provides some security, it simply won’t be enough to live in the style to which we’d like to become accustomed. With so many Canadians heading into retirement with little in the way of savings, we need to look beyond government to develop solutions to deal with the retirement crisis.

One such solution? The workplace pension plan. For employees, having access to a workplace pension plan is (forgive me) a *golden* opportunity because let’s face it - payroll deductions force us to save. They’re painless. They’re generous. They’re tax-smart. They generate retirement income and decrease our reliance on social programs. And workplace pension plans help employers keep their employees and attract new ones.

Financial pundits have long been writing about the changing face of retirement planning. One of the most recent - and welcome - changes in the retirement landscape has been the introduction of pooled registered pension plans (otherwise known as PRPPs) a type of deferred income plan that’s designed to provide retirement income for people who don’t have access to a workplace pension.

They say that fifty is the new thirty. Seventy is the new fifty. Eighty is the new seventy-one. And so on. We're looking for new opportunities, new horizons. Paint? Check. Write a novel? Check. Visit exotic locales? Check, check, check. If we want to follow our passions and get to our bucket list, maybe it's time to ditch the "*I'll sell-the-house-and-travel-the-world*" retirement plan and invest in a real one. After all, it's not your father's retirement plan anymore.

But that's just my two cents worth.
