Retirement Planning Checklist

From First Paycheck to a Confident Retirement

Retirement planning is not a one-time decision. It is a series of deliberate choices made throughout your working life. This checklist is designed for immigrants, newcomers, and Canadian families who want to move from auto-pilot to conscious planning.

Your circumstances, income, residency history, family responsibilities, debts, and retirement goals will differ. Use this as a working checklist, review it regularly, and seek personalized advice for complex situations.

Stage 1: Your First Year in Canada or First Year of Work

Build your financial foundation

- Obtain your Social Insurance Number and understand your paycheque deductions.
- Open a Canadian checking and savings account.
- Create a realistic monthly budget based on your income and essential expenses.
- Track spending for at least three months to understand where your money goes.
- Start building an emergency fund, even if the first goal is only $500 to $1,000.
- Begin building Canadian credit by using credit responsibly and paying balances on time.
- Learn the basic difference between CPP, OAS, GIS, RRSPs, TFSAs, FHSAs, and workplace pensions.
- Review every job offer beyond salary: look for pension plans, Group RRSPs, employer matching, insurance benefits, and paid leave.

Set your retirement starting point

- Write down your age, expected retirement age, income, debts, savings, dependants, and financial goals.
- Identify any foreign pensions, employment benefits, retirement accounts, investments, or property.
- Determine whether Canada has a social security agreement with your country of origin.
- Keep records of your Canadian residency dates, immigration documents, and employment history.
- Start asking: "What will my retirement income need to be, and where will it come from?"

Stage 2: Years 1 to 5 - Establish the Habit

Capture available benefits

- Join your employer pension plan as soon as you are eligible.
- Contribute enough to receive the full employer match, if one is available.
- Read your workplace pension or Group RRSP statement instead of filing it away unopened.
- Confirm whether your plan is Defined Benefit or Defined Contribution.
- Review your workplace life, disability, health, and dental benefits.

Begin tax-efficient saving

- Open a TFSA if you are eligible and have a contribution room.
- Verify your available TFSA and RRSP contribution room through CRA My Account or your Notice of Assessment.
- Set up automatic monthly savings contributions.
- Use a TFSA for flexible long-term investing, short-term goals, or an emergency reserve when appropriate.
- Consider RRSP contributions when your income and tax bracket make the deduction valuable.
- If you are a first-time homebuyer, consider whether an FHSA supports your housing and long-term financial goals.
- Avoid overcontributing to registered accounts.

Protect your progress

- Pay off high-interest consumer debt aggressively, especially credit card balances.
- Avoid treating RRSP withdrawals as easy spending money; withdrawals are taxable and do not restore contribution room.
- Create or update beneficiaries on insurance policies, workplace plans, RRSPs, TFSAs, and other accounts.
- Make sure your family knows where important financial documents are kept.

Stage 3: Years 5 to 15 - Grow and Catch Up

Build wealth deliberately

- Increase savings whenever your income increases.
- Direct part of every raise, bonus, tax refund, or side-income payment toward savings, investing, or debt reduction.
- Review whether your current investment mix matches your time horizon and risk tolerance.
- Diversify investments rather than placing retirement savings in one stock, one sector, or one speculative asset.
- Rebalance your investment portfolio at least annually.
- Avoid taking extreme risks simply because you feel behind; a major loss can delay retirement further.

Coordinate your accounts

- Decide how RRSP and TFSA contributions work together in your strategy.
- Consider using RRSP tax refunds to reduce high-interest debt or build TFSA savings.
- Keep a record of all pension plans from current and former employers.
- Confirm whether you have transferred, left behind, or consolidated any former workplace pension benefits.
- Review foreign retirement accounts and foreign income reporting obligations with a qualified tax professional where needed.
- Ensure your investment accounts, insurance coverage, and savings plan reflect changes in family size, income, and goals.

Know your numbers

- Calculate your net worth at least once a year: assets minus debts.
- Review your credit report at least annually.
- Estimate how much you would need monthly in retirement.
- Check your CPP contribution record through your My Service Canada Account.
- Estimate how your years of Canadian residency may affect future OAS eligibility.

Stage 4: Years 15 to 25 - Strengthen and Optimize

Reduce financial pressure

- Develop a clear plan to eliminate high-interest debt.
- Review mortgage repayment, renewal dates, and whether you want to enter retirement mortgage-free.
- Avoid carrying car loans, credit card debt, or unnecessary consumer debt into retirement.
- Maintain an emergency fund so market downturns or unexpected expenses do not force investment withdrawals.

Improve tax and retirement efficiency

- Review your tax bracket each year and adjust RRSP contributions accordingly.
- Understand how withdrawals from RRSPs, RRIFs, pensions, and non-registered accounts may affect taxes later.
- Keep building TFSA assets because TFSA withdrawals are tax-free and do not affect OAS or GIS eligibility.
- Review your projected CPP, OAS, workplace pension, RRSP, TFSA, and other sources of retirement income together.
- Revisit insurance needs, especially life, disability, critical illness, and long-term income protection.

Prepare your household

- Discuss retirement expectations with your spouse or partner.
- Talk openly about family responsibilities, supporting parents, adult children, remittances, travel, and future housing.
- Begin basic estate planning: prepare or update a will, powers of attorney, and beneficiary designations.
- Review your plan after major life events such as marriage, divorce, birth of a child, job loss, home purchase, illness, or immigration-status changes.

Stage 5: Five to Ten Years Before Retirement

Test your retirement plan

- Define your desired retirement date or age range.
- Create a realistic retirement budget based on expected spending, not guesswork.
- Include housing, food, transportation, insurance, healthcare, travel, taxes, family support, and inflation.
- Identify expenses that may decrease after retirement and expenses that may increase.
- Obtain CPP estimates through your My Service Canada Account.
- Estimate your OAS entitlement based on residency history.
- Request an up-to-date pension estimate from your employer or pension provider.
- Review all registered accounts, non-registered investments, debts, insurance policies, and foreign assets.

Lower unnecessary risk

- Review your investment risk level; retirement savings should still grow, but money needed soon should not be exposed to excessive volatility.
- Consider a “three-bucket” approach:
    - **Bucket 1:** Cash or safe assets for 1–2 years of spending.
    - **Bucket 2:** Conservative income investments for 3–7 years of spending.
    - **Bucket 3:** Long-term growth investments to help fight inflation.
- Avoid making emotional decisions during market volatility.
- Do not move all investments to cash too early if you may need your money to last decades.

Stage 6: Three to Five Years Before Retirement

Make key decisions

- Decide when you may claim CPP: age 60, 65, or as late as 70.
- Consider health, employment income, life expectancy, tax bracket, family needs, and other income sources before choosing a CPP start date.
- Review when to begin OAS at age 65 or defer it, if appropriate.
- Estimate whether your income may trigger the OAS recovery tax, also known as the clawback.
- Determine whether you may qualify for GIS if your income will be low.
- Review retirement health, dental, prescription, and life insurance coverage once workplace benefits end.

- Update your will, powers of attorney, beneficiary designations, and emergency contact information.

Organize documents

- Keep copies of immigration and residency documents.
- Keep copies of CPP records, pension statements, tax returns, Notices of Assessment, investment statements, insurance policies, and estate-planning documents.
- Make a simple list of your accounts, institutions, advisors, passwords or secure access instructions, and important contacts.
- Tell a trusted person where to find this information in an emergency.

Stage 7: Six to Twelve Months Before Retirement

Put the plan into action

- Choose your official retirement date.
- Submit CPP and OAS applications in advance; do not assume every benefit will begin automatically.
- Confirm pension start dates, payment amounts, survivor benefits, and payment options.
- Decide your retirement-income withdrawal order with consideration for tax efficiency.
- Establish a realistic monthly retirement paycheque from pensions, CPP, OAS, RRSP/RRIF withdrawals, TFSAs, and other sources.
- Set up direct deposit for government benefits, pensions, and investment withdrawals.
- Pay down or eliminate high-interest debt before leaving employment where possible.
- Build a cash reserve for the first years of retirement.
- Review your final workplace benefits, unused vacation, pension options, and insurance conversion options.

Stage 8: At Age 71 and Beyond

Manage registered retirement income

- Convert your RRSP by December 31 of the year you turn 71.
- Transfer RRSP funds directly to a RRIF, purchase an annuity, or choose another eligible option to avoid unnecessary tax consequences.
- Set up mandatory minimum annual RRIF withdrawals.
- Understand that RRIF withdrawals are taxable income.
- Coordinate RRIF withdrawals with CPP, OAS, pension income, TFSA withdrawals, and other sources of income.
- Review income-splitting opportunities with your spouse or partner where eligible.
- Monitor OAS clawback exposure and adjust withdrawals carefully with professional guidance when necessary.
- Review your investment strategy annually; retirement can last 20, 30, or more years.

Annual Retirement Planning Review

Complete this review every year, regardless of your stage:

- Update your budget, net worth, debts, income, and savings rate.
- Check your TFSA and RRSP contribution room.
- Review your CPP record and pension statements.
- Review beneficiaries and estate documents.
- Rebalance investments if needed.
- Confirm insurance coverage remains appropriate.
- Revisit retirement goals, expected retirement age, and family responsibilities.
- Check for changes to tax rules, CPP, OAS, GIS, account limits, and benefit eligibility.
- Share financial knowledge with your spouse, children, relatives, and community.

Get Support

Thrive Nation Finance provides clear, education-first guidance for individuals, families, and newcomers in Canada. The platform offers retirement planning support, financial education, investment guidance, insurance solutions, and a free consultation option.

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