

Retirement savings: *What's a physician's magic number?*

How do you figure out how much you need to save for retirement? Here are the assumptions typically used when generating projections in a retirement plan.

1. Rate of return. This is the percentage you expect your investments to grow by on average every year. Considering long-term historical averages and recent sustained low interest rates, you might use 4% to 5% as the expected long-term rate of return for a balanced portfolio (60% equity, 40% fixed income). Generally, it's better to project longer-term returns on the conservative side so that you're not left in a shortfall position.

2. Savings pattern. Investment growth is one thing, but you'll also likely keep saving throughout your career. Part of your projection should include your expected savings over time and how much those savings will grow based on your expected rate of return.

3. Government pensions. When you retire, you may be eligible for Old Age Security (OAS) and the Canada Pension Plan (CPP). If you live in Quebec, you may be eligible for the Quebec Pension Plan. At age 65, the maximum CPP and OAS payments are about \$14,100 and \$7,400 per year, respectively.¹ You can estimate how these amounts might grow based on your personal circumstances and inflation assumptions.

4. Inflation. An inflation rate of 2% annually is a good place to start. Just remember that over the long term, the actual inflation number could vary.

5. Life expectancy. Because some people live much longer than the average life expectancy, it may make sense to create a plan that assumes your life expectancy is around 95 years old.



6. Withdrawal rate. Assuming you live to 95, your investment portfolio would need to last 30 years (age 65 to 95). A typical annual withdrawal rate is 4%. Any changes to the withdrawals taken in retirement will need to be factored into the assumptions, and your plan updated accordingly. This may include withdrawals for vacations, home repairs, gifts to beneficiaries, and so on.

Financial plans need regular checkups

You can estimate your own "magic number" for retirement savings using assumptions like the ones above, but you may need to refine or adjust them over time. If your retirement plan hasn't been reviewed recently or you've experienced major changes because of the disruptions of 2020, check in with your MD Advisor* to see whether you need to make any changes.



* MD Advisor refers to an MD Management Limited Financial Consultant or Investment Advisor (in Quebec), or an MD Private Investment Counsel Portfolio Manager.

¹ Based on data provided by the Government of Canada as of November 1, 2020.

<https://www.canada.ca/en/services/benefits/publicpensions/cpp/payment-amounts.html>

<https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security/payments.html>

MD Financial Management provides financial products and services, the MD Family of Funds and investment counselling services through the MD Group of Companies. For a detailed list of these companies, visit md.ca.

Is your banking program exclusive to physicians? Ours is.

Together, we're able to provide specialized advice and unique financial solutions tailored to your needs. We're more committed than ever to Canada's physicians. Learn more about how we can help you at md.ca/healthcareplus



Committed to physicians.



Scotiabank.
Healthcare+

MD Financial Management (MD Financial) provides financial products and services, the MD Family of Funds and investment counselling services through the MD Group of Companies. For a detailed list of the companies, visit md.ca. All banking and credit products and services available through the Scotiabank Healthcare+ Physician Banking Program are offered by The Bank of Nova Scotia (Scotiabank). Credit and lending products are subject to credit approval by Scotiabank.

®Registered trademark of The Bank of Nova Scotia, used under licence



DIN 02442256

The only Rx vitamin D 2,000 IU marketed in Canada

- **Same price** as 2 x 1,000 IU
- **Covered by most private insurance plans, RAMQ¹ & NIHB²**
- **Made in Canada** and marketed by a **Canadian company**



For more info/to order:

daretoprevent.com
Password: luxad123

Consider Luxa-D for your patients living with multiple sclerosis (MS)

People living with MS are at increased risk for
osteoporosis, falls, and bone fractures³



® Registered trademark of Orimed Pharma. Used under license.
© 2019 Orimed Pharma Inc. All rights reserved.
1310 Nobel Street, Boucherville, Quebec, J4B 5H3 | Toll free: 1 866 399-9091



Indications and clinical use:

LUXA-D 2000 IU is indicated for the:

- treatment and prevention of vitamin D deficiency;
- management and prevention of primary and corticosteroid-induced osteoporosis, in conjunction with calcium;
- treatment of refractory rickets (vitamin D resistant rickets);
- treatment of familial hypophosphatemia;
- treatment of hypoparathyroidism.

Contraindications:

LUXA-D 2000 IU should not be used in patients with:

- hypercalcemia and/or hypercalciuria;
- nephrolithiasis (renal calculi);
- severe renal impairment;
- malabsorption syndrome;
- abnormal sensitivity to the toxic effects of Vitamin D;
- hypervitaminosis D.

Relevant warnings and precautions:

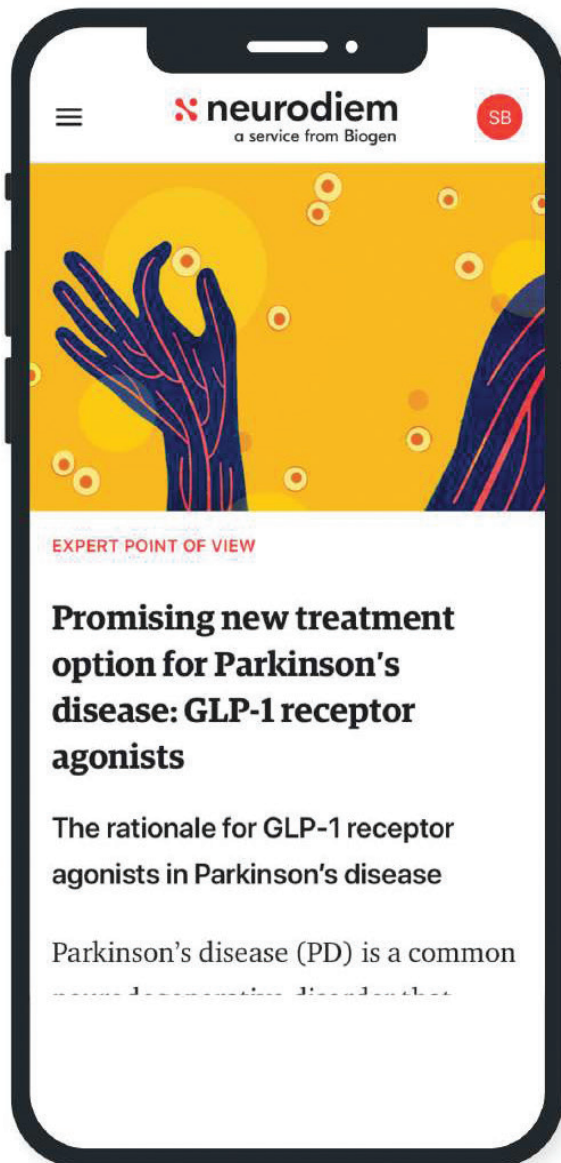
- Administration of excessive doses may lead to hypervitaminosis D
- Interindividual variation in dose may lead to chronic toxicity
- Periodic monitoring of serum calcium, phosphate, magnesium, and alkaline phosphatase is recommended
- Avoid use in excess of recommended dietary allowance in pregnant and nursing women

For more information:

Please consult the Prescribing Information at https://pdf.hres.ca/dpd_pm/00051659.PDF for important information relating to adverse reactions, drug interactions, and dosing information which have not been discussed in this piece.

References

1. Régie de l'assurance maladie du Québec (RAMQ). List of Medications. July 10, 2019. Accessed on January 4, 2019.
2. Non-Insured Health Benefits: Drug benefit list. October 2019. Accessed on January 4, 2019.
3. MS Society of Canada. MS Society of Canada Recommendations on Vitamin D in MS. November 2018. Accessed on February 2, 2020.



Looking for
unbiased
congress
coverage?

DISCOVER NEURODIEM

Biogen-70007

Cambridge Core
For further information about this journal
please go to the journal website at:
[cambridge.org/cjn](https://www.cambridge.org/cjn)

CAMBRIDGE
UNIVERSITY PRESS