

## Long-term health



Planning ahead can help give you more financial flexibility.

**WE ALL WANT TO LIVE** long, healthy lives and enjoy a full and energetic retirement. A balanced lifestyle, including eating well and staying active, can help achieve that goal. However, lifestyle is only one part of the story. A complete retirement plan involves considering what might happen down the road so you are ready to face any challenges.

One of the most difficult things to predict is how healthy you will be in retirement. Statistics tell one side of the story. Between the ages of 65 and 74, 12 per cent of seniors say they have some limitation to “functional capacity” – which means their ability to manage basic and instrumental activities of daily living.<sup>1</sup> Between the ages of 75 and 84, that number rises to 27 per cent. At age 85 and over, it accounts for the majority – 57 per cent – of seniors.<sup>2</sup>

What statistics can't say is whether you, personally, will need assistance either at home or in a long-term care facility. They do suggest, however, the importance of appropriate planning. With your advisor, you can estimate your potential health-related costs and make arrangements to help cover them – just in case.

### Plan for potential costs

You can take steps to help ensure you have the financial flexibility to get the care you need, if you need it.

One option is to earmark a portion of your nest egg for health care expenses. This money should be accessible without much notice, and it should not be used for any other purpose. You may want to specify that whatever is left after you pass away be part of your legacy to loved ones.

<sup>1</sup> Basic activities of daily living include walking, bathing, toileting, eating and dressing. Instrumental activities of daily living include shopping, housekeeping and food preparation. <sup>2</sup> [https://secure.cihl.ca/free\\_products/HCIC\\_2011\\_seniors\\_report\\_en.pdf](https://secure.cihl.ca/free_products/HCIC_2011_seniors_report_en.pdf)

Another option is long-term care insurance. This insurance can help you pay for extended care not covered by government health plans, such as accommodations in a long-term care facility or in-home services like nursing care, physiotherapy or meal delivery. Types of plans vary, so work with your advisor to choose the option that makes the most sense for you and your family.

### It's all about being prepared

The fact is, health-related costs may end up being one of your biggest budget items in retirement – or they may not. What's important is to determine the best strategy for your personal situation. In other words, be prepared. ■



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