

Retire happy, stay healthy



How to include health and dental benefits in your overall retirement plan.

RETIREMENT IS A MILESTONE that many Canadians build towards for a large portion of their adulthood, making it a highly anticipated transition when the time finally comes. When preparing for that long-awaited goal of life after work, a priority for many is to ensure they have sufficient financial resources to replace income and maintain a desirable lifestyle. But some may not realize that it's also important to consider potential health care needs and costs. For those leaving a workplace wellness insurance plan, having an effective and affordable replacement can lessen the financial burden of out-of-pocket health costs.

Health needs in retirement

Longevity and wellness are top of mind for many Canadians, but we may be more prone to health issues as we age. Among Canadians aged 65 and older, almost 90 per cent have one or more chronic conditions, such as arthritis, osteoporosis or cardiovascular disease.¹ These conditions may require everything from accessibility equipment to physiotherapy to nursing care.

Canadian seniors generally spend more on health care than younger Canadians. A 2014 survey found that households headed by a person aged 65 and over spent 6.1 per cent of their goods and services budget on health care, whereas households headed by someone under 30 spent 2.8 per cent.² It may not come as a surprise to learn that prescription drugs are one of the largest health care expenses for Canadians over 65, accounting for almost 30 per cent of their out-of-pocket health spending.³ Those fortunate enough to enjoy group health benefits during their working years may not be fully aware of the true costs of health care.

Plan for expenses

Understanding potential health care needs is only one piece of the puzzle – knowing how you will pay for it all during your retirement years is another. A beneficial first step is determining whether your employer offers continued coverage for retirees. Then, if it applies to your situation, consider your spouse's coverage – will it be enough for your needs, and how long will it be in effect?

¹ www.phac-aspc.gc.ca/cphorsphc-respcacsp/2010/fr-rc/cphorsphc-respcacsp-06-eng.php

² Statistics Canada, Survey of household spending, 2014, last modified February 12, 2016, www.statcan.gc.ca/daily-quotidien/160212/dq160212a-eng.htm (accessed October 26, 2016).

³ www.retirementadvisor.ca/retadv/apps/articles/articles.jsp?articlePage=HealthCare&learningMenu=articles

If your circumstances dictate shopping for a new plan, there are a range of options to consider. Some of the common health services covered are prescription drugs, hospital stays, nursing and home care, vision care, and medical equipment, as well as dental services such as exams, cleanings, fillings and root canals. Look for plans that offer a variety of levels, enabling you to choose one that most closely aligns with your needs and budget. Many plans also offer coverage for spouses and children, add-ons such as travel insurance, and supplementary features like special rates for couples and families with multiple children.

Be proactive

Securing health and dental insurance ahead of retirement can be beneficial for a few reasons. Not only will this prevent a gap in coverage, but certain plans feature guaranteed acceptance and no medical questionnaire if you apply within a specific time after your group plan ends.

Throughout the process, your advisor is the person with the best expertise to help you understand the different plans available and to assist in deciding what options fit your needs. Having the right health care plan in place can help alleviate concerns about paying for future medical requirements and put more focus where it should be – on enjoying retirement to its fullest. ■



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