



Insights & advice

How to plan for retirement as a small business owner



If you're a business owner, you're probably focused on the day-to-day tasks with your business. You may not be thinking about retirement – even if it's a few years away. But don't worry, you're not alone. [More](#) (#footnote-list-1)

Some working Canadians have company pensions or an employer-matching program to help with retirement. These are generally benefits a small business owner doesn't have. It's up to you to plan your

When would you like to retire?

This is a great place to start. Even if you decide on a rough idea of a retirement date, it gives you a goal to work towards. It makes you think about how long you want to keep working, what you want

You'll need to think about several factors and decide what date is best for you. These may include your

What lifestyle do you want in retirement?

Your lifestyle plans will help decide how much money you'll need to enjoy retirement. Think about how often you'd like to travel, whether you want to volunteer or spend time at home. Retirement doesn't

How will you fund your retirement?

The good news is that there are several options to help you fund your retirement.

Government

programs

[\(/investing-saving/retirement/preparing-for-retirement/what-are-government-retirement-benefits-.html\)](/investing-saving/retirement/preparing-for-retirement/what-are-government-retirement-benefits-.html) available to almost all Canadians, such as the **Canada Pension Plan** [\(/investing-saving/retirement/pension-plans/canada-pension-plan-cpp.html\)](/investing-saving/retirement/pension-plans/canada-pension-plan-cpp.html) and **Old Age Security**

Other options for business owners funding their retirement include the Individual Pension Plan and

Business owners may plan to fund their retirement by selling their business. However, this can be risky

because there are lots of unknowns. It's important to consider whether you'll have a buyer

How you will fund your retirement involves a lot of big decisions. You should talk to your advisor about

What kind of future do you want for your business?

Every owner will walk away from their business eventually. Creating a succession plan is an important

Here are some scenarios to consider:

- Transfer or sell the business to a family member
- Sell the business to a partner or employee
- Sell to a third party

Even if you know who's going to take over your business, you'll need time – perhaps several years – to

prepare them. They may need to gain specific skills and relationships, and learn every

You shouldn't be alone in answering these questions. Your advisor, accountant, and lawyer can all help

Knowing you're prepared for different scenarios can help you relax and focus on your business. Even if your exit plan is still far off, having a plan in place means you're prepared for every

¹ ([#n-footnote-link-5-to-1](#)) Government of Canada. Key Small Business Statistics – June 2016.
http://www.ic.gc.ca/eic/siTe/061.nsf/eng/h_03018.html (http://www.ic.gc.ca/eic/siTe/061.nsf/eng/h_03018.html)

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