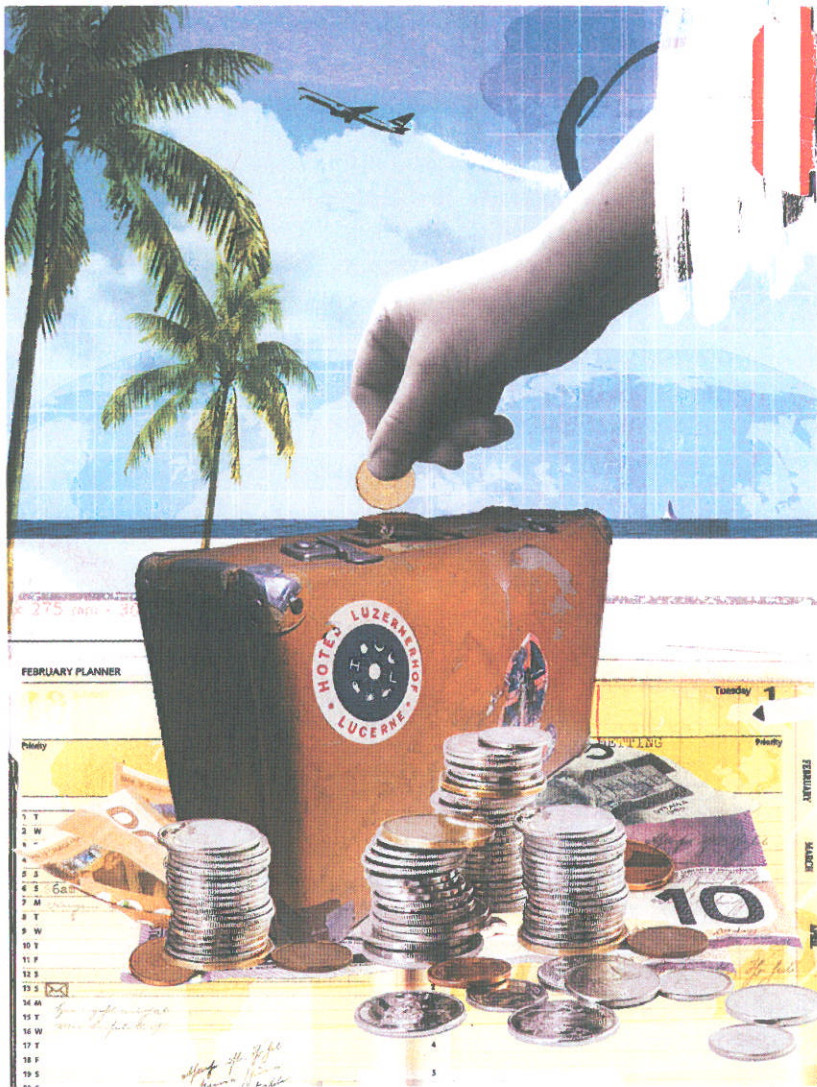


# Time for time off

*Love* YOUR JOB BUT NEED A BREAK? HERE'S HOW TO MAKE YOUR SABBATICAL DREAMS A FINANCIAL REALITY



**I**n the fall of 2009, Karen Marzocco began a year-long adventure. She spent Christmas in Buenos Aires, travelled by ship to Antarctica, snorkelled with penguins in the Galapagos Islands, and spent hours as a volunteer watching over whales and counting sea lions in her home province of British Columbia. And that's just the quick version. "I did things I never thought I could do and made connections with other people and with the environment," says the 44-year-old. "As you get older, it's easy to forget you can still grow — this year was a reminder."

Marzocco's year off work happened thanks to a sabbatical-leave program offered by her employer, the CBC. The news operations manager lived on 75 per cent of her salary for four years in order to take the fifth year off with pay. Furthermore, she saved a substantial sum to cover transportation and accommodation for the seven months she was either travelling or living away from home. It required a little scrimping, she acknowledges, "but I'd do it again in a second. It was the most incredible time of my life."

That gift of time away from the everyday grind is something a growing number of mid-career Canadians covet. And yet most of us only dream of taking a sabbatical leave. Vancouver author Cathy Osborne wrote her book, *Get a Life! The Essential Guide to Taking Time Off to Fulfill Your Dreams*, after her second round-the-world trip because so many people asked how she and her husband, Bill, managed to do it. "They couldn't grasp that it was possible," says Osborne, 50. "They always assumed we had earned or inherited huge amounts of money."

But Osborne insists taking a break from work to pursue personal goals such as travel, study or

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simply spend time with family is within reach for many Canadians — even those who don't have access to a leave program through work — as long as they choose to make it a priority.

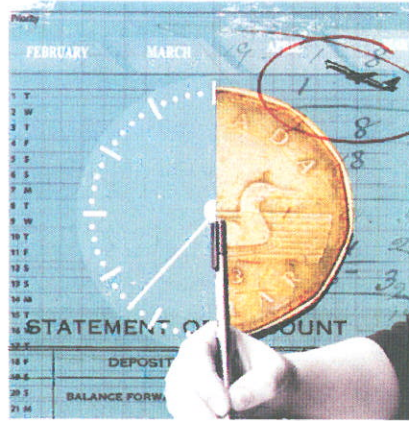
So how do you find a way to fund an extended period of time off and ensure you still have a job when you return? Read on for our four-step guide to getting the break you crave.

**STEP ONE Draw up a financial plan**

You need to come up with a time and cost estimate. According to Vancouver certified financial planner Diane McCurdy, if you want to travel, you need to factor in not only airfare and other transportation, lodging, meals and entertainment, but also healthcare insurance and even cellphone plans.

Marzocco used itineraries from several tour operators to plot a route, then researched individual costs. "I really had no idea how much time it would take to get from one place to another," she says, "so I looked at travel brochures to see how many days it took tour companies to cover a certain area to determine if I wanted to do something similar." Once she figured out where she was going, she went online to research the cost of hotel rooms and public transportation.

Your initial research may even change the shape of your plans, according to 53-year-old Janice Waugh of Toronto, who took a 10-month trip with her family in 2001. Although Waugh's excursion was partly funded by the sale of the trade show company she and her husband owned, "we certainly didn't want to spend all our money — we had to think about retirement," she says. The couple had originally intended to travel for a year, but "when we looked into it, we discovered renting a van for 10 months in



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the off-season [September to June] was about equal to renting it for one month in the summer. So we cut our trip back by two months."

Waugh's budget calculations included tuition for a semester at a Swiss school for one son, an apartment for five months in Switzerland and a Volkswagen pop-up for the duration of the trip. Not only would the VW provide transportation, it could sleep up to three people comfortably and had a small, fully equipped kitchen. "That meant we wouldn't be eating out as much." Waugh and her family rented out their home while they were gone, which served the dual purpose of bringing in some income and eliminating the need to have someone check on the house regularly.

While the Osbornes tried to stick to a daily stipend on their leaves, Waugh and her family set a monthly budget.

Whether you calculate your expense on a daily or monthly basis doesn't matter, suggests McCurdy, as long as you budget appropriately.

**STEP TWO Sell it to your employer**

Once you know what you're going to do on your leave and how much it's going to cost, it's time to get your employer onside. The first time Osborne took several months off was about 10 years ago when she was in the middle of climbing the corporate ladder at Bell Telecom. "I let a comment drop in a meeting that next year I'd really like to take six months off to travel around the world," she recalls. The shock in the room was palpable, but "my boss didn't say yes or no."

Osborne continued to slip in little reminders throughout the year until "gradually it went from, 'There's no way this could be possible' to 'How could this be possible?'" She began training an eager colleague to take over a big chunk of her role while she was gone, and came up with a plan to dole out individual tasks to other staff. "I had the answers before my boss asked the questions," she says. When Osborne's workplace came through with a three-month leave, she was thrilled to take it. "Part of my strategy was to ask for more than I really thought I would get."

Not all employees have to work so hard. Like the CBC, many public employers — such as school boards across Canada — offer salary deferral programs that allow staff to earn about 80 per cent of their salary for four years and then take the fifth year off at the same pay rate. Some private employers offer similar options. Accounting firm KPMG, for example, allows personnel to take time off at 20 per cent of their regular salary while re-

taining benefits. And Russell Investments Canada offers a paid eight-week leave after 10 years on the job and every 10 years thereafter.

Even if your company has no such plan, you still might be able to persuade your boss to hold your job while you're away. If your leave can benefit your company in any way, by all means emphasize that, advises McCurdy. Are you acquiring new skills that will be useful on the job? Will your employer be able to save a salary when business is slack? Are you moving proactively to avoid burnout? "You've got to sell it," reminds McCurdy.

### **STEP THREE** Feed the fund

Whether your employer partially funds your sabbatical or you're on your own, the next step is to put aside additional cash for expenses and/or salary replacement.

For Lynn Mayfair\*, 48, the decision in 2006 to take a five-month leave from her job as a hospital administrator in Toronto was meticulously planned. Her husband had recently finished a retraining course, and she had no desire to further deplete their retirement fund. Still, she felt it was a good career move to complete her master's degree, and she was being worn down by the necessity of taking three graduate-level courses a year while working full-time and raising two young daughters.

The Mayfairs saved a full year in advance for the leave. Although Mayfair's workplace paid the cost of the courses, "I knew I'd have to replace five months' salary," she confirms. So she and her husband began to put money aside in a high-interest savings account because "we wanted to maximize the return, but the money had to be accessible."

It's an option McCurdy supports. "You are better off investing in a GIC

or some other kind of fixed-income product, rather than stocks or any other investment that you might be forced to sell in a downswing when the time comes for your leave," she says. If you do not have a natural gift for saving, McCurdy suggests arranging to have a percentage of your salary transferred from your account into a savings vehicle as soon as your paycheque goes in — you might label it The Paradise Fund, for example.

If you're going back to school, you might also consider withdrawing money from your RRSPs to finance it under the federal government's Lifelong Learning Plan. You won't be taxed on withdrawals as long as the money is being used for educational purposes, but keep in mind that you're obligated to pay it back over a maximum of 10 years.

### **STEP FOUR** Arrange your "away" cash

If your sabbatical is spent recharging your batteries or pursuing an educational goal, managing your finances while you're away from work will be fairly simple. You can set up an automatic payment plan that feeds the money you've stashed away back into your account on a regular basis, like a paycheque. But if you're travelling the world, things get a little more complicated: You've got to arrange bill payments while you're gone and make sure you can access your money when you need it.

The Osbornes, now living on a boat in the Caribbean, rely largely on ATMs to access their cash. As for monitoring their finances back home, they keep in touch with their financial adviser, banker and broker via email. "They all know this is our preferred method of communication," says Osborne. "It works really well."

Some people, says McCurdy, might want to move their portfolio into investments that won't require too much tinkering while they're away. Waugh and her family, for example, kept their sabbatical money liquid, but stashed the rest of their assets in a number of different stock index funds that rode up and down with the markets. "That way, we didn't have to worry about following individual stocks," she says.

**IN THE END**, planning and saving for a sabbatical requires commitment, and you'll likely have to give up a few of life's little luxuries in order to come up with the funds. But the experience can be life-changing, says Osborne, who believes the breaks of several months she and her husband took earlier in life gave them the courage to launch their latest venture. They're now offering private charters on board Dream Maker — their two-bedroom yacht. "We do expect to come back to Canada," she says. "But who knows?"

Mayfair's leave allowed her to finish her master's degree, smoothing the way for a move up the career ladder. Plus, it had unexpected bonuses: "I was able to pick up my kids from school every day," she says. "I'd stand around the playground watching them play and chat with the other moms. From that perspective, it was great."

And Waugh? Her sabbatical with her husband took them through 12 countries and offered many unforgettable experiences. "It was the adventure and education of our lives," she says. And it came just in time. Less than four years later, her husband died of a rare neurological disease. Waugh, who now hits the road alone, treasures her memories of that time. "We got our big trip in. If we'd waited, it never would have happened." **M**

*\*Name changed by request*