How to efficiently plan your Retirement?

GREETINGS FROM ETHOS WEALTH MANAGEMENT (P) LTD.

Whatever your age, it's exciting to think about your Dream Retirement. A beach house, apartment in the city, children married & settled. If you are at or near retirement age, now is the time to begin planning your ideal retirement!

Why do we need retirement plans?

Retirement is one of the most important life events many of us will ever experience. From both, a personal and financial perspective, realizing a comfortable retirement is an extensive process which requires adequate planning.

- Medical inflation in India is growing at over 10% per year.
- Rs. 1 Lakh today will be worth Rs. 40,000 when your child goes to college in 18 years

Is it too late to begin planning for retirement?

Whether you are 25, 35 or even 55, it is never too late to start planning for your retirement. The age you decide to begin your retirement planning process, however, is directly proportional to the amount of money you will need to consistently save over the period of time to meet your retirement goals.

- Rs. 1 Lakh invested for 25 years at 10% = Rs. 10,83,000
- Rs. 1 Lakh invested for 30 years at 10% = Rs. 17,44,940

Where do I begin planning for retirement?

Begin by setting goals for your retirement. Depending on your goals, you could would require anywhere from 60-100% of your pre-retirement salary.
Speak with a financial advisor to assist you in your retirement planning.

Avenues available to attain a comprehensive Retirement Plan

1. **National Pension Scheme**: NPS is available to all Indian citizens between 18 to 55 years of age. One can invest Rs 1,000 every month in the NPS which can increase every year based on one's income levels.
2. **Provident Fund:** PF's today are growing at 8.5%. This rate has steadily been decreasing and is expected to come down to 7% in the next 4-5 years.
3. **Stocks**: This is an unconventional investment avenue for retirees! But, please note that this is an avenue that should not be ignored while investing your retirement corpus. One should invest in stocks if they have a minimum time horizon of 7 years.
4. **Mutual Funds:** You could consider building a retirement corpus with your existing mutual funds portfolio. All you require is a little number crunching & a good, but small set of mutual funds (researched and selected yourself or with the help of an adviser).
5. **Life Insurance**: Life insurance is intended to replace the financial loss, or hardship, that someone would experience should your life end
6. **Health Insurance**: With life expectancy increasing due to new medical developments, you want your retirement money to last for your entire lifetime. We have health insurance today, but what about our health insurance post retirement? Protect your family's medical costs post retirement as Healthcare inflation in India is growing at 10% per year.

Contact Ethos Wealth for all your Financial Concerns!

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