



# JDIC Financial Markets Symposium and Fair “Financial Planning for Retirement”



**August 31, 2013**

# What will we be covering today

- **Retirement Planning**
- **The importance of retirement planning**
  - **Setting your goals**
  - **Benefits of starting early**
  - **Different avenues available for saving**



**Sagicor** • **Conclusion**

# Retirement Planning

- ***In the past*** retirement planning was determined by the number of children that you had
- ***Times have changed***, and increasingly we find that we have to make provisions for our own retirement
- We therefore ***need to identify existing options*** that are available to assist with retirement planning



# Retirement Planning

- ❑ Retirement is a journey.....Could last for 30 years, or more.
- ❑ Most people spend on average 40-45 years working and the next ***30 years in retirement***

If you live to age 65:

- 82% probability you will live to age 80
- 30% chance you will reach age 95.



**It is important that you plan for your retirement – plan for an income you cannot outlive.**

# Retirement Planning

Be ready for retirement emotionally, socially and most importantly financially!

It is important that you plan! Get the peace of mind!

Plan for an income you cannot outlive!



# Retirement Planning

## Steps Involved:

- Recognize you are responsible for your retirement
- Identify existing options within your risk preference
- Define desirable and achievable retirement lifestyles
- Acknowledge you have more control over your future than you realize...knowledge is power

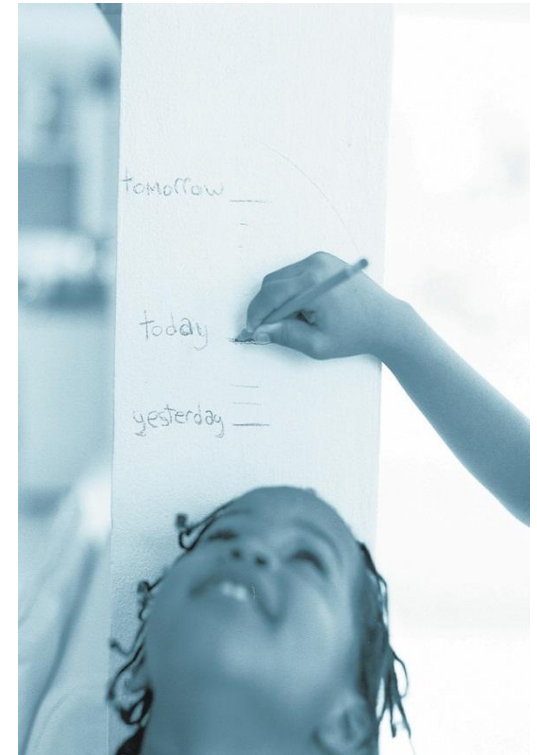


- Talk with your investment advisor

# Setting Retirement goals

**Additionally, we should consider:**

- Income replacement
- Inflation protection
- Retirement income protection
- Post Retirement Risks
- Psychological Adjustments



# How much income replacement is needed?

- When you retire...
  - Loan obligations significantly reduced or eliminated...
  - No longer saving for retirement...
  - No working expenses ...such as transport, work attire and meals
- You should take into consideration housing...do you own or rent?
- You will probably find increasing medical expenses as you age
- Overall you should aim to replace at least 75% of your income at retirement

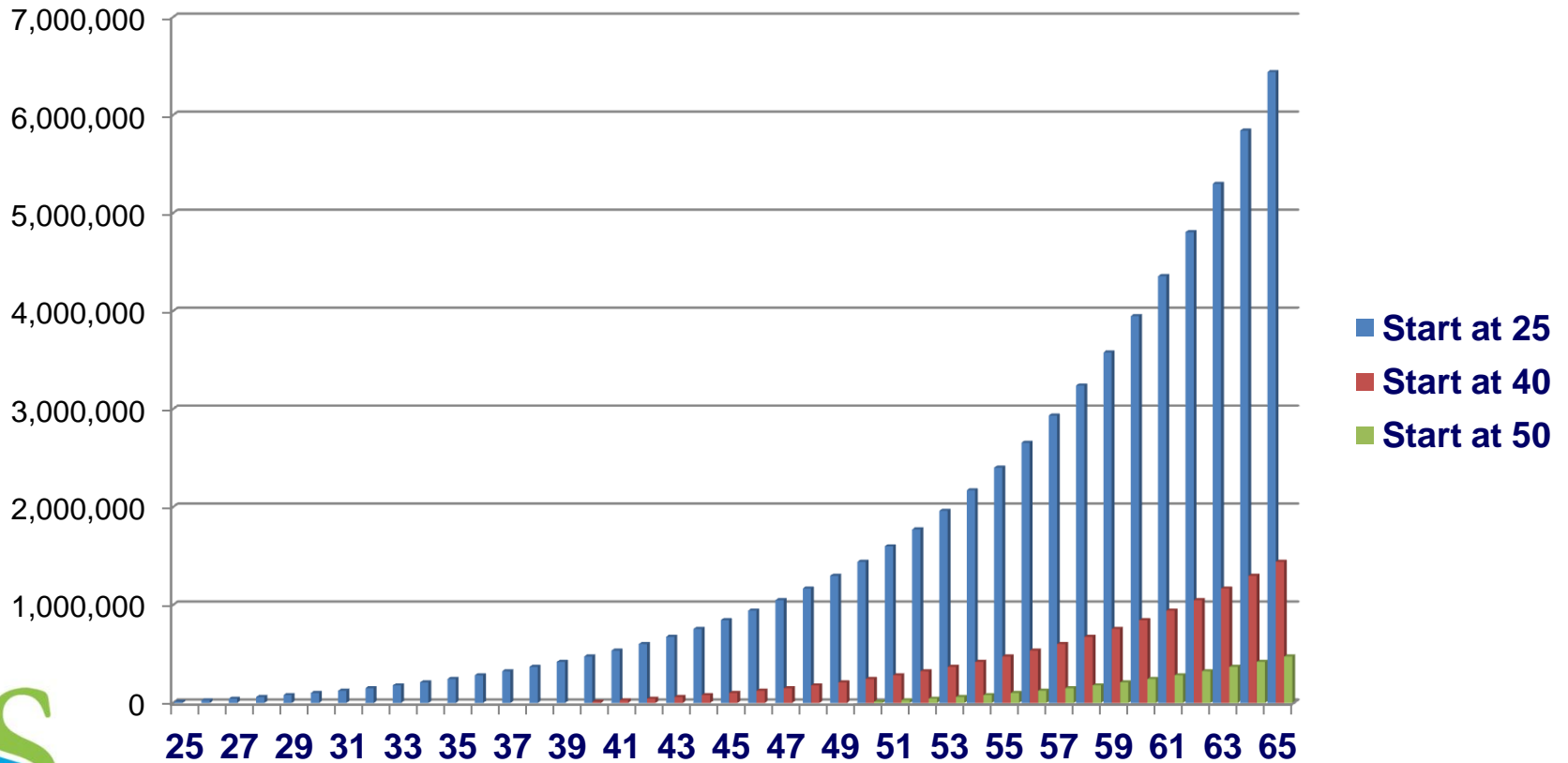


# Benefits of Planning Ahead

- When you start at a younger age you have time on your side
- You allow your investments to work for you
- There is more room for unexpected setbacks



# Benefits of Starting Early



- Assuming you save \$1,000 per month starting at ages 25, 40 and 50
- Assuming growth of 10% per annum

# Sources of Saving for Retirement

- Employer provided pension plan or An Approved Retirement Scheme
- Personal savings and investments
- Government run National Insurance Scheme



# Company Pension

- Best way to provide for a secured annual retirement income
- If you are already participating in a retirement savings plan you are on your way to achieving a secure retirement
- From the outset maximize contributions into the Pension Plan -Important as you approach retirement



# Personal Investment Portfolio/Savings

- Good guideline is to invest roughly 20% of annual income
- Even if you cannot afford to save this amount now, establish a plan and set aside even a small amount on a regular basis
- A diversified portfolio with emphasis on capital and income appreciation, preservation of capital and inflation hedge



# CONCLUSION

- All persons now need to be more involved in their retirement planning than in previous years
- Increased interest in and a greater need to plan financially for several reasons:
  - National Insurance Scheme (NIS) and other retirement sources increasingly do not provide adequate retirement income
  - Individuals need to be aware that personal savings are important sources of retirement income
  - Persons are living longer; individuals are spending more time in retirement



# CONCLUSION

- The trend towards early retirement necessitates even more careful planning because it further increases the years in retirement 20 to 30 years in some cases
- Need for retirement planning education at all age levels
- Younger employees have an advantage of time for retirement savings to grow. Faced with multiple financial goals that compete for their dollar
- Despite many financial challenges faced, issues of retirement planning must be foremost in minds of persons.



# What will retirement look like for you - Financially

**In retirement, everyday is a BOSS DAY and every day is EMPLOYEE APPRECIATION DAY.**

**- Unknown**



**Retirement is when the living is easy and the payments are hard.**

**- Unknown wise person**





# Implementing your plan

# Start now.....

## the sooner the better

**The planning you do today will determine the quality of life you enjoy tomorrow!**



**Thank You**

