

Retirement Is Just Around the Corner

Nobody begins their working life with the intention of working forever. We all look forward to the day when we can finally close the office door behind us for the last time and enjoy the freedom that retirement brings. However, to enjoy a comfortable retirement, you will need sufficient financial resources.

Proper planning early in your working life can make a significant difference. Remember that whatever you save and invest throughout your career will ultimately need to support you during your retirement years. You work hard to earn your money, so make sure that your money works just as hard for you, allowing you to retire comfortably one day.

The key is time. The earlier you start saving for retirement, the better, as this allows you to take full advantage of the power of compounded growth. The longer your investment remains invested, the greater the potential for your returns to grow over time. Ideally, you should start investing for your future as soon as you begin working.

Even if you are fortunate enough to retire without any debt, you will still need a reliable income to maintain your lifestyle. Another important consideration is healthcare. Unless you intend to rely entirely on the public healthcare system, you will need to make adequate provision for medical expenses. Healthcare costs generally increase as we grow older and can become a significant financial burden during retirement. This makes it essential to plan and save sufficiently for your future healthcare needs.

It is also important to remember that a Retirement Annuity (RA) is designed to preserve and grow your retirement savings until retirement. Under current legislation, you generally cannot access the funds in a Retirement Annuity before the age of 55, subject to certain exceptions. A Retirement Annuity should therefore be viewed as a long-term commitment, with the greatest financial benefit typically achieved by remaining invested over a period of 30 or 40 years.

Plan as though you are going to live forever.

Effective retirement planning will help ensure that you make the right financial decisions and work towards achieving your retirement goals. Your retirement plan should be based on your individual needs, circumstances and preferences, as well as the lifestyle you wish to maintain during your retirement years.

There are various retirement savings products available in the market, each offering different features and benefits. It is therefore important to understand the options available to you so that you can select the solution that best suits your individual circumstances.

Even if your employer provides a pension or provident fund, the income it ultimately provides may not be sufficient to maintain your desired standard of living during retirement. Supplementing your employer-sponsored retirement savings with a Retirement Annuity can therefore be beneficial.

If you do not have access to an employer-sponsored pension or provident fund, a Retirement Annuity can also be an effective way of building a dedicated retirement fund to provide an income during your retirement years.

The sooner you start planning for retirement, the greater your opportunity to build the financial security you will need to enjoy it.