

Prepare for Retirement

Do you know that the average life expectancy is 82.1 years for males and 84.4 years for females?

While people can expect to live longer, they may or may not live wealthier or healthier. Indeed, recent surveys reveal that Singapore ranks among the lowest in terms of retirement income sufficiency. The Ministry of Health also reported in its website that illnesses such as cancer, stroke and heart diseases constitute more than 60% of all deaths.

So how do you prepare for your golden years financially?

Most people typically have forty years of wealth creation and accumulation. Your decisions during this important phase of your life will significantly determine whether you can retire comfortably and with a peace of mind.

● **Protect against unforeseen events**

You need to protect your income-generating ability so that in the event of disability or critical illness, your dreams, goals and plans can still be achieved. For example, when a person is partially or temporarily incapacitated and unable to work in his trained profession, he can still ensure that current as well as future standards of living are not compromised.

● **Acquire Medical Plans**

With rising health costs, acquiring lifetime comprehensive medical plans is essential. This is to prevent your retirement funds from depleting prematurely. Most of us don't plan to retire with a bad crisis. Firstly it is not realistic to do that. Secondly, it is very costly to self-insure. Presently, there are many affordable and wide-ranging medical covers that can help to prepare us for the worst without burning a hole in our pockets.

By Karen Lim
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● Decide Your Retirement Lifestyle and Take Action Now!

The most commonly discussed topic about retirement is how much is needed in the bank account so as to stop working for a living. The amount can vary from hundred thousands to millions, depending on one's choice of lifestyle.

A person may not even be able to maintain his current choice of lifestyle if he doesn't conscientiously save and invest to grow his retirement fund.

Inflation itself is enough to erode the current value of money, reducing purchasing power over time. Unless one is prepared to cut back on spending or work beyond the official retirement age, it's time to start sowing the seeds in good grounds, so that in retirement, one can enjoy the fruits of his harvests.

Other than financial needs, provisions for social and mental needs of retirement have to be made too.

● Cultivate non work-related interests

With the extra time in their hands, many retirees are at a loss of what to do with themselves. It helps to cultivate interests outside work early. Travelling is what **Mr Chia, 68**, likes to do since his younger days. Now he joins the Resident Committee and travels very frequently with his coffeshop 'kakis'. When he is not travelling, he monitors the stock market closely. "It keeps my mind active," he says.

● Find a Social Network

For retiree **Mdm Tan LH, 58**, her neighbourhood friends, whom she practices qigong with, are her core group of friends. She also participates in a volunteer group which does handicraft for charity. "I find it more fulfilling----being able to interact with different people."

