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**DOSSIER FINANCIAL PLANNING**

# Don't retire hurt

*Ensure a happy retired life by providing for contingencies*

**I**n a country where retirement meant quitting jobs and spending time with children and grandchildren, things have changed drastically. Retirement has assumed more importance given the fast growing concept of nuclear families.

But one should remember that this is the most important phase in an individual's life and s/he should plan for it right from the time one starts working. Besides investing for retirement one should also consider some of these factors:

► **Regular expenses:** One should know what expenses s/he will be incurring after retirement. Personal expenses may increase, but other expenses like travelling costs will reduce. Normally post retirement expenses are around 75-80 per cent of the pre-retirement expenses.

► **Outstation travel expenses** could increase if the children are not in the same city or if one is an avid traveller.

► **Medical expenses:** Medical expenses shoot up post retirement. One needs medical insurance cover at the earliest to avoid the increasing costs later on.

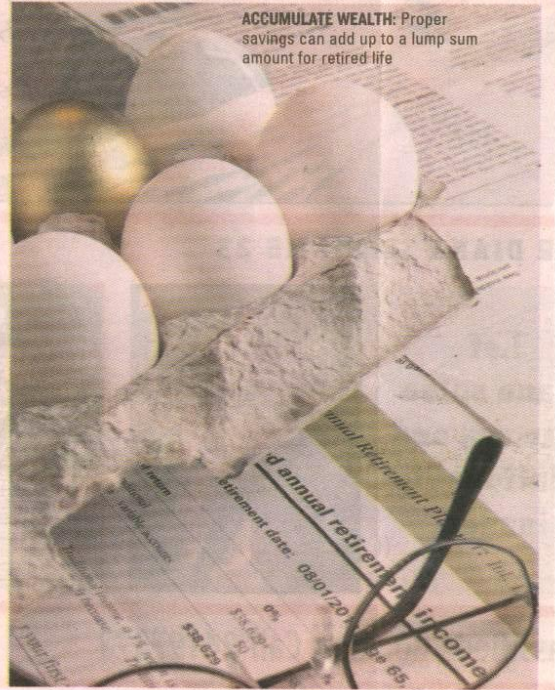
► **Emergency expenses:** These expenses could prove to be a major dent in your retirement corpus and should be provided for.

► **Inflation:** Inflation is the biggest concern and should be accounted for, when considering expenses for the lifetime.

► **Returns on the retirement corpus:** Consider post tax returns on lower side and one would have to constantly monitor the returns when one is nearing retirement along with the asset allocation. Take stock by placing post tax returns on a lower side and taking life expectancy to the maximum.

Such planning will ensure that the retirement corpus does not dry up, and one can lead his retired life in peace and without depending on the next generation. Finally, prepare a list of things you would like to do post retirement and make sure you enjoy them.

*(The author Balvir Chawla is a FPSB certified financial planner)*



**ACCUMULATE WEALTH:** Proper savings can add up to a lump sum amount for retired life