“Transitioning into Retirement”

Key Issues for the Government and Private sector employees

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What do you call a person who is happy on Monday?

retired.
OMG, I'm rich!
Silver in the hair,
Gold in the teeth,
Crystals in the kidney,
Sugar in the blood,
Lead in the butt,
Iron in the arteries,
and an inexhaustible supply of natural gas!

I never thought I would accumulate such wealth!

POSTED BY THE FIGHT LIKE A GIRL CLUB™

-Uknown Author
Now that you are retired, you get an even tougher boss... Your wife!

BestCardMessages.com
RETIREMENT STANDS FOR 'REALLY TIRED MENTALLY'
"AFTER RETIREMENT - A HALF-HOUR WALK IS THE MOST BENEFICIAL THING YOU CAN DO FOR YOUR AILMENTS."

The Fresh Quotes
The only trouble with retirement... you never get a damn day off!
The challenge of retirement is how to spend time without spending money.
A Gold Watch is The Most Appropriate Gift for Retirement, As its Recipients have Given Up So Many of Their Golden Hours in a Lifetime of Service.
I'M RETIRED not EXPIRED !
Retirement is when you
Stop Listening to your Boss
And Start Listening to your Heart.
Goodbye Tension.
Hello Pension
WARNING:
Retired person on the premises
KNOWS EVERYTHING
and has plenty of time to tell it.
“Retirement is a process, not an event. Retirement involves many transitions – some fabulous and some we would prefer not to deal with, some predictable and some totally unexpected. Retirement is life.”

~Paths to Creative Retirement
Purpose

• To provide employees nearing retirement information on key issues they will face and should plan for when considering retirement from their departments.
Retirement Questions

1. Do you know how much you save annually in your savings or P.F?

2. Do you know the estimated cost of food/shelter/travel alone required during retirement?

3. Can you describe your Medicare and Medicare supplements?

4. Do you know your mandatory family contributions as a parent/spouse?

5. If you max out your retirement savings, is that enough to live for 15-20 years?
Retirement Facts

• Most employees don’t plan well for retirement but seem to accept it as part of the life cycle.

• Pre-retirement planning was Crucial to employees satisfaction in retirement.
Retirement Facts

• 3 phase theoretical framework:
  – **Pre-retirement** – 5 years or earlier; “preparation and planning stage”
  – **Retirement** – 6 months before to 6 months after; “action stage”
  – **Post-retirement** – >6 months after; “maintenance stage”
Set your financial goals

Young single

Possible goals:
• Pay off student loan
• Pay salaries tax on time
• Travel once a year
• Get married in 5 years
Set your financial goals

Just married

Possible goals:
- Prepare emergency fund
- Prepare down payment for a flat in 4 years
- Have a baby in 5 years
- Prepare for retirement
Set your financial goals

Married with children

Possible goals:
• Repay mortgage on time
• Hire a maid
• Take out an insurance plan
• Save for children’s education
• Prepare for retirement
Set your financial goals

Retiree

Possible goals:
• Preserve retirement fund
• Reserve for medical expenses
• Carry out estate planning
Typical life cycle of personal income
Case study
Case 1: Young single – Ramakrishna

- **Age:** 26
- **Occupation:** Sales Manager
- **Problems:**
  - Impulse buying
  - Rely on loans to pay credit card dues
- **Goals:**
  - Save for future payments
  - Take out a life insurance plan
  - Learn how to meet future expenses
Ramakrishna’s monthly expenses in the month of May

<table>
<thead>
<tr>
<th>Monthly income</th>
<th>Rs.20,000</th>
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</thead>
<tbody>
<tr>
<td>Monthly expenses</td>
<td></td>
</tr>
<tr>
<td>Support for parents</td>
<td>Rs.0</td>
</tr>
<tr>
<td>Rent</td>
<td>Rs.10,000</td>
</tr>
<tr>
<td>Household and utilities</td>
<td>Rs.1,000</td>
</tr>
<tr>
<td>Food and drink</td>
<td>Rs.3,500</td>
</tr>
<tr>
<td>Transport (mostly Auto)</td>
<td>Rs.800</td>
</tr>
<tr>
<td>Shopping</td>
<td>Rs.5,000</td>
</tr>
<tr>
<td>Mobile phone plan</td>
<td>Rs.400</td>
</tr>
<tr>
<td>Interests</td>
<td>Rs.900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Rs.21,600</strong></td>
</tr>
<tr>
<td><strong>Cash flow</strong></td>
<td><strong>- Rs.1,600</strong></td>
</tr>
</tbody>
</table>

- Share the flat with friends
- Avoid taking Auto
- Avoid impulse buying
- Select a cheaper plan
### Ramakrishna’s budget planning in June

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<tr>
<td><strong>Monthly expenses</strong></td>
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<td>Support for parents</td>
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<td><strong>Rs.5,500</strong></td>
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The pyramid of wealth management

Protection
- Emergency fund
- Debt management
- Insurance

Accumulation
- Saving
- Investment

Distribution
- Estate planning
- Donation
Retirement Scenario

- You make -Rs.12,00,000 / PA
- Max contributions -Rs.60,000/ per year (5k p.m)
- Work maximum - 40 years = Rs.24,00,000/ for retirement
- Life after Retirement (60-90) = 30 years
- Food/shelter/travel alone for 30 years (Rs.20,000) pm = Rs.72,00,000/-
- 72L – 24L = 48L for 30 years
- Needed to save Rs. 2,40,000/per year!!!!! Instead of Rs, 60,000/- (housing, health care, travel, entertainment, etc.) (20k p.m)
- Retirement funds – are not enough!
- Pensioners are safe, but what about non Pensioners?
Retirement Facts

- Getting the retirement as you desire is ultimately your responsibility.
- You must take charge!
Four “Must Cover” Issues

1. Retirement savings and budgeting
2. Health care coverage: Medicare
3. Maintaining health and wellness
4. Caring for yourself and your loved ones
Planning Phase: Reinvent yourself

- Cultivate friends outside of work
- Get involved in the community, Religious work
- Take up a new hobby
- Volunteering - (less time commitment)
- Join a social group
- Join your local library
- Become a member at your local community center,
- Talk to other retiree’s – get some advice from them
- Make plans to start a small business – be your own boss
“The Healthy Brain”

What Money and Insurance Can’t Buy!