With proper financial planning,

RETIREMENT MAY BRING YOU BIGGER JOYS.

RETIREMENT PLANNER

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What is Retirement Planning

Out of the many financial needs e.g. Wealth Creation, Children's Education Planning, one that is most important is Retirement Planning. You not only have to anticipate it but also get ready to face it post retirement when you may not be having a monthly salary coming your way. When approaching retirement, an important consideration is how to invest your savings so that you are able to replace your monthly salary with regular income post retirement. When it comes to choosing how to structure your investments in retirement, it is important that your savings are invested in a tax effective way while still maintaining flexibility to cover any unforeseen changes in your circumstances.

Why Retirement Planning?

With inflation, changes in lifestyles and investment avenues it is crucial to plan your retirement early. Some of these changes include:

- Migration of children and collapse of joint family system
- Increased life expectancy and therefore savings to last longer
- Pensions, if any, insufficient to sustain the living standards
- Increased cost of living/ spending patterns
- Sharp increase in medical expenditure

Have you provided for these expenses:

- Food and clothing
- Housing: Rent or mortgage, property taxes, homeowners insurance, maintenance
- Utilities: Gas, electric, water, telephone, cable TV
- Transportation: Car payments, auto insurance, gas, maintenance, public transportation
- Insurance: Medical, dental, life, long-term care
- Healthcare costs not covered by insurance: Deductibles, co-payments, prescription drugs
- Debts: Personal loans, business loans, credit card payments
- Education: Children's or grandchildren's college expenses
- Gifts: Charitable and personal
- Recreation: Travel, dining out, hobbies, leisure activities
- Care for yourself, your parents, or others: Costs for a nursing home or assisted living
- Miscellaneous: Personal grooming, pets, club memberships

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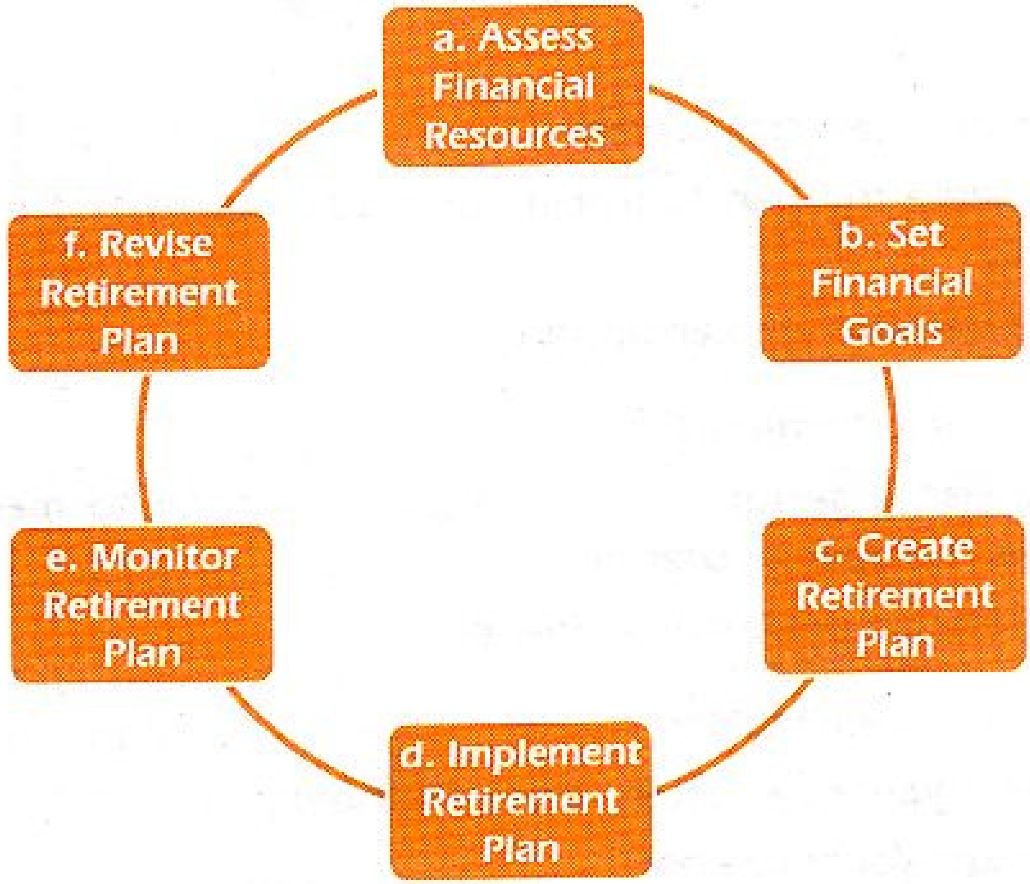
Consider inflation while planning for retirement:

In general terms, inflation is a rise in the general level of prices of goods and services in an economy over a period of time. But what it does worse it erodes the money that has been saved. Say you have invested Rs. 100 for 1 year at 8% interest rate and for that year the inflation has been 6%. Then practically you will be earning Rs. 2 only. i.e. because the cost of the commodities will also increase. Did you know that at the same level if you purchase toothpaste today at Rs. 35 post 25 years it will cost you Rs. 150 considering 6% inflation throughout.

Financial planning review:

Good retirement planning changes with you and is an ongoing process based on your circumstances and life events. That's why your strategies must also be open to ongoing monitoring and adjusting. Expert advice from Financial Advisors and guidance can help you stay on track as you reach toward your goals. The planning can be done as under



a. Assess Financial Resources

- Do a wealth check
- Collect and organize financial documents - bank, investments, insurance, estate
- Make a list of assets and liabilities, and income and expenses
- Analyze all of this data to see your overall financial situation

b. Set Financial Goals for retirement

- Establish how you want to live in retirement - residence, leisure, health care
- Make a timeframe for achieving your goals

c. Create your Retirement plan

- Calculate the gap between current resources and identifed goals
- Evaluate savings plan options

d. Implement Retirement Plan

- Establish a savings and investment portfolio to meet your goals - be open to change
- Enlist help from financial advisors

e. Monitor Retirement Plan

- Review your goals often - at least annually
- Measure your progress

f. Revise Retirement Plan

- Remember, retirement planning is not static, but is a flexible, changing dynamic
- As your situation progresses, you may need to make adjustments - and we can help