

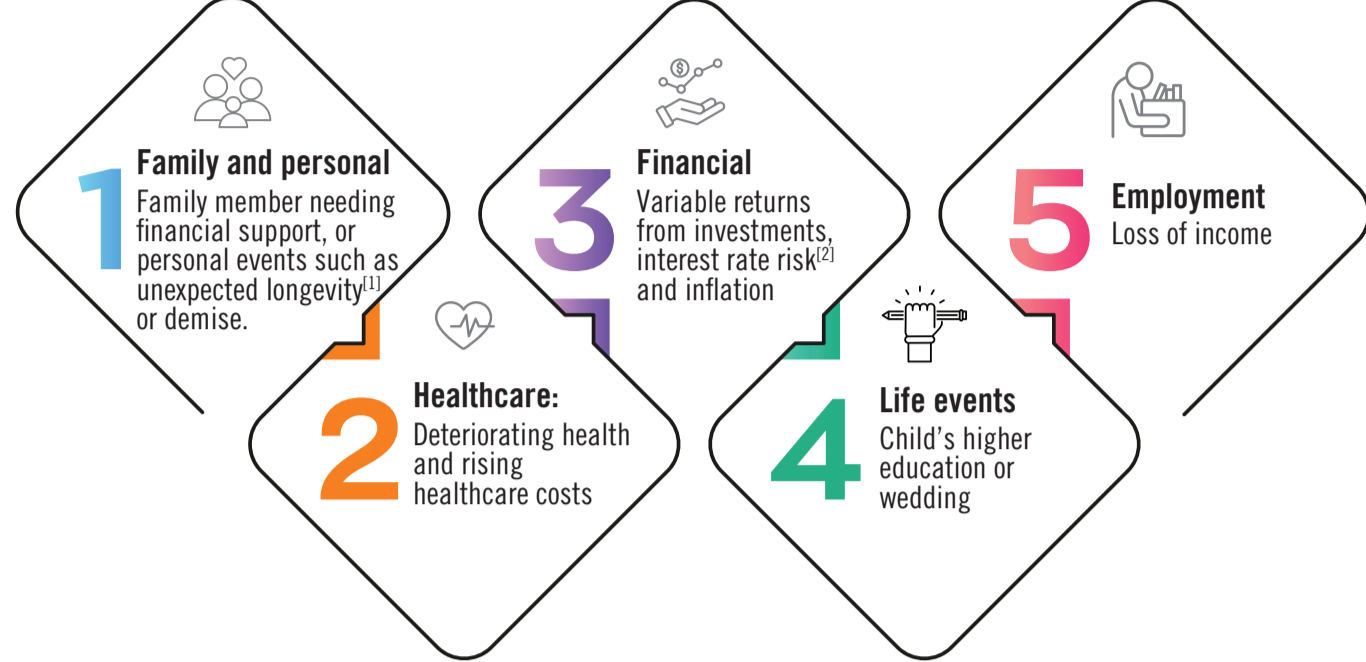
How to Secure Your Family's Financial Future Before Retirement



~51% of Indians don't have a financial plan to secure the future of their loved ones after their retirement^[1]. Don't be one of them. Give yourself peace of mind by securing your family's long-term future.

Remember, it's never too late. Even if you're close to retirement age, there are several things you can still do to strengthen your financial future.

Tackle post-retirement risks & expenses today



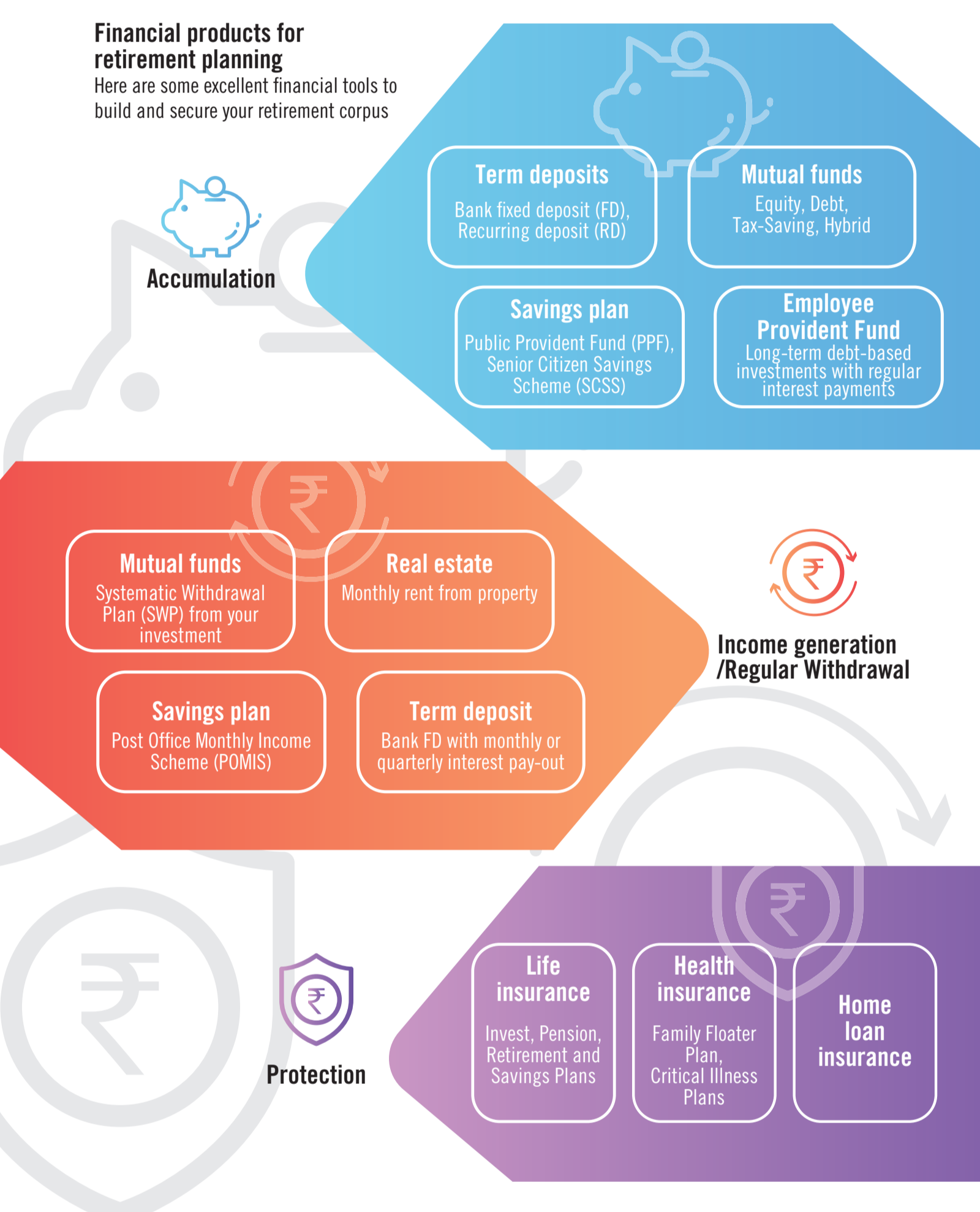
Post-retirement financial wellbeing checklist

- Know your time horizon (how many years to retire)
- Set a realistic post-retirement monthly budget
- Estimate after-tax returns from investments
- Create a real estate plan
- Repay debts
- Build an emergency fund
- Purchase insurance
- Set goals for a dream retirement



Financial products for retirement planning

Here are some excellent financial tools to build and secure your retirement corpus



How to secure the financial future of your family after retirement

Step 1 Build a substantial retirement corpus

Over 50%^[2] of Indians are worried about exhausting their retirement savings within a decade of retirement. Here are five ways to build a robust retirement corpus:

- Estimate the money you will need
- Start investing
- Control expenses
- Automate investments / savings
- Add more income sources



Step 2 Get insured

At 4.2%^[3], India has one of the lowest insurance penetrations in the world. But products such as life insurance and health insurance underpin every long-term financial objective. They help ensure your savings won't be drained by adverse events.



Why get life insurance?

- Financial security for spouse / family
- Repay big-tickets loans like housing loans
 - Tax-free pay-outs (in certain conditions)
- Unit Linked Insurance Plans (ULIPs) offer a combination of life insurance and long-term investment
- Supplement to retirement savings

Why get health insurance?

- Financial safety against rising healthcare costs
- Protection for your savings
 - Tax benefits
 - Cashless treatment
- Added protection over and above employer health cover

Step 3 Diversify your investments

Diversification will help you spread out the risk in your investments, thus limiting your potential losses and optimising your returns. Diversifying your investments and aligning them to your objectives, risk appetite and age, is essential for long-term wealth generation.

Investment Product	Average Annual Returns	Investment Tenure
Bank FD	5.5% p.a. ^[6]	7 days to 10 years
SCSS	7.4% p.a. ^[4]	5 years
POMIS	6.60% p.a. ^[5]	5 years
Long-Term Debt Funds	6%-7% p.a. ^[7]	No time limit
Debt-Oriented or Conservative Hybrid Funds	6%-12% p.a. ^[7]	No time limit



Disclaimer: The above table is for illustration purposes only and does not guarantee scheme returns. Returns are as on February 2022. Past performances of funds do not guarantee return potential. Please consult your financial advisor before investing. Fixed Deposits offer Fixed Rate of Return, while mutual funds are market linked. Bank Fixed Deposits are relatively safer as they are covered under DICGC to the extent of INR 5 lakh per account.

Retirement planning mistakes to avoid at all costs

- Not creating a retirement corpus
- Not creating an emergency fund
- Not planning for major life events
- Only investing in fixed-income products
- Not investing the retirement corpus required to live a financially independent and comfortable life after retirement
- Using your retirement corpus for current needs
- Not considering the impact of taxation and inflation

Sources: 1. <https://www.pgimindiamf.com/retirement-survey>
 2. <https://www.indiatimes.com/worth/news/most-indians-fear-running-out-of-savings-within-ten-years-of-retirement-556767.html>
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