

Planning for Retirement Needs



My past 25 years' experience in advising clients in their retirement planning



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President 2012/2013

IFPAS Executive Council

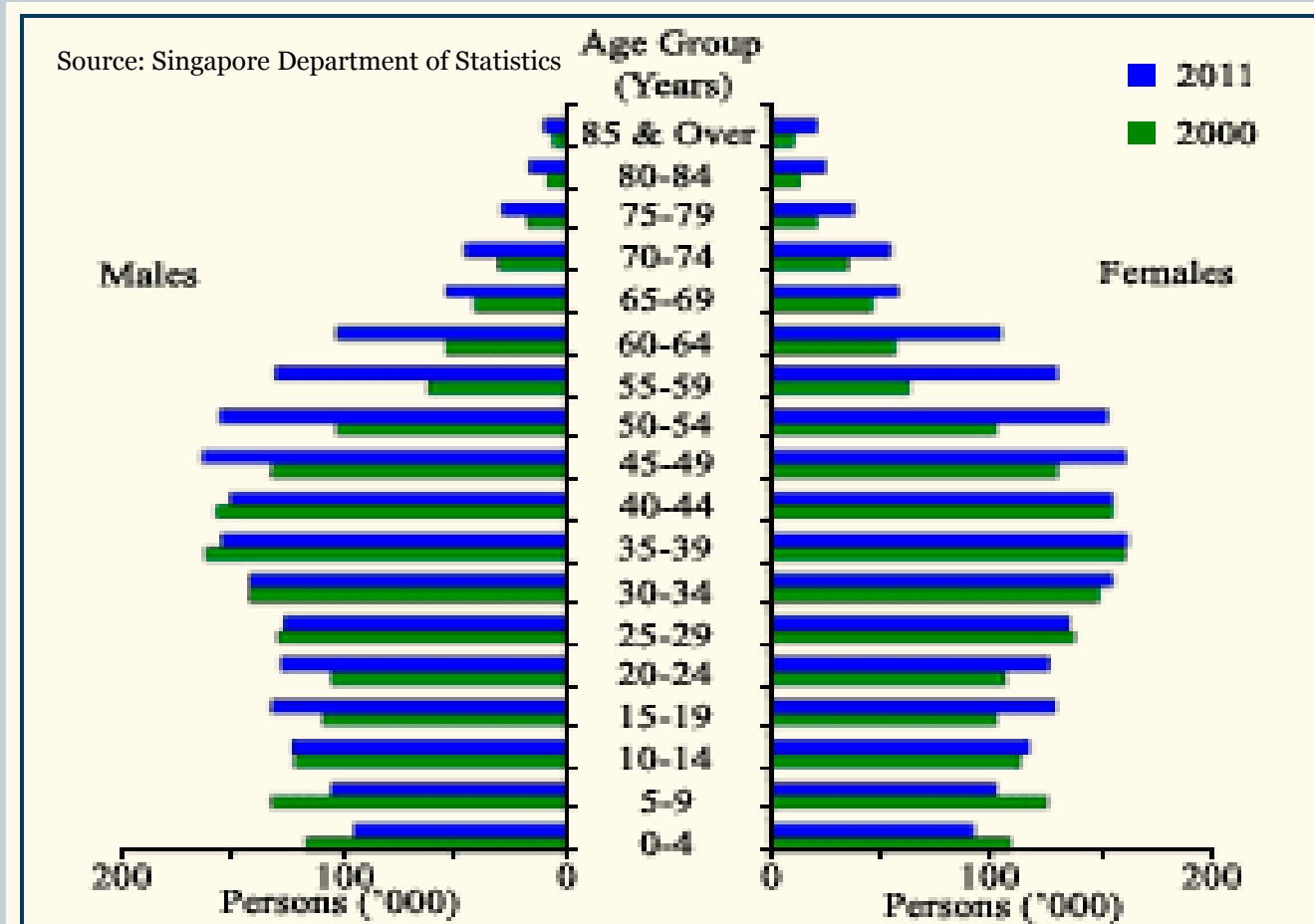


Common Misconceptions



- 1. I do not need as much money during retirement as I do now.**
- 2. My retirement years will not last all that long.**
- 3. I can afford to start planning for my retirement just before my retirement age.**
- 4. My CPF and/or SRS will provide for my retirement income.**

Ageing Population



Ageing Population



One in Five Singaporeans aged over 65 by Year 2030

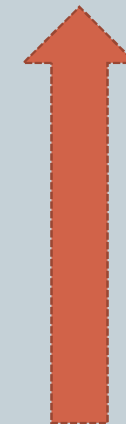
Age Structure	2011	%	2030	%
Below 15 years	636,900	16.8		
15 – 64 years	2,799,700	73.9		
65 yrs & Above	352,600	9.3	873,300	18.7
Total no. of Singapore Residents	3,789,200			

Source: Singapore Department of Statistics

Inflation



Year	Consumer Price Index (2009=100)	Annual Inflation rate
1980	59.2	8.5
1990	73.8	3.4
2000	87.6	1.3
2001	88.4	1.0
2002	88.1	-0.4
2003	88.5	0.5
2004	90.0	1.7
2005	90.4	0.5
2006	91.3	1.0
2007	93.2	2.1
2008	99.4	6.6
2009	100.0	0.6
2010	102.8	2.8
2011	108.2	5.2



**Inflation
on the rise**

Facts



- 1. Many Singaporeans are not saving adequately.**
- 2. Many Singaporeans did not start saving early for retirement.**
- 3. CPF savings alone would not be enough.**

Facts



- 4. CPF funds only sufficient to meet basic retirement needs with the increased use of CPF funds for housing and education.**
- 5. Singaporeans are living longer.**
- 6. Cost of living is on the rise.**

Life Phases



Healthy Less Active Period

Accumulation

Transition

Retirement

Healthy Active Period

Frail/Aged Period

Concerns @ Retirement Years



- 1. Cost of health care.**
- 2. Life long income.**

What can be done?



- 1. Stay employed as long as possible.**
- 2. Supplement retirement income with private savings and investments.**

What can be done?



- 3. Build up wealth during working years.**

Rule of Thumb

At least 70% of last drawn annual income to maintain current lifestyle during retirement.

What can be done?



4. Consult professional advice before retirement:

- **Savings or investment accounts**
- **Purchase of Annuities (CPF Life)**
- **Certificates of Deposit**
- **Maximize use of property e.g. Reverse Mortgage as Retirement Financing instruments.**

What can be done?



Start Planning Early

What is available?



Healthcare Schemes available

- 1. Medishield**
- 2. Integrated Shield plans**
- 3. Eldershield**

Gaps?



Medishield and Integrated Shield Plans

1. CPF medisave withdrawal Limits:

- **Cap of \$800 (age <81)**
- **Cap of \$1,150 (age >81)**

2. Reimbursement basis

Gaps?



Eldershield or comparable

- 1. Limited choices**
- 2. Unattractive premium**
- 3. Limited coverage**

What is available?



Lifelong Income Plans

- 1. CPF LIFE**
- 2. Annuity**

Gaps?



Annuity plans

- 1. Lump sum required**
- 2. Returns unattractive**

Words of Wisdom



**With the right products
in place,
Retirement can be a
breeze!**

Planning for Retirement Needs



Thank you