

**WHEN PRESENT MEETS FUTURE,  
RETIREMENT PLANNING BECOMES EASY.**





Starting a  
new business



Painting

## WHAT'S RETIREMENT?

Different individuals perceive  
retirement differently and here are  
few examples:



Exploring places



Spending  
quality time



Organic Farming

# THE RETIREMENT JOURNEY.

**AMIT SR.**  
Age: 65

**AMIT JR.**  
Age: 45





# WHEN FUTURE IS BY YOUR SIDE, KEEP CONCERNS ASIDE.

Scene: Amit 45 is standing in a balcony, having a cup of tea. He is completely lost in thought when, suddenly, his future self, approaches him.



Hey bro! Wassup! What's happening?

Excuse me. Who are you?



I'm you?

What!



Yeah, bro. Check out at my face, my eyes, my hair... sorry lost these a bit recently. But this is how you'll look, 20 years from now.

Really! OMG! Am I dreaming?



No, you're not.



Amit Jr.  
Age: 45 | Team Head, IT Firm  
| Married with two kids

Amit Sr.  
Age: 65 | Retired Professional  
| Grandfather  
| Wife and two married kids



But how come you're here?



Because you called me.

Me? (Surprised)



Yeah... I've been getting hiccups non-stop for the past two days.

Really! Oh come on, bro... You're here like that Genie from the bottle.



So, tell me, what do you want?

Well, I was just thinking about my future.



About me?

Haha... Yeah, about you.



That's why you were so deep in thought.

Yeah. I was asking myself stuff like, have I saved enough for my future?

Have I invested wisely? Am I protected against emergencies?

Am I prepared for retirement?



Hmm... Chill bro! When your future is by your side,  
keep your concerns aside.

Hahaha... So, do you have the answers?



Come on... Just bring it on!



# EMBRACE A GOAL-DRIVEN RETIREMENT.



*"Well, recently I turned 45 and I was like in the next 20 years, I'll be retiring. It hit me that most of us just push retirement to the side as a financial goal, don't we?"*



"Absolutely, Junior. A lot of people do that. For a comfortable retired life, one must do proper planning. No matter what your retirement dream looks like."

"Hmmm... Agreed. Because there are many goals and concerns post-retirement for most retirees."



"Definitely. Many have goals or dreams they want to chase post-retirement and to do that, you need to be financial stable, prepared for healthcare cost and economically independent."

"And you can't sort all this out overnight, right?"



"Exactly! It takes careful planning."



You know, in India, over 68% of working-age people expect their kids to support them in retirement.

"That's probably because of how they were raised."



Yeah. But only 30% of retirees actually get that support.

"Really?"



"Yeah. And only 28% of the elderly live with their children."

"How sad?"



**“Yes. With life expectancy going up from 62 in 2000 to 70 in 2024, planning for retirement is more crucial than ever.”**



"Hmmm..."





# START PLANNING EARLY TO REAP THE REWARDS.



*"By the way, I heard you should start retirement planning the day you get your first job."*



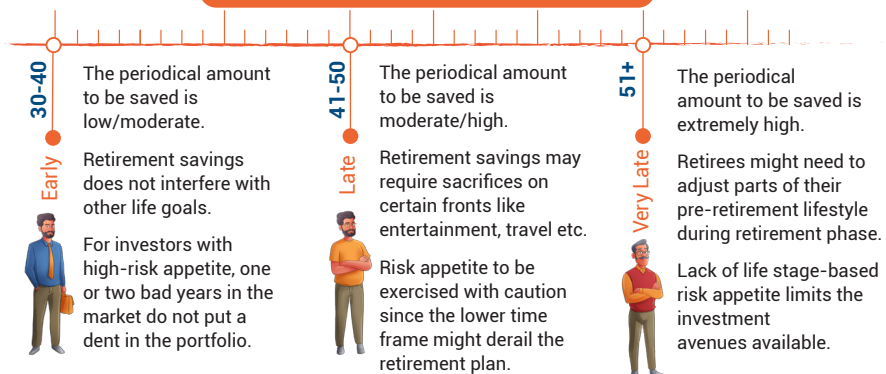
"You heard it right. Retirement is like those objects in the rear-view mirror - closer than they seem."

*"But then other priorities take over, right?"*



"Exactly. That's why many people don't start planning until 5-10 years before retirement. *Check out this chart and see what early retirement planning can do.*"

## STAGES & IMPACT ON RETIREMENT PLANNING





**ALWAYS  
TAKE TIMELY  
DECISIONS.**

***"Do you know what the power of compounding is?"***



"Bro, it's the unsung hero of retirement planning. And it works best when you start early."

Oh, really?



"Let me tell you a story,"

"Story? I'm all ears, bro."





"There were two friends, Vivaan and Ishaan.

"Okay."



Both were 25-year-old grads. At their CEO's retirement party, they started chatting about their own retirement plans. And agreed they'd need ₹1 crore for a comfortable retirement."

"So, what happened next?"



"Well, Vivaan was proactive. He started planning right away. He met a financial advisor, who suggested that he should save at least ₹10,000 per month to accumulate ₹1 crore by age 60, assuming a 6% annualised return."



Vivaan

"Okay. And Ishaan?"



"Ishaan got caught up with life and pushed off all his retirement planning. Ten years later, he met the same advisor, who told him that he'd need to save at least ₹22,000 per month to reach the same goal."



Ishaan

"Oh my God! That's more than double, bro!"



66

**Exactly! Procrastination made it way more expensive. That's why, the earlier you start, the more you benefit from the power of compounding.**



"Quite an interesting example you gave. I totally agree."



Both smiled.



# PLAN YOUR JOURNEY AND ENJOY RETIREMENT DAYS.





**"Tell me, why are retirement goals such different ball games?"**



"That's because, retirement planning doesn't have clear end date. One needs to plan for longevity too."

*"So, what should I do to make it strong and secure?"*



"Two things. First, make sure your planning is guaranteed and not affected by market  ups and downs. Second, it should provide  income for life."

*"Got it. So, how should I get started?"*





Well, planning happens in two phases: the Accumulation Phase and the Income Phase.

In the **Accumulation Phase**, focus on saving a part of your monthly income."

"Ok. And the Income Phase?"



"For the **Income Phase**, use the savings from the Accumulation Phase to set up a plan that offers guaranteed lifelong payouts."

"Hmmm... sounds good. But how do I know which phase to focus on?"



"It all depends on your life stage. Since you've just turned 40, you still have time to focus on maximising your savings in the Accumulation Phase."

"Cool."



"And if someone's retiring soon, I'd suggest investing in a plan that starts providing income right away."

"Makes sense."



**“You see, it's all about timing and knowing where you are in the retirement planning journey.”**



# MAKE RETIREMENT FULFILLING, ONE STEP AT A TIME.





*"Now that I know how to plan for retirement, the big question is, how much should I save?"*




"Good question Junior.

**Retirement planning typically involves three steps:**

**First**, Estimate your future financial needs. 

**Second**, check your current savings and how much they'll grow until retirement. 

**Third**, identify any shortfall and plan to make up for it." 

"So, how do I figure that out?" 



"It's pretty simple. Start by analysing your current expenses and then estimate their growth with inflation.

"Got it." 





"Next, think about which expenses will continue post-retirement based on your lifestyle."

"Sure."



"By the way, don't forget to add a buffer for unexpected surprises also. You never know, what might come up."

"Hmmm... Got it. And how do I assess my current savings?"



"Well, look at your retirement savings, but skip the funds that are set aside for things like education, home loan, and other goals."

"Okay"



"Then, figure out how those savings will grow by the time you retire."

"But how do I know if it's enough?"



"Compare your projected expenses with your retirement fund. If there's a gap, start planning now and adjust your annual plan."

"That makes sense."



"Yeah. Studies show India's retirement savings gap could hit \$85 trillion by 2050, and retirees might outlive their savings by 8-20 years on average."

"That's pretty intense!"



**Definitely. Early planning and regularly revisiting your strategy can help ensure a secure retirement."**



## THE RIGHT FINANCIAL TOOL MAKES ALL THE DIFFERENCE.



"Now my next question is where should I invest?"



**“**See, there are various financial instruments out there, each with its own perks and suitability.

Check out this chart to get a sense of their features.”



**Fixed Deposit:** Carries reinvestment risk. Since the maximum tenure for fixed deposits is 10 years, the investor carries the risk of the interest rates going down in future and their income reducing.

**Public Provident Funds:** The money is locked in for a period offering zero liquidity.

**Rental Income:** While India has one of the highest rental yields in the world, it is around 3-4% which makes it a very expensive investment.

**Gold:** Has emotional values attached to it; Extremely difficult to liquidate.

**Mutual Funds:** Subject to market volatility. Markets might crash exactly when the money is required.

# A PLAN THAT FITS YOUR LIFESPAN.



"So Mr. Future, which products are suitable for retirement planning?"



**“Retirement planning products by ICICI Prudential Life are a good choice.”**



"Really?"



"Yep. Remember, retirement planning has two phases - **the accumulation phase and the income phase.**"

"Yeah, I remember."



"So, for the accumulation phase, you've got **Pension Accumulation Plans**. For the income phase, you use **Annuity Plans.**"

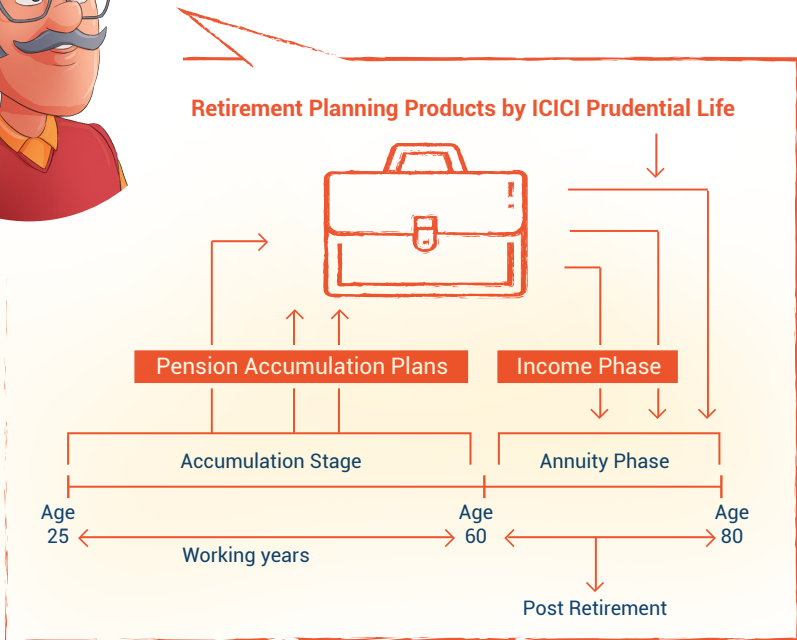
"Got it."







"You know in India, these plans are sold by life insurance companies to ensure stability and security."



**"THAT SOUNDS SAFE AND GOOD. HOW DO PENSION ACCUMULATION PLANS WORK?"**



"This plan encourages you to invest either regularly or in a lump sum. After the policy term, you get a lump sum amount that you can use in two ways:



**1**

Utilise 100% of the amount to buy an annuity plan, which is guaranteed lifelong income.

**OR**



**2**

Withdraw a portion of the maturity benefit as a tax-free lump sum and invest the rest into an annuity plan

"That seems simple. But how much can I withdraw tax-free?"

TAX-FREE



"As of 2024, you can withdraw upto 60% of your maturity benefit, as a tax-free lump sum."

"Got it. And what about the annuity plan?"



"This plan provides guaranteed lifelong income. There are two main types: **Immediate and Deferred.**"

### "WHAT'S THE DIFFERENCE?"



"An **Immediate Annuity Plan** starts paying you a guaranteed income almost right away. Like as soon as next month."



"A **Deferred Annuity Plan** delays the guaranteed income for a bit, but when it does start, you get a bigger pay out. It's a solid option if you've got some time before retirement."

"That's interesting."



"Some annuity plans come with extra perks too."

"Like what?"



"One is the **Return of Premium**, where the total premium is returned to your nominee if you pass away."

"Okay."



"And the other is the **Joint Life Option**, which ensures your loved ones are financially secure even after you're gone."

"These options seem pretty comprehensive."



**“Yep, they are. By choosing the right mix of accumulation and annuity plans, you can ensure a stable and comfortable retirement.”**



"That was truly a wise conversation I had after a long time. And the funny part is, it was with my future."



"Hahaha..." (Both laugh)

# RETIRE FROM WORK, NOT LIFE.



"So, Mr. Junior, now that you've got the gist about retirement planning, could you wrap this up with some interesting points?"

"Sure, why not! What I've gathered is that retirement planning isn't just about money."



"Right."

"It's about securing dreams, goals, and lifestyle."



"Correct."

"A solid financial plan keeps you out of trouble. And the main mantra for retirement should be... retire from work, and not from life."



"That's a great summary bro! You're all set to move now. See you on the day you retire."

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