

# DID YOU START SAVING for retirement late?

HERE ARE 5 TIPS



*Time is money when it comes to planning for retirement. The best answer to when you should start saving is always: "as soon as possible". Whether it's because of starting late, poor planning, or unforeseeable events, only 6% of South Africans can afford to retire comfortably. But it's never too late to take steps to reach your highest possible retirement amount.*

Here is a guideline for how much you should at least have saved at various ages:

30 YEARS

1 X YOUR  
ANNUAL  
SALARY

35 YEARS

2 X YOUR  
ANNUAL  
SALARY

40 YEARS

3 X YOUR  
ANNUAL  
SALARY

55 YEARS

7 X YOUR  
ANNUAL  
SALARY

65 YEARS

10 X YOUR  
ANNUAL  
SALARY

You can use this as a benchmark to determine how tight your revised saving strategy should be. The numbers can be intimidating, but they're worth pursuing. The following tips could help you inch closer towards a more secure retirement.

## FIVE TIPS

1. Understand the difference between wealth and riches. Wealthy people forgo luxuries today, to make long-term plans for their futures.
2. Save at least 20% of your monthly income, every single month. Re-arranging your expenses to achieve this may be hard at first, but it's still attainable.
3. If you have dependants, save for their education from as early as possible. School fees can drastically impact your annual disposable income in the future.
4. Save your annual bonus or spend it strictly on reducing or removing debts. Resist the urge to splurge it all during the festive season.
5. Have adequate medical, disability and life insurance. This prevents you from dipping into your savings when life takes you by surprise.

There are many savings vehicles that can help you reach your retirement goals. Some of the most popular are retirement annuities, offshore pensions, tax-free savings accounts and endowment policies. It's always a good idea to get professional financial advice when making big decisions and changes. Whenever in doubt, remember that the fund's team is available to help you better map your road to retirement.

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