

RETIRE GREAT

LIVING GREAT

WHAT WOULD
YOU LIKE YOUR
RETIREMENT TO
LOOK LIKE?

PLANNING FOR YOUR
RETIREMENT BEGINS NOW





WHAT DOES YOUR RETIREMENT LOOK LIKE?

Retirement, like joining the workforce or becoming a parent, is a huge milestone in anybody's life. This is when you start to enjoy the fruits of your labour, and do all the things that you've always wanted to do.

Sounds good so far, right? Yet, not everybody sees retirement the same way.

Nearly three in 10 Singaporeans expect to earn much less than their last drawn pay when they retire¹, and worry about how they'll be able to fund their travels, family and, most importantly, healthcare. Others believe that, even with a nest egg, they will have to get by on a lower standard of living.

But the reality is that retirement can be a positive experience.

As the saying goes, "Everybody has two lives; the second begins when we realise that we only have one." The same applies to retirement. With foresight and planning, it is possible to kick-start a new life at retirement, with enough savings to tide you through your golden years.

And, to make things easier, Great Eastern Life has a whole suite of solutions catering to the life you desire after retirement. Whether you're looking forward to a modest lifestyle, simply staying healthy and spending more time with the family, or something a little more affluent, such as fulfilling your dream to drive across the Australian Outback, there is a retirement solution for everyone.

¹ <http://www.straitstimes.com/business/companies-markets/workers-expect-big-fall-in-income-after-retiring>

EVERY JOURNEY BEGINS WITH THE FIRST STEP

Starting your retirement plan early is especially important for Singaporeans, since our life expectancy is higher now than ever before at 82.5 years as of 2013²—that's 3.4 years longer than in 2003. This means that a larger proportion of our lives will be spent without an active source of income.

20s–30s

Every retirement plan should begin long before the minimum retirement age of 62 years³. For most of us, that would be around our 20s, when we enter the workforce and start to forge a career.

We won't sugar-coat it for you: it's going to be tough to set something aside for your nest egg with your first few pay cheques. After all, you may have to pay off financial obligations such as student loans, and it sure is tempting to splurge on some of the finer things in life now that you are earning your keep.

While people in their 20s have different priorities, the good news is that the earlier you start working and saving towards retirement, the easier it is to achieve the goals you have set for that stage of your life. And since you're in the pink of health, now is definitely the best time to get protection for hospitalisation, critical illness, and disability. After all, why wait?

40s–50s

By the time you're in your 40s, you would have been working hard to strengthen the foundation on which your life is constructed, and will continue to reap its benefits in the next stage of your journey. This foundation has many aspects: a solid career, a loving family, wise investments, and relationships you've cultivated with people you can count on.

However, your body and health isn't quite what it used to be. Maybe you've kept things in check so far—that's great! But let's be honest: as we age, we become more prone to illnesses and injuries.

When we're in our 40s, there are resources we can rely on for a rainy day. ElderShield⁴, for example, is a severe disability insurance scheme introduced by the Ministry of Health (MOH) that provides basic financial protection to those in need of long-term care, especially during old age. However, these are basic, short-term protection. For something more comprehensive, you'd want to enhance it with what Great Eastern Life has to offer.

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² https://www.singstat.gov.sg/docs/default-source/default-document-library/statistics/visualising_data/Life-Expectancy.pdf

³ <http://www.mom.gov.sg/employment-practices/retirement>

⁴ https://www.moh.gov.sg/content/moh_web/home/costs_and_financing/schemes_subsidies/ElderShield.html

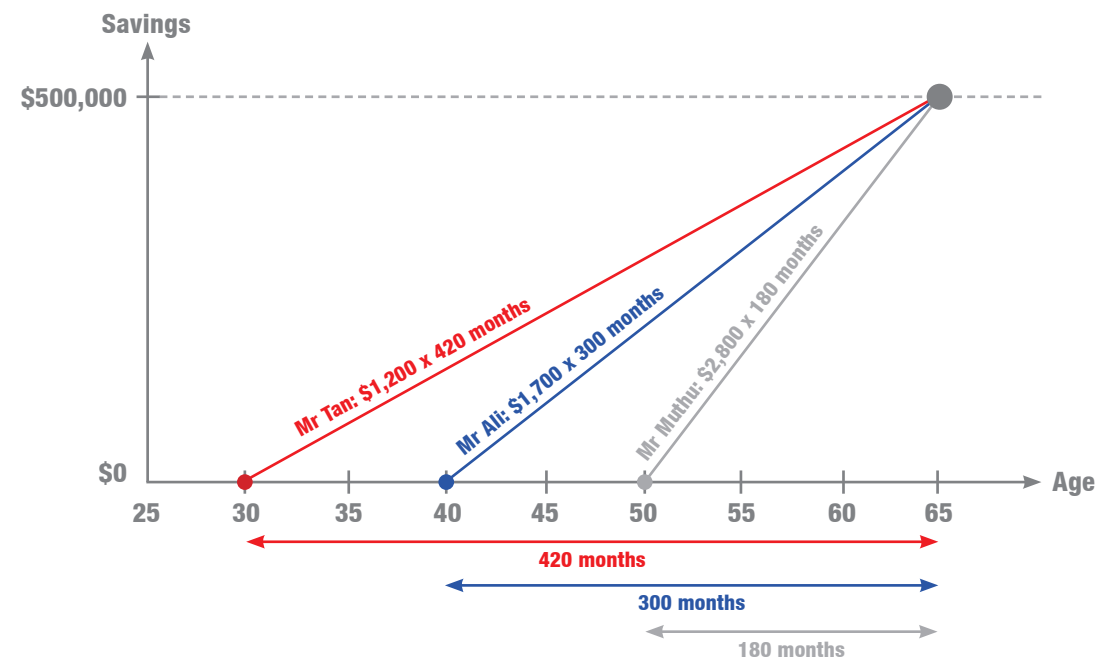




TIME IS MONEY

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Time plays a big factor when it comes to wealth accumulation. If you have a nest egg size in mind at retirement, then the earlier you start to set aside money for that, the less you have to put aside each month.



This is illustrated in the chart above, which shows the savings trajectory of three individuals—let's call them Mr Tan, Mr Ali and Mr Muthu, represented by the red, blue and gray lines respectively.

All three gentlemen intend to retire when they turn 65, and are targeting a nest egg of \$500,000. However, they all started saving from scratch at different ages: Mr Tan when he was 30 years old, Mr Ali when he was 40, and Mr Muthu only when he was 50.

This means that Mr Tan has 420 months to reach the target amount, Mr Ali has 300 months, while Mr Muthu has only 180 months. In terms of savings, Mr Tan only needs to put aside \$1,200 a month, Mr Ali a little more at \$1,700 a month, but Mr Muthu would need to save a lot more, at \$2,800 a month. This is represented by each gentleman's progressively steeper savings trajectory to reach \$500,000.

This illustration ignores the effects of financial details such as interest rates, as we wanted to simply show that time is of the essence.

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ENJOY YOUR GOLDEN YEARS

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Above 50s

This is the time when the dollars and cents come to fruition.

When you are above 50 years old, you've probably had a stable career that's coming to the end of its cycle, and a family that includes children and perhaps even grandchildren. This is the typical vision of retirement most people have.

The best part is that, since you already have a financial safety net in place, you can start to look at wealth distribution and legacy planning.

But if you don't already have a plan in place, the good news is that it's never too late to start. Take stock of your current savings and situation, then make realistic plans on how to live out your retirement. Essentially, it's all about budgeting and spending within your means.

For that, try to preserve your retirement income via short-term savings plans, which allow you to invest a lump sum for a short period of time.

If in doubt, have a chat with your distribution representative to ensure that your retirement needs are covered at every stage of your life. After all, we are just a phone call away.

"It is not true that people stop pursuing dreams because they grow old; they grow old because they stop pursuing dreams."

– Gabriel García Márquez, author

"I have reached an age when, if someone tells me to wear socks, I don't have to."

– Albert Einstein, physicist

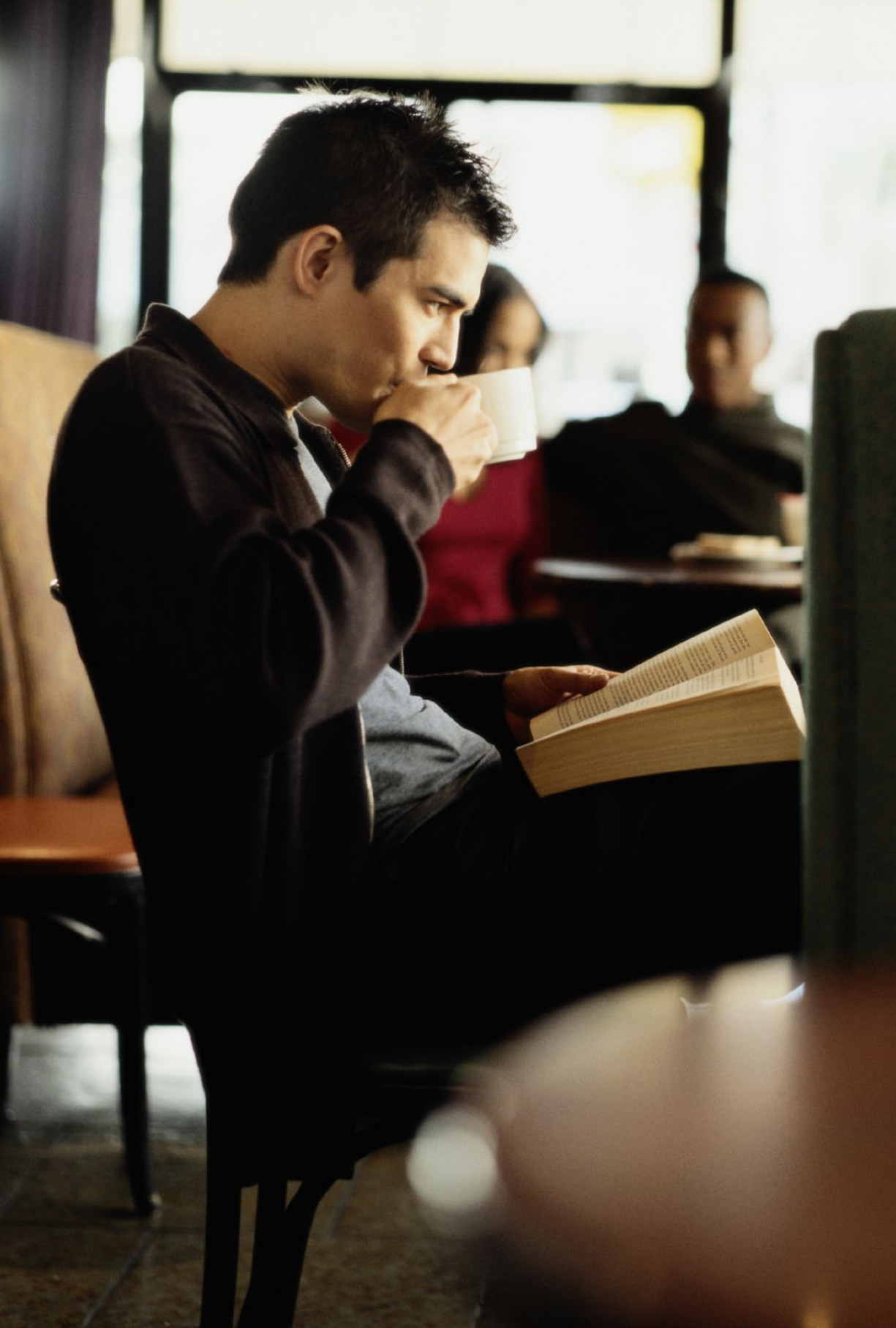
"You can live to be 100 if you give up all the things that make you want to live to be 100."

– Woody Allen, filmmaker

"Beautiful young people are accidents of nature, but beautiful old people are works of art."

– Eleanor Roosevelt, politician





FINANCIAL SOLUTIONS

With an array of solutions out there, which should you be considering when it's your time to retire? Here are some suggestions to help you grow your wealth, cover your health, and leave a legacy for those who matter the most.

Secure your retirement

As a first step, you want to look at healthcare plans that won't deplete your savings when you are hospitalised or in need of surgery. Plans like that offer you peace of mind and the certainty that the healthcare you may need will not burn a hole in your pocket.

Something else you may want to consider is disability income coverage. Often overlooked, these plans ensure that your lifestyle is not affected should something happen and you are unable to work. It's especially important in later life, when the majority of your income will be going towards your retirement planning.

As you get older, you may also need financial help with long-term medical care. That's why it's a good idea to put in place a healthcare directive, which empowers your caregiver to make medical decisions on your behalf should you become too ill to make such judgments.

Fund your retirement

Even without an active income, it is still possible to fund your retirement with the right plans.

Consider annuities, which provide you with a regular retirement income for life. You can opt to have the lifelong payouts start immediately upon premium payment, or only when you retire at 60 or 62 years of age. There are also normal retirement plans that, while their payouts aren't lifelong, cover

you for the next 10 to 20 years, starting from when you are 60 or 65 years old. If you want something more customised, endowment plans allow you to decide how much and for how long you want to save. These plans also offer you coverage for everything from death, terminal illness, to total and permanent disability.

Now, there is a way to further safeguard your assets and accumulate your wealth: investment-linked products. They feature both savings and investment elements, which means higher returns for you. Keep in mind that the investment strategy with the highest returns are usually the ones that expose your savings to varying market changes the most. So have a chat with your distribution representative about how much risk you are prepared to take.

Leaving a legacy

Then there are the family members you may wish to provide for with a lifetime of income benefits even after you pass on. Legacy plans, for example, can help preserve your hard-earned wealth and transfer it to future generations.

TIPS

Don't quite know where to begin when it comes to retirement? Here are some tips to get you started at every stage of your life.



Strengthen your social networks:

You're expanding your social circle, meeting people at parties and networking events. Build relationships with people—you may want to form hobby groups with these people during retirement.



Discover yourself:

The potential in you knows no age and is always growing. Never lose an opportunity to enhance your skills and learn more about what you can do—it might even lead to new heights in your retirement!



Sustain your relationships:

Continue spending quality time with the people who are important in your life. Be it friends or family members, it is always helpful to keep them around. After all, these are the people who will give you the support you need no matter which stage of life you are at.



Live the dream:

While you're financially comfortable enough to engage in things you've always wanted to do, be it solo or with members of your family, it's also time to assess how you can enhance your savings and accumulate your wealth. A comprehensive retirement savings plan that provides guaranteed monthly payouts and maturity value will enable you and your loved ones to continue making memories together with peace of mind—but only if you start early.



Prepare for retirement:

Check out the Supplementary Retirement Scheme (SRS), which can help you save for retirement and, more importantly, reduce the amount of taxable income.



Make a plan:

All the savings in the world will be for naught if you haven't got a clue how to use it. Begin by asking yourself this question: what makes me happy? Be it to travel or to adopt a dog, if it is within your budget, by all means, do it!



Share it with someone:

If you live with someone or have a partner, make time and go on adventures together. These experiences will accumulate over the years to give you a fruitful, more meaningful retirement later on.



Go for check-ups:

Even if you have a financial safety net in place, regular health checkups are a must. You want to pick up on minor symptoms before they take a turn for the worse! In the meantime, watch your weight and always, always stay active!



PARTING WORDS

If there is a takeaway point, it's this: there is no better time to plan for your future than now. There may come a time when, even if you have the money on hand, you may not be able to buy insurance due to pre-existing conditions.

In the meantime, maintain a healthy mind and body, and don't worry so much about the financials along the way. For that, we've got you covered.

Life is a journey; allow us the privilege of keeping you company. After all, we're not just a life insurance company anymore. Great Eastern Life is a life company, and we'll be there at each stage of your life.

LIVE GREAT. WE'VE GOT YOU COVERED.

HOSPITALISATION & SURGICAL

Reimbursement for hospitalisation and medical bills.

PERSONAL ACCIDENT

Comprehensive protection against the consequences of an accident.

WHOLE LIFE/TERM

Solutions against death, and total and permanent disability.

RETIREMENT

Your desired monthly income to meet your retirement needs.

SAVINGS & INVESTMENT

Essential savings and investment plans to help you achieve your wealth accumulation goals.

**TO HELP YOU LIVE GREAT,
CONTACT YOUR GREAT EASTERN LIFE
DISTRIBUTION REPRESENTATIVE**



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This booklet is for general information only. It is not a contract of insurance. The precise terms and conditions of insurance plans are specified in the policy contract.

Buying a life insurance policy is a long-term commitment. An early termination of the policy usually involves high costs and the surrender value payable, if any, may be less than the total premiums paid. It is usually detrimental to replace an existing accident and health plan with a new one. A penalty may be imposed for early plan termination, and the new plan may cost more, or have less benefits at the same cost.

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