

How to ensure that your kitty is big enough

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Several of the pre-retirees and new retirees with whom we meet usually have only one question in mind: 'Is what I have enough?' My sincere and standard reply is: 'Let's first understand what is your definition of enough.' And that is how the conversation starts.

As a pro-retiree or a new retiree, you can have a huge laundry list of things you want to buy, places you want to visit, and things you want to do before time runs out. It's almost as if you had paused living your life before you retired, and now you suddenly want to maximize all experiences out of your lives and fast forward them into a shorter time frame.

As we get down to the list all those which make up that 'enough', there are some regrets that pre-retirees or new retirees have, with some commonalities:

- I wish I had met you earlier. This discussion on how my retirement days would be spent is actually making me think.
- I wish I had started to save and to invest a little earlier. I would have been better off and more comfortable financially if I did.
- I wish I had developed other interests in life which would have kept me gainfully occupied.
- I wish I had not splurged



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so much on frivolous things earlier on.

- I wish I had taken better care of my health.
- I wish I had realized the risk of living too long.

Here are some of the important action items to address the above concerns and start your journey on the path to retirement success:

- Visualise a day in your retired life: What would it take to have a truly fulfilling day, month or year? What are the activities, things that you would like to do, hobbies to pursue and what amounts of money would you require? Try to put in all those travel plans, hobbies and visits to friends in the visualisation. Get a handle on a monthly number that you need to support this. This would be your own 'enough' number. Be reasonable.
- Examine the need for life insurance. Even at this age, if you think that

your spouse may not have enough after you pass, take a pure term plan. Life expectancy in India and all over the world is improving and your spouse could outlive you by a good margin.

➤ Examine the need for health insurance or keep a corpus separate for health and other contingencies. Importantly, your spouse should know how to access this in case of an emergency.

➤ Make a simple withdrawal plan from investments that would substitute the monthly income which was coming to you pre-retirement. Track that you are managing within that monthly number arrived at in point 1. Keep lump sum withdrawals for 'one off' expenses separate. Be mindful of the tax efficiencies related to your withdrawals.

➤ Make time to pursue hobbies and meet friends. Seek part-time assignments if they fit in with your likes and competencies. These will also help you make some supplementary income.

➤ Lastly, enjoy the process and time available to you now that you are retired. Quality time well spent with family and friends is a luxury available to a fortunate few.

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