

Outlook MONEY

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India's Best Funds

GO THROUGH
OUR MUTUAL
FUNDS RATINGS
LIST 2025 TO FIND
THE WINNERS

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How mutual fund
SWPs can solve
your cash flow
issues in retirement



Dante De Gori:
Gap in advisory
needs to be filled

Do You Know What 30 Years Without Income Looks Like?

Discover why delayed planning could derail your future and how small steps today can rescue tomorrow.

Planning for retirement isn't just about money — it's about securing your future, your health, and your peace of mind. Before retirement, we work for money, but after retirement, money should work for us.

For most Indians, retirement is seen as a distant dream. But retirement planning should begin as soon as one starts earning. The earlier you plan, the better your chances of retiring with dignity, independence, and financial security. Without a proper plan, retirement can turn from a golden dream into a financial nightmare.

What Is Retirement Planning?

Retirement planning means setting income goals, estimating savings needs, investing wisely, and preparing for inflation, healthcare, and emergencies — all to build a secure financial future after work ends. Think of it as building a financial safety net — one that catches you when your regular salary stops.

Why Should You Plan for Retirement?

Many people assume their children, pension, or property will secure their future. But times have changed. Here's why retirement planning is a necessity — not a luxury:

- **Longer Life Expectancy**
With people living into their 80s or 90s, retirement can last 25–30 years, requiring sustained financial support.
- **Rising Healthcare Costs**
Without employer health benefits, medical expenses post-retirement can severely strain your savings.
- **Inflation Eats into Savings**
At 5% inflation, ₹1 lakh monthly today



TRINATH LENKA CFP
Managing Director,
www.wallet4Wealth.com,

could become ₹2.65 lakh in 20 years. Savings must outpace inflation.

- **No Guarantee of Pension or Family Support**
Private jobs rarely offer pensions, and children may not always be able to provide financial help.
- **To Maintain Your Lifestyle**
You'll need a reliable income stream to live life on your terms.

How Does Retirement Planning Work?

Retirement planning is a mix of goal-setting, saving, and disciplined investing. Here's a simplified process:

- Step 1: Set a Retirement Goal**
Figure out how much you'll need monthly after retirement.
- Step 2: Factor in Inflation**
Assume a 6–7% annual rate and adjust your future income needs.
- Step 3: Choose the Right Investment Mix**
Use equity mutual funds for growth, PPF for safety, and NPS for post-retirement income.
- Step 4: Automate Savings with SIPs**
SIPs let you invest a fixed amount

monthly. ₹10,000/month with 10% annual increase and 12% return can grow to ₹17.77 crore in 35 years.

Step 5: Monitor and Adjust
Review your plan every 1–2 years and adjust savings to stay on track.

How Much Do You Really Need for Retirement?

A common rule of thumb: plan for about 70–80% of your current monthly expenses in retirement.

Common Mistakes in Retirement Planning — And Their Solutions

- **Starting Late**
Start as soon as you earn. Compounding works best with time.
- **Relying Only on Fixed Deposits**
FD interest rarely beats inflation. Combine safe and growth instruments.
- **No Health Insurance**
Buy early. Premiums are lower when you're younger and healthier.
- **Over-Dependence on Children or Property**
Create liquid, accessible assets instead.

Where Should You Invest for Retirement in India?

- **SIPs in Mutual Funds:** Long-term wealth creation.
- **NPS:** Tax benefits and pension.
- **SCSS:** Regular income post-60.
- **EPF:** A great base for salaried earners.
- **PPF:** Safe and government-backed.

Retirement is not about slowing down — it's about gaining freedom. That freedom needs a solid foundation, built not with luck, but smart planning and disciplined saving. [📖](#)