

## Retirement Planning Analysis

### Greetings

Whether you are new in the work environment or have been working for a while, never make the mistake of putting off Retirement Planning until later on when it's too late.

We would like to assist you by doing a proper Retirement Plan for you. This obviously will give you a much better picture. I will not charge for this analysis.

Please provide the following information. I will then be able to calculate the future values in respect of your Retirement Planning. It would be easy to say for example, "I need 75% or 100% of my current income in retirement" to maintain your standard of living, however this does not indicate clearly what your retirement needs or goals are.

We must determine:

- Your current income requirements and
- Your anticipated income requirement at

Taking into account for example, changed circumstances such as no bond, children are now independent and then of course any expenses that will be added for example increased Medical costs, recreation, entertainment, holidays, tax and capital required for special expenses, purchase of a car etc.

Once an income requirement in today's terms has been established we will be able to calculate retirement shortfalls (if any) and how to rectify the situation.

Here's what I'll need for your expenditure calculation:

### Current Fixed expenses and Expenditure at Retirement

- |                          |                             |
|--------------------------|-----------------------------|
| 1. Fixed expenses        | 6. Telephones / Cell phones |
| 2. Mortgage installments | 7. Medical Aid              |
| 3. Short term insurance  | 8. Motor vehicle payments   |
| 4. Water and electricity | 9. Income Tax               |
| 5. Rates and taxes       | 10. Other                   |

Lump sum requirements at retirement:

1. Holiday
2. Car
3. Other

Current Pension Fund Value / RA: We must establish the estimated maturity value, we can calculate this based on assumptions and past performance

From this information we can begin to plan by calculating the retirement income required, the amount of capital required to produce the amount of retirement income needed. We can calculate the capitalized income available at retirement and the shortfall and then the monthly or annual investment required to eliminate the shortfall.

I will require the following information as well in order to proceed with an effective retirement planning exercise:

- |   |   |
|---|---|
| 5. Present annual salary                                  | 1. By what % do you want your pension to increase by after retirement |
| 6. Average % increase expected each year up to retirement | 2. What is your view of inflation as a %                              |
| 7. Number of years to retirement (early retirement of 65) | 3. What is your age at retirement (Q3)                                |
| 8. What % of your final salary do you want at retirement  | 4. Other capital available at retirement                              |

Thank you for taking time out to complete this analysis.

That's it for now.

Regards,

**RCP**  
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