Retire now or retire later?

Did you know?

Retiring at age 65 rather than 55 can almost double both your replacement ratio and retirement income.[1]

If your pensionable salary is R10 000 and you have a 30% replacement ratio at age 55, you'll retire on R3 000 a month. If you retire at age 65 instead, your replacement ratio could double to 60% and you'll retire on almost R6 000 a month.

AGE **55** | Replacement ratio **30%**

Retire on **R3 000** a month

AGE **65** | Replacement ratio **60%**

Retire on **R6 000** a month

Retiring two years later, for example at age 63 rather than 61, can add **8% to 15%** additional retirement income.[1]

The value of advice

Getting personalised information and advice from one of our financial consultants can lead to better decision-making and improve your retirement success.

My Money Matters Centre

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1 Member Watch™ Survey 2018

Income projections at retirement are based on the following assumptions: Preservation: no withdrawals from retirement fund(s) before retirement | Contribution rate: approximately 12% of yearly salary | Yearly salary increase: inflation + 2% Investment return: inflation + 4.5% | Target: 75% of inflation as an increase in pension income | Gender: male

OPTION

A

Defer

(retire later)

This means that you will retire from your employer at your company retirement age, but you can keep your retirement savings invested in the fund until you choose to receive your retirement savings.

What to consider if you choose to defer retirement in your employer's fund:

- You and your employer won't contribute to your fund.
- You won't have the same benefits, like life or disability cover.

Tip: Discuss a continuation option with your financial adviser.

- Your retirement savings will stay invested in the fund.
- There will still be investment fees and administration costs.
- Positive or negative investment returns will be added to or deducted from your investment in the fund until the date you decide to receive your retirement savings.

You can:

Defer IN the fund

You keep your money in your employer's retirement fund until you're ready to retire. Benefits might be that fees and costs could be less than with other options.

You will stay invested in the investment portfolio you were invested in at your retirement age, unless you are invested in a closed portfolio or make an investment switch.

You can:

Defer OUTSIDE the fund

You transfer your money into an approved retirement annuity fund (or a preservation fund from 1 March 2019) until you're ready to retire.

When deciding to transfer, consider the fees and whether you can continue making contributions. If you still have questions, please speak to a financial adviser.

Questions about your retirement fund

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Financial advice

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