



Never Too Early: How To Begin Saving For Your Retirement

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As today's workforce is often busy with working and climbing the corporate ladder, time slips by unnoticed and before you know it, it is getting closer and closer to your retirement age. While most people generally include a comfortable retirement among their reasons for working hard, many have yet to implement their retirement plans or even start planning for it in the first place.

A [Standard Chartered study](#) found that nearly 80% of affluent Asians see travelling as their ideal retirement lifestyle, with 73% of Singaporean respondents keen on [travelling safely on vacations](#) and the majority also have a strong focus on keeping a healthy and active lifestyle. Nonetheless, whether you want to have an eventful retirement by being a globe-trotter, happy-go-lucky shopper, or a quaint yet comfy one while indulging in your hobbies, it all starts with retiring smart by saving for retirement as early as possible.

CPF Life: Is it enough?

Singaporeans and permanent residents born in 1958 and beyond are automatically enrolled in the CPF "Lifelong Income For the Elderly (LIFE)", provided their CPF Retirement Accounts hold a total of \$60,000 six months prior to reaching 65 years old. LIFE provides a supplemental stream of income during their retirement years, and, as its name suggests, the payouts are 'lifelong', ensuring that retirees will not run out of money even if they live to a ripe old age. However, one thing to note is that women generally have far lower CPF account balances than men across older age groups. With women having a longer life expectancy than men, they need more retirement savings.

It's never ideal to rely on CPF Life payouts as your sole source of income during retirement. The payouts may cover your basic retirement needs, but are unlikely sufficient for your comfortable lifestyle. Factor in potential inflation over the years, it is essential to expand one's retirement portfolio.

The essentials: Emergency fund

Before anything else, having an emergency fund is indispensable through all stages of life as it serves as a safety net for unexpected events, be it a medical emergency or anything else. Keeping a separate fund exclusively for emergencies ensures that you don't have to resort to dipping into your personal savings or retirement fund to tide over financial ruts, enabling you to stay on track with your financial goals.

Importance of other income streams during retirement

Apart from CPF LIFE and having an emergency fund in place, it's prudent to have other [regular streams of passive income](#) that bring you one step closer to the ideal retirement lifestyle you desire. Passive income can be in the form of an insurance payout during your retirement years. At China Taiping SG, our various [saving insurance](#) plans are designed to supplement your retirement lifestyle;

- **i-Retire** – A flexible limited-pay retirement plan that pays a monthly income for up to 30 years. Its Loss of Independence (LOI) Benefit guarantees a lump sum payment equivalent to 24 months of the guaranteed monthly income.
- **i-CashLife** – It enables you to enjoy yearly cashback from the end of your premium payment term until age 120. Be rewarded with a guaranteed loyalty cashback on the 20th policy anniversary and every 10 years thereafter. Freely live your desired lifestyle with i-CashLife's yearly cashback as your passive income.
- **Infinite Harvest (III)** – A one-time premium commitment secures you a lifetime of monthly income starting from the 5th policy anniversary onwards. Your monthly income consists of a guaranteed and non-guaranteed amount, which could add up to 3.63% of your single premium annually. Lead your desired lifestyle with Infinite Harvest (III)'s lifetime passive income, or create a gift of love for your family's future generations.

Conclusion

Being financially secure during retirement is attainable when you get started on your savings early. Build a safe and solid foundation of your retirement portfolios that can get you through all the ups and downs of your golden years. To learn more about China Taiping SG's [saving insurance](#) or [retirement insurance](#) plans or find out more on how to prepare for your retirement, speak to your preferred Financial Adviser Representative.