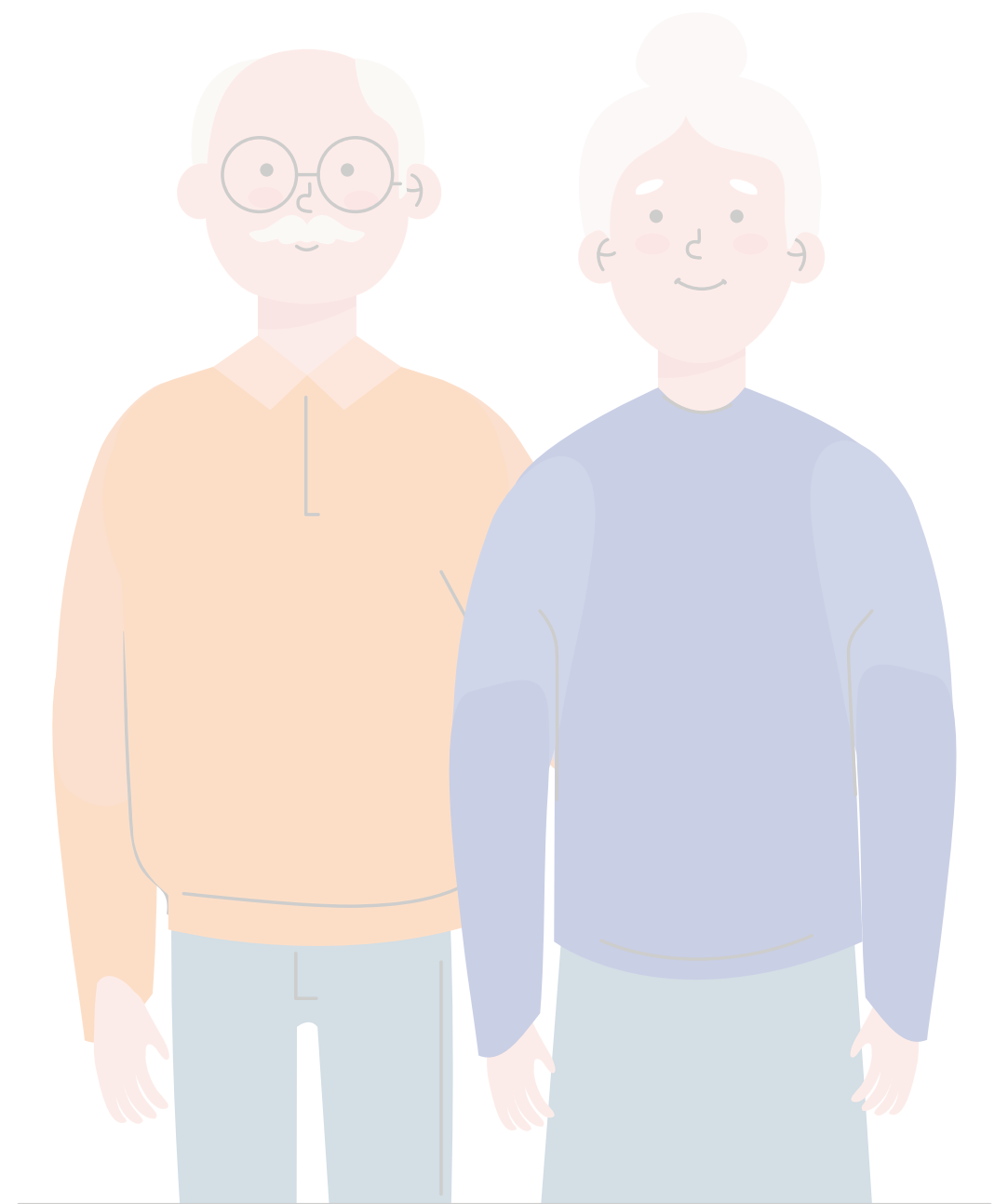


WHAT ARE PENSION PLANS IN LIFE INSURANCE?



What are Pension Plans?

Pension Plans also known as Retirement plans are designed to address your financial needs after you retire, such as medical and living expenses. These plans help you maintain your current lifestyle in retirement and account for potential increases in daily expenses due to inflation.

Additionally, they can support your post-retirement aspirations, such as traveling, pursuing hobbies, or starting new ventures.



How Do Pension Plans Work?

When you retire, your regular income stops, making it challenging to cover daily expenses. A pension plan ensures that your income flow continues well beyond your retirement. Here's how pension plans work:

Accumulation Phase:

You build a corpus of funds either through a lump sum investment or by paying premiums over time.

Payout Phase:

Upon retirement, you start receiving regular payments from this corpus. These payments help cover your expenses and secure your financial future.

Why Do I Need to Plan for My Retirement?

01

INCREASING RETIREMENT YEARS

With the average life expectancy rising, especially in India, it has become essential to plan for a longer retirement period. Starting early ensures you can maintain your lifestyle and cover various expenses over a longer duration.

02

MEDICAL EXPENSES

One of the major concerns as you age is unexpected medical expenses. With healthcare costs continually rising, it can be challenging to manage these expenses without prior planning.

03

FINANCIAL INDEPENDENCE POST RETIREMENT

After retiring, you would want to live life on your own terms without financial constraints. Proper retirement planning ensures that you have the financial independence to do so.



How Much Do I Need to Save for Retirement?

01 DAY-TO-DAY EXPENSES: Understand how much you need to maintain your current lifestyle even after retirement.

02 EVENTS AND MILESTONES: Consider financial responsibilities such as children's higher education or weddings that may arise during retirement.

03 POST-RETIREMENT DREAMS: Include the costs of fulfilling your post-retirement dreams, such as traveling or starting a new venture.

04 UNFORESEEN COSTS: Set aside funds for unexpected expenses, like medical emergencies or financial crises.

05 INFLATION: Account for the rising costs of goods and services over time. For instance, if your current annual expenses are ₹6 lakh at age 45, you might need ₹14.38 lakh annually at age 60, assuming a 6% inflation rate year-on-year. Therefore, factor in inflation when calculating your retirement savings.



When is the Right Time to Invest in a Pension Plan?



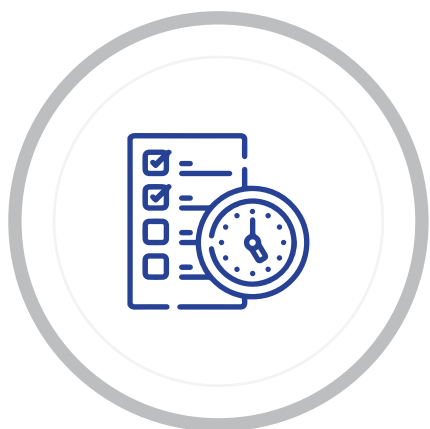
MORE TIME TO GROW:

Early investments allow more time for your savings to grow through compounding.



LOWER CONTRIBUTIONS:

By starting early, you can contribute smaller amounts over time, making it easier to accumulate a substantial retirement corpus without straining your current budget.



LONG-TERM BENEFITS:

Investing early ensures that you build a larger fund for your retirement, providing greater financial security in your later years.

WAS THIS HELPFUL?

**Dont forget to share
and save this post.**



The Pension plan information mentioned is for general purpose and not for insurance solicitation. Mvalu technology services private limited is not the Insurance intermediary and not allowed to sell Insurance products to any person. For making any insurance decision kindly discuss with the regulated Insurance intermediary.

The above content is for knowledge and education purpose only. The user is required to undergo risk profiling before investing. Guided view is indicative in nature and is based on the information provided by the user voluntarily. Each user of this information should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred

InCred Premier (Mvalu Technology Services Private Limited) is an AMFI registered Mutual Fund Distributor under ARN: 275918. Some services are offered through group companies. InCred Premier is also registered with APMI having registration no: APRN00175 and is registered as Authorised Person with NSE and BSE. Mutual Funds & Securities are subject to market risks, please read all your scheme/securities related documents carefully before investing.