

PLANNING YOUR RETIREMENT

People who are approaching retirement often focus on their financial security whilst ignoring how they are going to live in retirement and what they are going to do with their time. This often leads to major lifestyle problems, especially if the retiree is married and one of the partners continues working.

PLAN FORWARD

One of the keys to a successful retirement is ensuring that you have a clear plan about how your life will be structured once you have stopped working. Many people suffer from post-retirement depression because they have nothing to do with their time. I have spent more than 15 years advising retirees on their financial affairs and my happiest clients are those who had a plan for their retired life. Whilst your financial affairs are an important part of the plan other considerations are equally important especially what you will be doing with your time on a daily basis. Many happily retired people started working part-time or volunteering for charities.

Financial wellbeing at retirement does not mean that you will be happy in retirement. Many wealthy retirees (especially retired executives) are desperately unhappy with their lives. They spent so much time on their jobs that they have no outside interests and therefore nothing to occupy their time once they stop working.

People with limited funds can have a wonderful retirement, I know one lady who worked as a personal assistant to a company executive in Johannesburg. After retirement she moved to a small house in the Southern Cape region where she rents out a small flat on her property to holiday makers to supplement her pension whilst earning money from painting. She started art classes with her neighbour as a pastime having never painted before. Within 12 months she had sold her first piece at a gallery. I also know a retired Human Resources executive who started executive coaching after he retired. He found the work to be very fulfilling and challenging despite the fact that it was not a massive money spinner for him.

If you are still working, you should try to plan for your retired life with a specific focus on how you will spend your time. You cannot spend your days playing golf, bowls or bridge –these are hobbies that may form part of your life but you cannot devote three or four days a week on them.

PLAN TOGETHER

Many married couples really struggle in the initial phase of retirement. Very often, one person retires before the other and this causes real problems. The retired person is now constrained by the partner's work schedule, so holidays and spontaneous long weekends are not possible. This can cause friction in the relationship which can be pre-empted by honest discussions in the months and years prior to retirement. One should not assume that your partner has the same idea about retirement as you do – you have to discuss it. If possible, try to ensure that both partners retire at similar times. Where only one person has worked, the situation can be even worse at retirement. The person who has been at home has a routine and life that is independent of their partner. When that partner suddenly spends every day at home it can be disruptive to both people.

You cannot be too young to start your retirement planning, many people start their planning by their late 30's (myself included) so that their way forward is clear. From personal experience, I can tell you that this type of planning is very fulfilling and makes my working life more purposeful.