When retiring at 60, you could still live for another 25 to 30 years.
What will your future self in 30 years think about the retirement decisions that you make now?

Retirement is a chapter of your life where you will face certain financial risks. What are the steps that you can take to avoid these risks NOW?

Dear member,

Many South Africans look forward to retirement as a time to rest, appreciate life, and enjoy the rewards of years of hard work. But your retirement plan cannot simply be to save while you work: Retiring comes with risks that must be planned for – risks that might only become a reality many years after you retire. Failing to plan carefully now will impact your financial well-being and peace of mind as far as 30 years into the future, making it difficult for your future self to continue enjoying retirement.

At the **Columbus Retirement Fund**, we want your future self to still be enjoying your golden years, which means understanding the biggest risks that you may face and what you can do about them now.

What are the four biggest retirement risks?

1. Outliving your savings
As medical care improves, we are living longer. A person who retires at 60 could live another 25 to 30 years, or even longer. As much as 94% of South Africans will be unable to maintain their lifestyle when they retire. What about 30 years after they retire? (Sanlam Benchmark Survey, 2023).

What to do: Review the amount that you are contributing to your pension, ensure that your investment strategy supports long-term capital growth, and consider your options for post-retirement income.

2. Inflation eating into your savings
An inflation rate of 5% means that the cost of your grocery shopping will double every 15 years. Also, the cost of medical care often rises at a rate higher than general inflation. What could your expenses be 30 years after you retire?

What to do: Keep part of your retirement savings invested in growth assets (if appropriate for your lifestage).

3. Unexpected healthcare costs
Many retirees underestimate the cost of healthcare, gap cover, and long-term care. What might these costs be in 30 years?

What to do: Factor medical expenses into your retirement plan and explore how your fund's benefits can support you post-retirement.

4. Poor financial decisions or a lack of planning
Without sound financial advice, it is easy to make costly decisions at retirement, e.g. withdrawing too much too soon. Think about how much you might need to withdraw in 30 years.

What You Can Do Today:

Book an appointment with a Financial Advisor that can assist you with a financial plan.

Log in to your member portal to check your fund value and projections.

Update your beneficiary details to ensure that your loved ones are protected.

Learn more about planning for inflation and medical expenses during retirement.

Let us help you identify gaps in your retirement plan before they become problems for your future self in 30 years!

Contact us at yourfund@columbus.co.za or visit www.col-ret.co.za or alternatively contact the Principal Officer, PD Theron at theron.pd@columbus.co.za to put you in contact with a financial advisor.

T: 064 858 8760 I E: yourfund@columbus.co.za

Room 2, Office Block D, Columbus Stainless
Hendrina Road, Middelburg, Mpumalanga, 1050

www.col-ret.co.za