

# Rethinking Retirement Planning In The Time Of Covid-19 And Beyond

📅 April 2021

We had crossed the one-year mark of the Covid-19 pandemic. Even with vaccines being rolled out globally and locally, the fight against the pandemic continues for the unforeseen future. Hence, it is important for us to continue future-proofing ourselves - physically, mentally, and of course, financially.

Today, living beyond 80 or 90 years old is common thanks to medical advancements and better quality of care. However, with the pandemic, many people are facing new set of challenges including depleting savings, rising cost of living, medical inflation, and more, which forced many of us to review our financial planning for retirement.

For most of us, to live life to the fullest without any financial burden is an important legacy to leave behind for our next generation. Legacy planning is a long-term effort that involves identifying and preserving, to distributing or transferring of your wealth and assets to your beneficiaries. It ensures you will be able to enjoy the fruits of your hard work when you retire and takes care of your loved ones when you are no longer around.

The need to build long-term financial resilience is even more real and yet harder now. Not everyone has the option to retire when they want to - given the ongoing market uncertainties, imagine being forced out of your job prematurely? You will be in a much better position if you already have a plan in place. Even if your nest egg is not completely built up, but having money set aside for retirement gives you more options and comfort.

Planning ahead eliminates uncertainty and is an important step to consider. When one is still young and able, putting aside money for retirement or anything that is so far away may seem like a smaller responsibility and more so when compared to everything else that's going on right now. However, it is a small, yet essential step, to ensure peace of mind and high-quality retirement life.

To kickstart the planning process - always begin with setting a 'magic number' goal - a number that will ensure you have funds to take care of yourself and your loved ones upon retirement.

Next, if you have not been diligently putting aside some of your income as savings or investment, it is time to start now. When it comes to reaping the benefits of compounding interest, the earlier the better it is to start. Accumulating the funds you need to reach the 'magic number' you have set may take a long time, depending on your income. The quicker you put your money to work, the more it can grow. If you consistently save and invest early on in your working life, you can look forward to a nice nest egg by the time you retire.

Once you secure these steps, you can now look at other means of protection, specifically medical and finance. An insurance plan will ensure you and your loved ones are protected through any medical emergency, while looking into an investment portfolio will help you generate wealth and security in the future.

It is important to remember that one small step you take today can lead to bigger benefits tomorrow. Whether it is the simple act of saving some of your income or the bigger commitment of investing in an insurance plan, it can help you mitigate unexpected financial constraints or medical emergencies that might affect your quality of life.

*Raymond Lew*

*CEO and President/Country  
Head of Sun Life Malaysia*

