



# Effective Retirement Planning

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FINANCIAL SERVICES

  
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A man in a dark suit stands in a field of tall yellow wheat and red poppies. He is holding a large, unfolded map in front of his face, completely obscuring it. The map shows a network of roads and geographical features. The background is a clear blue sky with some light clouds.

# JOURNEY TO BLISSFUL RETIREMENT

Know where you're going,  
then work on getting there

The logo for Alexander Forbes, featuring a white curved line above the company name.

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# Assignment

- Write one paragraph about the kind of lifestyle you would like to have when you retire.
- Write how much you think it will cost to maintain that lifestyle.
- Write where the income will come from.

# What option best describes your preparation for your retirement?

- Looking forward to it
- Dreading it
- Undecided
- Don't even want to think about it



# How FAR can you see?



# How CLEAR can you see?



# 3 Key Questions

- How much time do I have before I retire?
- How much will I need to fulfill my lifestyle aspirations?
- Where will the money come from?

# How do I become successful?

- There's only one way to guarantee success in life:

**You have to plan for it!**

- It's not enough to say...

*"I want to retire comfortably!"*

*"I want to double my income!"*

*"I want to create a better work/life balance."*

- You have to create a step-by-step plan to ACHIEVE that goal
- Take action and complete those steps, one by one!
- It's that simple - and yet it's not simple at all!



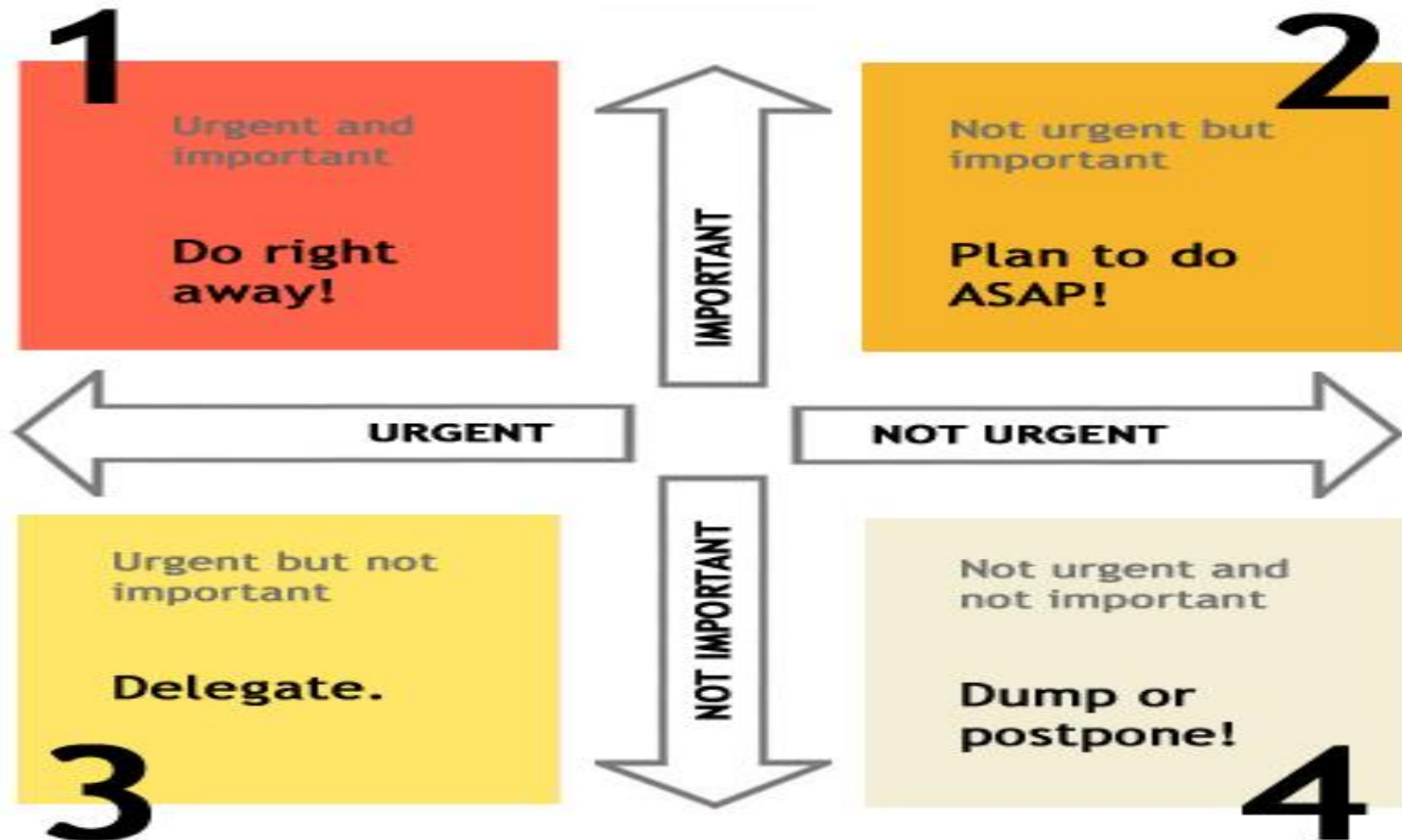


# Why Should I plan for my Retirement?

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# Why Should I Plan for my Retirement?



# Why should I plan for my retirement?

- Living longer – high likelihood that YOU will reach retirement age!
- On retirement for longer period – got a jajja almost 100 years?
- Medical costs are rocketing
- To avoid dependency on children!
- It feels good to be independent !
- So you can lead an active and a healthy life in old age!
- To avoid worrying about paying the bills.

# To counter the effect of inflation

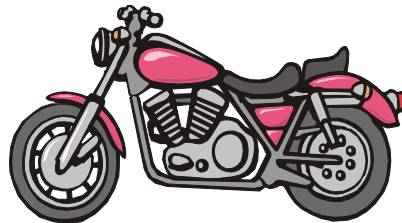
What could UGX125, 000 buy in ...?

1970



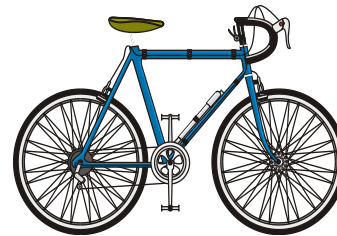
Car

1980



Motorbike

1990



Bicycle

2000



Shoe

# Planning for retirement is YOUR responsibility!

- NSSF is not designed to ensure a comfortable lifestyle.
- Without a personal retirement plan, you could face a future of financial uncertainties and hardships.



# Retiring Comfortably- How much do I need?

- At what age do I want to retire?
- How much time do I have before I retire?
- What is my annual income target?
- What are my current investments worth?
- When do I plan to die?

NB: Many people stay healthy and active for 20 years or more after they retire.

# Retiring Comfortably- How much do I need?

- Good guide is 75% of salary just before retiring
- Why 75%?
  - Usually less tax given preferential tax treatment as a pensioner
  - Direct expenses do decrease (though not all pensioners will agree)
  - No longer need to save for retirement!

# How much capital do I need to retire comfortably?

A good rule of thumb is a minimum of “8/9/10”; 8 times annual salary if retiring at 60; 9 times annual salary at 55 and 10 times annual salary at 50

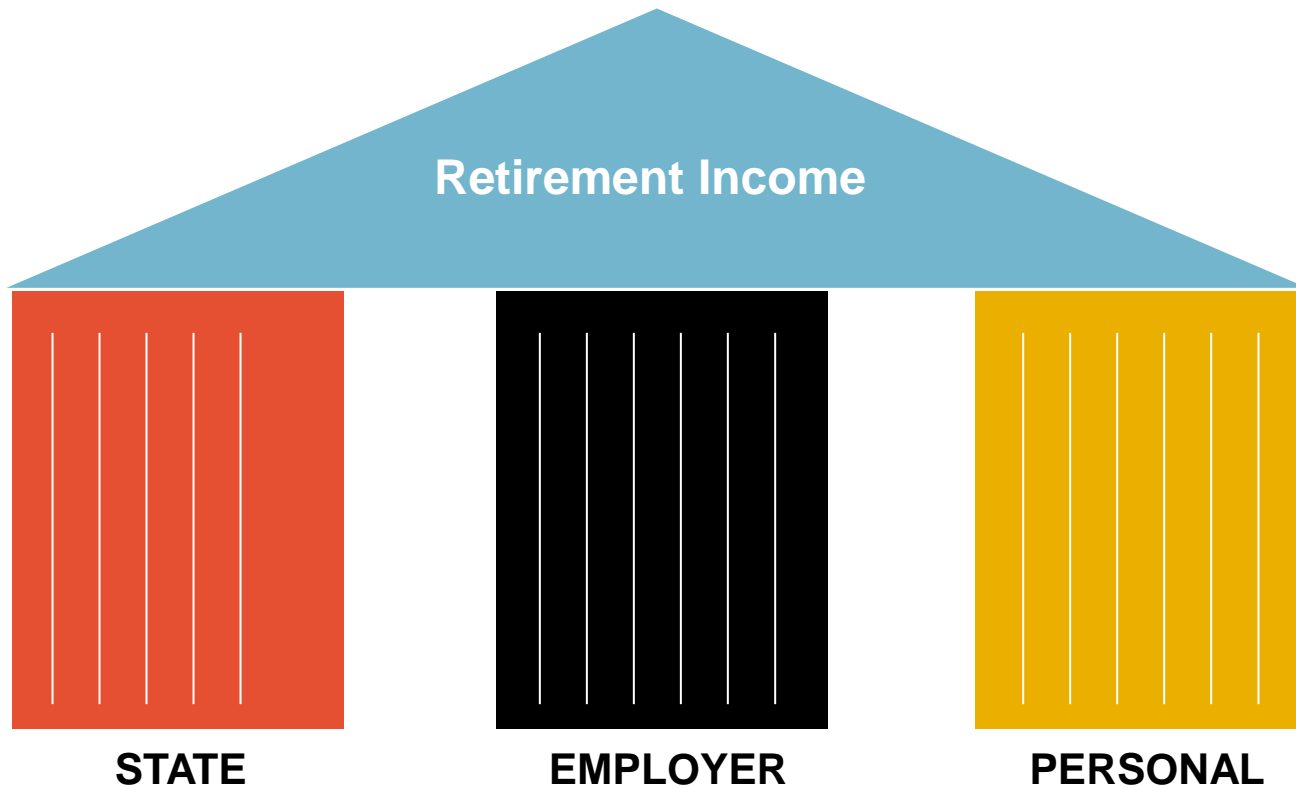
## What regular contributions do I need to make?

The following table shows how much you should put aside to get to “8/9/10” taking into account when you start contributing

	Minimum “8/9/10”		
Start Age	Age 60; min8	Age 55 ;min 9	Age 50; min 10
20	10%	15%	21%
30	17%	24%	37%
40	29%	48%	86%
50	69%	167%	-

*Rates % of salary*

# Sources of Retirement Income

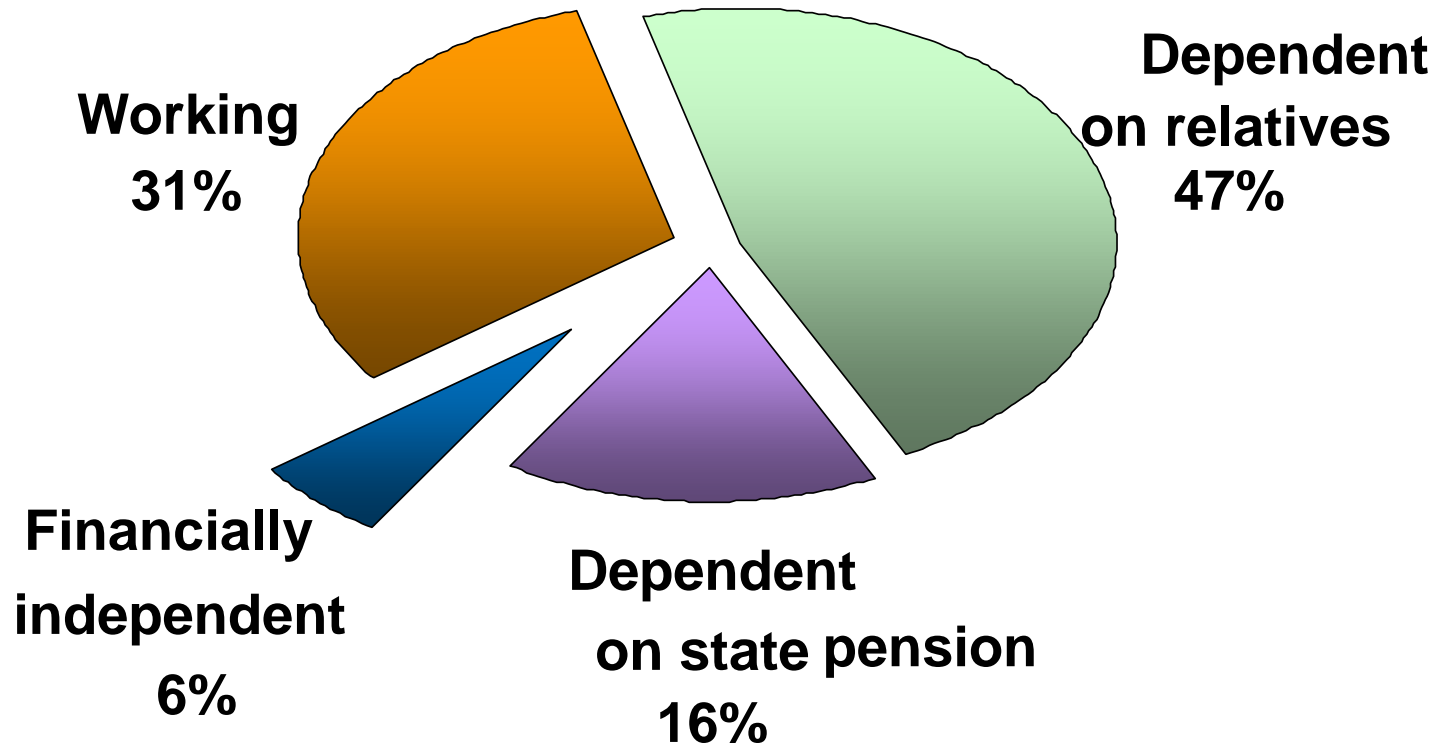


# Sources of Retirement Income

- Employment Income
- National Social Security Fund
- NWSC Provident Fund?
- Personal Retirement Savings & Investments
- Other sources
  - Children & extended family
  - Agriculture
  - Private business ventures
  - Marriage
  - Inheritance
  - ~~Corruption~~



# What if the retirement income is not enough?



# Where should I start?

NSSF money  
is a good foundation...

BUT ...

## Will it be enough?

(Model applicability in Africa)



# How To Get Started

- A Plan is a Must!
- Hope is not a good retirement planning strategy!
  - Where Am I Now?
  - Where Do I Want to Go?
    - Village, Retirement Home, Remain in City, Vacation
  - How Do I Get There?

# So... What Action do I need to take?

- Have a Retirement Plan/Goals
- START where you are

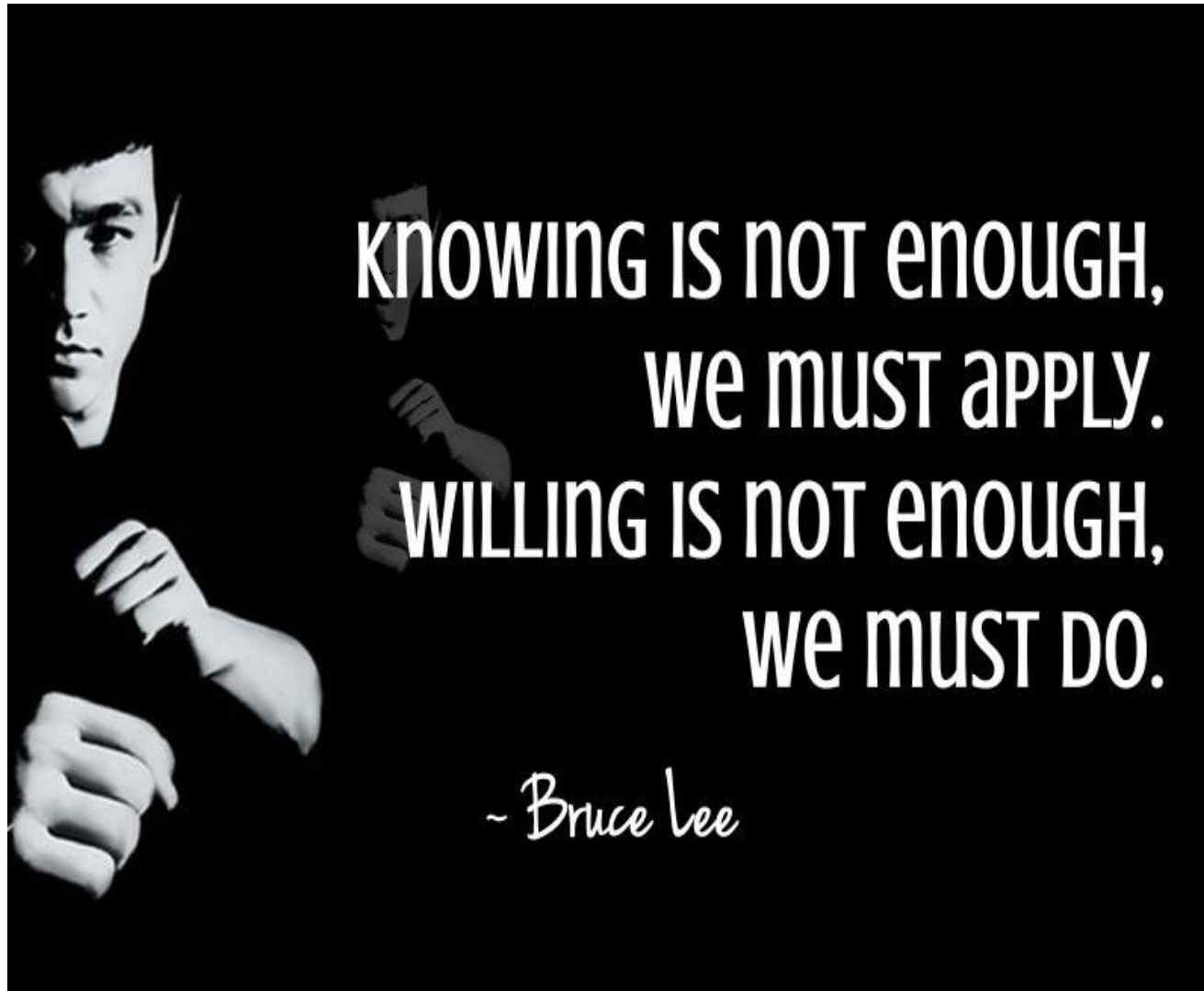
“The best time to plant a tree was 20 years ago. The second best time is now.” – *Chinese Proverb*
- Write the PLAN down!
- Act/Implement

# Conclusion





# Conclusion



A man in a dark suit stands in a field of tall wheat and red poppies under a blue sky. He is holding a large, unfolded map in front of his face. The map shows a network of roads and a compass rose in the bottom right corner. A grey rectangular box is overlaid on the top right of the image, containing the text 'WE CAN GUIDE YOU EVERY STEP OF THE WAY'. An orange line with four white circular nodes is positioned to the right of the man, connecting the text box to the Alexander Forbes logo at the bottom right.

WE CAN GUIDE YOU  
**EVERY STEP** OF THE  
WAY

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