

Plan today – enjoy tomorrow

Checklist for your retirement countdown



Halfway down the track: between the ages of 50 and 55

Millionaire or church mouse: do you know how much money you have?

Create an overview of your assets and liabilities. Assets include your account balances and real estate, your pension fund capital and securities such as shares, life insurance policies or holdings. For homeowners, mortgages will be the main liability; personal loans or credit card debt are also examples of liabilities.

 **Tip:** Check real estate portals to see what comparable properties are currently worth, or get an estimate.

Retirement budget: What are your requirements?

Prepare a detailed post-retirement budget: Will you be moving to a smaller apartment? Are you saving for your children's education? Or do you have big plans, such as a trip around the world? You should factor all of this into your budget. This way, you can work out if your projected post-retirement income will be sufficient to cover your anticipated expenses: As a rule of thumb, you can work on the assumption that you will receive no more than 60 per-

cent of your last salary via the 1st and 2nd pillars. However, experience shows that most retirees need 80 percent of their last salary.

 **Tip:** Create a budget plan containing all income and expenses.

Pension fund: Gain an overview and optimize tax payments

Do you know what benefits you can expect from your pension fund – and whether this will be enough for you? Buying into the pension fund can be an interesting option, especially for higher incomes. Every year in which you make a purchase, you may deduct the purchase amount from your taxable income, thus reducing your tax burden. At the same time, you should examine the possibility of building up private assets, for example in pillar 3b with tax-free payments.

 **Tip:** The pension certificate issued by your pension fund shows you what retirement savings capital or pension you can expect according to the current status. You should be aware that, due to the long time horizon and any changes to your circumstances or the social framework conditions, these benefits may still change.

Private pension planning: How do you plan to close the gaps in your income?

If there is a gap in your income, determine how much capital you need to close this gap. You can save the money not only by buying into the pension fund, you can also do this privately: for example, via a restricted pension plan (pillar 3a) or unrestricted pension plan (pillar 3b), for example with a life insurance policy. No matter which option you choose: The sooner you start, the more you can accomplish. Therefore, now is the time to start closing your gaps.

 **Tip:** Get expert advice on the possibilities of saving for retirement and investing your money in the context of a financial plan. After all, your decision for or against a certain type of investment can have a major impact on your financial future.

On the way to the final stretch: seven to five years before retirement

When would you like to retire?

Do you already know when you would like to retire – earlier, later or at the regular retirement age? It makes sense to ask yourself this question relatively early on. Because early retirement is costly: On the one hand, you have to financially bridge the gap between early retirement and the time you begin receiving your OASI pension. On the other hand, the last few years of contributions have a major influence on pension fund assets and you will have to reckon with noticeable losses. Therefore, you should plan for early retirement in good time.

 **Tip:** The pension certificate issued by your pension fund illustrates how much your retirement pension amount will vary depending on the date of retirement. This allows you to get an initial rough overview.

Set a course: When are you definitely going to retire?

Now is the time to set a fixed timeline for your retirement. Find out what retirement options your employer offers you and check your pension fund regulations for options with regard to early or partial retirement, regular or deferred retirement.

 **Tip:** Many employers offer flexible retirement options, such as semi-retirement or a reduced work quota. Check with your personnel department to see what's possible.

Plan your retirement: What needs to be done to ensure that everything works as desired?

Get advice from a professional: Is it still worth paying into the pension fund? What tax consequences will drawing your retirement funds have? What is the deadline for deciding between an annuity or a lump-sum withdrawal? Have you set the right course, or do you need to step up a gear when it comes to saving?

 **Tip:** An adviser can help you make all the decisions and create a customized retirement plan for you. Zurich has proven specialists at your disposal. We provide you with comprehensive and neutral support.

Will your home still be financially viable in old age?

Would you like to move after retirement or stay in your own home for as long as possible? Your overall spending situation is affected by whether you own a home or pay rent. Is it worth reducing your mortgage in old age (amortization), or buying or selling a property?

 **Tip:** We recommend seeking advice from a Zurich specialist. They will analyze your overall situation, including your assets, income and expenditure, and can show you the best solution to ensure you remain economically viable in old age.



On the home stretch: approx. one year before retirement

Now you have to decide: annuity or capital?

By now at the latest, you should know how you want to draw on your pension fund assets: as a monthly annuity, as a one-off capital payment or as a combination of both. It is important to think carefully about this decision, because it cannot be reversed.

Tip: An annuity offers you the security of a reliable income until the end of your life. But security always comes at a price. The right solution for you depends on your financial circumstances, your risk tolerance and, not least, your investment knowledge. Our retirement planning specialists can help you make the right decision for you.

What if you were to fall ill one day?

After an accident or, for example, a stroke, the situation can change from one day to the next. Sometimes, it is then no longer possible to express clear wishes. This makes it all the more important to document your wishes for the “worst case scenario” in advance.

Tip: By having a care agreement and living will in place, you are ensuring that the people you trust will act in your best interests. At the same time, you can spare your loved ones from having to make difficult decisions. We recommend making these arrangements in good time.

Settle inheritance issues: What do you want to happen to your assets?

Now is the time to start planning your estate so that you get full say in how your assets are passed on.

Tip: If you would like to pay out part of your inheritance to your children during your lifetime, an inheritance prepayment may be the right way to go. It pays to consult a professional. Zurich's specialists can also support you with this topic.

At the finish line: Three to six months before retirement

To keep the money flowing: Have you already registered with the OASI?

If you haven't already: Register your retirement with the OASI – this will ensure that you receive your first pension payment in good time. You should also make sure you inform your employer of your impending retirement and schedule your last day of work.

Final steps: How do you get yourself ready for retirement?

Check where you can claim discounts, for example with the Half Fare Travelcard, or on sport or cultural events.

Tip: Don't forget – payment into pillar 3a must be made while you are still employed. The tax authorities will no longer accept payments after regular retirement, even if these are made in the year of retirement.

Across the finishing line: retired at last!

The coming weeks will fly by. Thanks to good preparation, you can look forward to retirement with confidence and make concrete plans for how you will enjoy your time. We wish you much enjoyment and all the best!

