

How to Manage Your Retirement Income

In this special phase of your life, managing your expenses is a major priority. Here's how to manage your retirement income so that you can continue to meet your financial goals and live the lifestyle you want:



01

Evaluate your income and monitor your cash flow

Carefully review your financial situation and calculate the income you'll need to sustain your lifestyle after retirement. This is a good habit to help you stay on top of your finances.

You'll have to take a cautious estimate of your lifespan – a 2019 survey found that in India, the post-retirement lifespan of people above 60 is expected to double from 8.6% in 2011 to 16% by 2041^[1].



Plan carefully to save on taxes

02

Tax planning is crucial to prevent your corpus from getting depleted. You can opt for tax-saving investment schemes, but try to avoid ones that offer low returns or have long lock-in periods. Consult your financial advisor to help you find the right plan.



03

Invest in saving scheme

Schemes like Senior Citizens' Savings Scheme (SCSS) and Post Office Monthly Income Scheme (POMIS) can provide steady fixed returns of about 6.60% to 7.4% per annum with quarterly payments.

Offered at banks and post offices, these plans can help you acquire guaranteed income over a fixed period of time. You may also claim deduction for invested capital up to a certain amount.



Invest in mutual funds

04

You can continue to invest in mutual funds after retirement, choosing funds based on your financial goals and risk appetite. Systematic Investment Plans (SIPs) can help you ride stock market volatility and average out the purchase cost of your holding over the long term.

Systematic Withdrawal Plans (SWP) allow you to withdraw fixed amounts at specific intervals, assuring you of a steady income every month. Remember to review and assess your investment folio regularly even after retirement. Consult a financial advisor to help you plan your investments optimally.



Sources: 1. <https://www.hindustantimes.com/budget/retirement-age-set-to-rise-due-to-higher-life-expectancy-eco-survey/story-SRjbQXUUo22RKJf4bZPsZM.html>

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