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PLANNING FOR RETIREMENT

Retirement! What do you think of when you hear the word retirement? Well, simply put, retirement is withdrawing oneself from active working life. It is inevitable as it comes with old age. In Kenya, the mandatory retirement age for public servants is 60. Some people opt to begin their retirement life as early as 50.

What your retirement years will look like is heavily pegged on what you do during your active years. The main aspects to focus on when planning for retirement are: financial, physical, social and mental.

Let's take a closer look at the different aspects you should consider when planning for retirement.

Financial well-being

The number one aspect that many focus on is financial because everybody wishes to be financially independent in their retirement years. To ensure this, starting your contributions as early as possible is very important. The earlier you start, the more you will have when you get to the age of retiring. One can begin saving for retirement as early as the age of 18.

Most employed Kenyans start thinking about their retirement plan from around 35 while most self-employed Kenyans think about their retirement plan very late in their years or not at all. Whether employed or self-employed, you should have a plan in place. Think of it as looking out for your future self.

Physical well-being

The second aspect is physical. Physical fitness determines your quality of life in retirement. Most of the diseases in old age are lifestyle diseases which can be avoided by having a proper diet and an active routine which continues even in retirement. Another aspect of physical well-being to consider is access to quality healthcare in retirement. One thing to consider when making your retirement plan is how you shall continue paying for your health insurance premiums in retirement.

Social well-being

Your social well-being in retirement is influenced by how you currently relate with your family members, colleagues, as well as friends. Forming closer bonds with your social circle is crucial. Research reveals that people with closer ties to their friends and family have a better quality of life in retirement and a longer life expectancy. The reason is that they can share their stresses in life hence living an almost stress-free life.

Mental well-being

Regarding your mental health in retirement, having an active life even in old age reduces the chances of getting mental illnesses such as dementia, Alzheimer's and depression. There are fun ways to keep your mind active like playing games, solving puzzles, drawing, listening to music and many others.

The key takeaways from this are:

1. Join a pension scheme as early as possible.
2. You can join a pension scheme regardless of whether you are employed or self-employed.
3. Factor in your medical insurance when making your retirement plan.
4. Keep physically fit.
5. Cherish and maintain your social connections.
6. Keep your mind active.