



Registered Retirement Investment Account

How do you picture your retirement years? If your retirement dream includes relaxation, travel and enjoying the finest things of life, then you surely do not want your financial situation to stand in the way of realizing that dream. Having an additional nest egg such as “Registered Retirement Investment Account” is one of the ways of ensuring that you have the financial freedom and added security that you need to see you through retirement.

Retirement planning is very important as you may be exposing yourself to many risks that could affect your quality of life during retirement. These risks include:

- Insufficient Planning
- Longevity & Retiring too soon
- Changes to national insurance
- Inflation
- Rising Medical Costs

Insufficient Planning

Three common mistakes people make are not saving enough, not guaranteeing enough income for retirement and not protecting their retirement assets.

Longevity & Retiring too soon

The question is not at what age I want to retire, it is at what income? What we will find is that we have not properly calculated how much money we will need during our retirement because we might spend more time in retirement than we planned.

Changes to National Insurance

Over the past ten years the number of years one has to contribute to qualify for a pension has increased. This means that people would now have to work longer before receiving full benefits. As a result many persons will receive benefits later in life resulting in a reduction in the total amount of benefits received.

Inflation

The price of goods and services may increase daily however, pension benefits are relatively inelastic. This creates a situation where pensioners must seek to augment their incomes.

Rising Medical Costs

Healthcare costs during retirement can be staggering; unless you have other sources of income you may find it hard to survive.

Whilst the National Insurance Pension benefit is paid to persons who reach pensionable age, unless you have other sources of retirement income you may find it hard to survive on the NIC pension alone. That is why it would be best to contribute to a private pension – either personal and/or with a company (or both, if you can afford it).

The Registered Retirement Investment Account (RRIA) from Bank of Saint Lucia is a personal (self invested) pension plan that allow persons to save towards their retirement whether or not they are part of a pension plan. So if you are unable to join a company pension scheme, self employed or just looking to supplement your NIC pension income then Bank of Saint Lucia's Registered Retirement Investment Account is the perfect investment plan. The plan is easy to establish, affordable, flexible and safe while allowing you to enjoy tax benefits.

The RRIA is **Easy to Establish and Affordable** – you can open an account with as little as one hundred dollars; it's **Flexible** - you can make extra payments whenever possible, and on retirement you can choose from one of three convenient payment options: lump sum, annuity or reduced annuity & part gratuity; It's **Safe** – funds are secure and minimum return of 4% is guaranteed; **Tax benefit** -tax allowance of \$8,000 or one-tenth of your gross salary; **other benefits** - a term life insurance coverage up to EC\$50,000.

So, if you want to have a worry free retirement while enjoying the fruits of your labour contact the Bank of Saint Lucia Wealth and Asset Management Department at Bank of Saint Lucia at 456-6000 and ask about our RRIA account.