

Delay in retirement savings could cost more in the long run



Retirement planning will be crucial to your clients if they are to maintain their current standard of living in the future. However, delaying the retirement planning process can have a dramatic effect.

The longer your clients delay, the more likely the need for higher premiums to achieve their target retirement fund.

Using Quantum, the charts and table below illustrate this point assuming the fund value grows each year at a rate of 7.5% inclusive of all Quantum product charges (including the 1.5% annual contract charge).

Chart A

Monthly premiums required to achieve a retirement fund of \$1 million at age 65

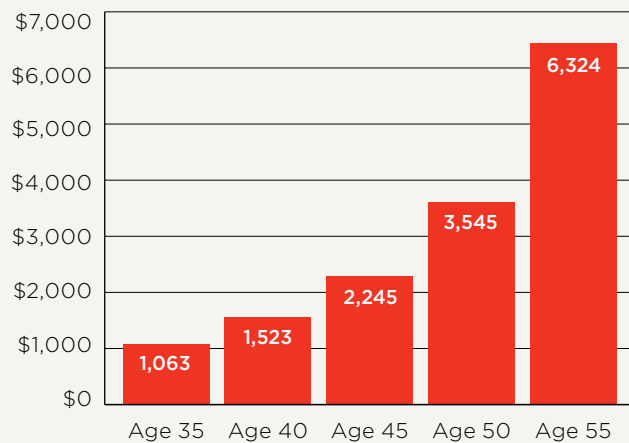
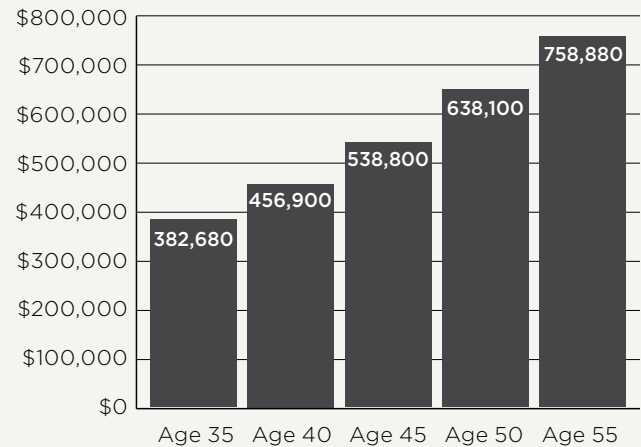


Chart B

Total premiums payable to achieve a retirement fund of \$1 million at age 65



The assumed growth rate used to calculate the figures shown above exclude any external fund management charges.

Annualised premiums as a percentage of salary

The following figures demonstrate the percentage of annual salary required to achieve a retirement fund of \$1 million at age 65 based on the figures calculated on the front page and that each assumed salary increases by 4% per year.

Example 1: Client aged 35

Monthly premium: \$1,063 (\$12,756 per year) Total premiums paid: \$382,680		
Client age	Assumed salary	Premium as a percentage of salary
35	\$75,000	17.01%
40	\$91,000	14.01%
45	\$111,000	11.49%
50	\$135,000	9.45%
55	\$164,000	7.78%
60	\$199,000	6.41%

Example 2: Client aged 40

Monthly premium: \$1,523 (\$18,276 per year) Total premiums paid: \$456,900		
Client age	Assumed salary	Premium as a percentage of salary
40	\$90,000	20.31%
45	\$109,000	16.77%
50	\$133,000	13.74%
55	\$162,000	11.28%
60	\$197,000	9.28%

Example 3: Client aged 45

Monthly premium: \$2,245 (\$26,940 per year) Total premiums paid: \$538,800		
Client age	Assumed salary	Premium as a percentage of salary
45	\$110,000	24.49%
50	\$133,000	20.26%
55	\$162,000	16.63%
60	\$198,000	13.61%

Example 4: Client aged 50

Monthly premium: \$3,545 (\$42,540 per year) Total premiums paid: \$638,100		
Client age	Assumed salary	Premium as a percentage of salary
50	\$135,000	31.51%
55	\$164,000	25.94%
60	\$199,000	21.38%

Example 5: Client aged 55

Monthly premium: \$6,324 (\$75,888 per year) Total premiums paid: \$758,880		
Client age	Assumed salary	Premium as a percentage of salary
55	\$165,000	45.99%
60	\$200,000	37.94%

The message is simple...

...the sooner your clients start saving for their retirement, the better!

Important notes

For financial advisers only. Not to be distributed to, nor relied on, by retail clients.

The figures provided in this sales aid assume that all premiums are paid throughout the selected premium term and no withdrawals are taken before the selected retirement age.

For further information, please read the Quantum literature suite available to download from our adviser website:

www.rl360adviser.com