A PROJECT REPORT ON

“AWARENESS OF RETIREMENT BENEFITS AND INVESTMENT AMONG THE PUBLIC IN THANE CITY”

A Project Submitted to

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of Bachelor in Commerce (Accounting and finance)

Under the Faculty of Commerce

By

‘SHUBHAM UMESH RANE’

T.Y.B.A.F (SEMESTER – VI)

PRN NO.:2021016401584007

Under the Guidance of

‘ASST. PROF. DR. KISHOR CHAUHAN’

JNAN VIKAS MANDAL’S

Mohanlal Raichand Mehta College of Commerce

Diwali Maa College of Science

Amritlal Raichand Mehta College of Arts

Dr. R.T. Doshi College of Computer Science

NAAC Re-Accredited Grade 'A+' (CGPA : 3.31) (3rd Cycle)

Sector-19, Airoli, Navi Mumbai, Maharashtra 400708

FEBRUARY, 2024.

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CERTIFICATE

This is to certify that **MR.'SHUBHAM UMESH RANE'** has worked and duly completed his Project work for the degree of Bachelor in Commerce (Accounting and Finance) under the Faculty of Commerce in the subject of **Management control** and his project is entitled, **"AWARENESS OF RETIREMENT BENEFITS AND INVESTMENT AMONG THE PUBLIC IN THANE CITY".** Under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his own work and fact reported by her personal finding and investigations.

Guiding Teacher,

ASST. PROF. DR. KISHOR CHAUHAN.

Date of submission:

DECLARATION

I the undersigned **MR**.‘**SHUBHAM UMESH RANE’** here by, declare that the work embodied in this project work titled **“AWARENESS OF RETIREMENT BENEFITS AND INVESTMENT AMONG THE PUBLIC IN THANE CITY”**, forms my own contribution to the research work carried out by me under the guidance of **ASST. PROF. DR. KISHOR CHAUHAN** is a result of my own research work and has been previously submitted to any other University for any other Degree/ Diploma to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

(**SHUBHAM UMESH RANE**)

Certified by:

ASST. PROF. DR. KISHOR CHAUHAN.

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1.1 INTRODUCTION TO AWARENESS OF RETIREMENT BENEFITS AND INVESTMENT AMONG THE PUBLIC IN THANE.

The Dictionary meaning of investment is to commit money in order to earn a financial return or to make use of money for future benefits or advantage. The overall return that an investor may realize depends upon a number of things such as amount of money available for investment, the degree of risk that the investor is willing to take; the amount of immediate income that is needed; the degree of liquidity that is required. Investors have various goals out of which retirement planning is most important.

In the simple way, retirement planning is the planning is the planning one does to be prepared for life after paid works end, not just financially but in all aspects of life. The non-financial aspects include lifestyle choices such as how to spend time of retirement , where to live, when to completely quit working etc. A holistic approach to retirement planning considers all these areas.

The emphasis one puts on retirement planning changes throughout different life stages. Early in a persons working life, retirement planning is about setting aside enough money for retirement . During the middle of your career, it might also include setting specific income or asset targets and taking the steps to achieve them.

Generally, we take retirement planning as negative word and the word which makes us feel old. Young generation think it is too early to plan for retirement. In today’s world, life style of individuals changing drastically. The change is due to increase in earning level or dual income of family. Change of life style has increased the expenses level of family. Day by day people are increase their living standard and also they are trying to maintain it, if not possible to increase it further. This will continue till there is any strong income source exists. However, what after retirement? Every individual wants his post retirement life luxuriously or at least he wants to maintain his pre-retirement standard of living. Hence, retirement planning is crucial part of every individual.

Every individual is seeking financial security in his old age. For that he tries to save and invest money in available investment products and instrument. However most of the times it is observed that people have not planned their retirement. They are just investing randomly in available and most secured Investment instruments & Products. This random investment they do it with the help of agents or sometimes they just follow their close friends and relatives who may not be qualified enough to advice on the particular investment products. This type of practice leads to short fall in target amount or the locking of the Inflation , Retirement Age, Life Expectancy for both husband & wife, Medical Emergencies in old age, Household expenses after retirement, Retirement Corpus, etc. These Factors plays important role in life after retirement. If Individual wants to maintain their living standard, then they need to plan the retirement as early as possible.

Economic lifestyles explains how individuals divide their time between work and leisure including a period of retirement at the end of life. They predict the age of retirement , annual saving rates, the level of retirement income subject to individual and households characteristics, and other factors such as returns in investment, to finance consumption during nonworking years, individuals save a portion of their earings earlier in life. They decide the optimal path of earnings and saving that will achieve their desired level of consumption in eachperiod of their expected life. These consumption and saving decisions determine income at their chosen retirement ages.

In order to get predictions from the life-cycle models, researchers often make simplifying assumptions such as:

Individuals know their lifetime path of annual earnings and the amount of retirement

- Individuals know their lifetime path of annual earnings and the amount of retirement income needed to provide the desired levels of consumption in retirement.
- Individuals know rates of return on various types of investment, present value calculations, and the process of compounding returns.

- There is either a known rate of return on single investment possibility, or several different assets are available , and individuals know the risk and return characteristics of various assets.

- The age of retirement is exogenous and fixed.

- Current and future tax rates are known with certainty.

In a model with such assumptions, the primary choice facing individuals is to select the savings rate that yields the desired pattern of annual consumption while working and in retirement. In reality, however, individuals may lack knowledge of the saving process and have incorrect assessments of potential rates of return on various assets. Individuals select retirement goals and objectives such as the age of retirement and the desired level of retirementincome based on their current knowledge. If new information becomes available, individuals should review their choices and alter their behaviour. The result of any reassessment could be changes in retirement goals or changes in retirement saving behaviour.

It seems obvious that increased financial awareness would be beneficial to workers planning for retirement. Employer-sponsored education programs can play a major role in disseminating specific information in order to increase the knowledge related to retirement planning. Few empirical studies have explored the effectiveness of the various education programs in filling the crucial information gaps. A primary objective of the current study is to examine the impact of financial education on individuals' awareness of the savings process and of their specific retirement goals. We explore how individuals alter their stated goals on retirement age and income, how they modify their investment choices in their retirement accounts, and how they change their desired saving behaviour.

Recognizing this lack of financial knowledge, some employers now offer financial education programs for their employees. Employer-provided financial information consists of written communications explaining company retirement saving options, general information about financial markets and economic .


TRAVEL
HOBBIES
BUDGET
PLAN
TOGETHER
Family
RETIREMENT
INSURANCE
Pension
Benefits
Future
Management
SAVING


Secure Your Retirement

1.2 Meaning of retirement:

Retirement refers to the time of life when one chooses to permanently leave the workforce behind. The traditional retirement age is 65 in the United States and most other developed countries, many of which have some kind of national pension or benefits system in place to supplement retirees' income.

1.3 Meaning of Investment:

Investment or investing means that an asset is bought, or that money is put into a bank to get a future interest from it. Investment is total amount of money spent by a shareholder in buying shares of a company. In economic management sciences, investments means longer-term savings.

1.4 Advantages of early retirement:

1.4.1 It could be good for your health

found that retiring at age 60 had no adverse effect on the subjects' physical health overall. In fact, those with higher-level jobs saw an improvement in mental health, possibly because they were no longer subject to work-related stress . Because it usually occurs late in life, retirement is often associated with a time of poor or fading health. However, retirees have more time to sleep, exercise and choose or prepare healthful foods--making retirement an opportunity to actually improve overall health. Many retirees take up an athletic hobby, such as golf or walking, which can easily be carried over into later life and promote longevity.

1.4.2. You'll enjoy more time to travel:

once you're no longer limited to the proverbial two weeks a year vacation. Plus, the earlier you retire, the more years you'll have before health issues begin to limit your mobility. Retirement offers the advantage of allowing more time and energy to spend with family members. The classic instance of retired grandparents serving as babysitters is only the most common example. Retirees can use their new lifestyle to spend more time with adult children, distant family members, retired siblings and close friends.

1.4.3 It's an opportunity to start a new career :

If you dream of switching fields or starting your own business, sooner may be better than later. You'll be a more desirable job candidate to many employers the more years you have ahead of you. If you want to be your own boss, you'll have more time to get your new venture off the ground. A business you launch at age 60, for example, could easily keep you intellectually challenged and out of mischief for another 20 years or more.

1.4.4. Peace of mind:

This is by far one of the most important benefits of retirement planning. Planning ahead not only reduces your stress during retirement but also in the years leading up to it. The lack of planning can leave a cloud of uncertainty around the topic that can create an unnecessary level of stress.

1.4.5. Tax Benefits:

There are several tax benefits of retirement planning, including reducing the amount of income taxes you will pay during retirement and ensuring that beneficiaries to retirement and other account types pay as little tax as possible.
One of the key areas that many people overlook during their life while saving for retirement is tax diversification. This involves establishing different “pools” of money in accounts that are taxable, tax-free and tax-deferred. These different accounts allow income during retirement to be strategically withdrawn from a variety of sources depending on future conditions.

One retirement saver who only has a tax-deferred account (a traditional IRA, for example) may pay substantially more in taxes for the same withdrawal amount as another saver with a traditional IRA, Roth IRA and regular taxable funds. The earlier your planning begins, the easier it is to establish and grow your funds among these available “pools” of money.

1.4.6. Cost Saving

There are many ways to reduce costs with appropriate planning. Many of the insurance policies you may need (long-term care, etc.) can be acquired at a lower premium when younger and in good health rather than waiting until retirement and risking a higher rate or denial of coverage.

Those who know where they would like to reside geographically often wish to examine options other than buying at the time they retire. Would it make good financial sense to acquire the property in the desired retirement location in advance and rent it out until retirement? How much time do you need beforehand if you plan to build a new property? Early retirement planning can increase the likelihood that your goals are met with the least cost.

1.5 Disadvantages of early Retirement :

1.5.1 It could be bad for your health:

retirement leads to declines in mental health and mobility and increases in other poor health outcomes, such as heart disease. retirees who remained physically active and socially connected were less likely to suffer any ill effects.

1.5.2 .Your Social Security benefits will be smaller:

The sooner you start to take Social Security, the lower your For each year you postpone from age 67 to 70, you'll receive an additional 8% in your monthly benefit. After age 70, there's no further bonus for delaying benefits will be.

1.5.3. Your retirement savings will have to last longer:

If you retire at 70 and live for the same length of time, however, your savings will only have to last for 20 years. Working longer also means you'll have more years to contribute to a 401(k) or another retirement plan, and the money in your plan will have more t ime to compound.

1.5.4. You'll need to find health insurance

Unless your ex-employer provides it, you'll have to pay for health insurance on your own until you're eligible for Medicare at age 65.[5] If you do, be ready for sticker shock: Insurance premiums can easily be double or triple what you're used to paying on your workplace plan—there's no company picking up most of the tab anymore.

At the same time, unfortunately, health insurance rates climb as you get older, skyrocketing into four figures monthly after age 55.

1.5.5. You might get bored and miss working:

Many retires have a tough time making the transition from the daily routines of a full-time job to the unstructured life of retirement. They may also miss their former colleagues (sometimes even the boss) and yearn to return. Unfortunately, it isn't easy to get back into the workforce once you've left it, voluntarily or otherwise. people over age 55 generally need more time to find new jobs than their younger counterparts do.

1.5.6 Economic Insecurity

Retiring too soon or being forced into early retirement can leave you feeling unsure and insecure about your economic situation. While Social Security provides a cushion for older retirees, those funds are rarely enough to provide a comfortable retirement. Workers who retire before they are eligible for Social Security will need to rely on the nest eggs they have built during their working years, and if those funds do not stretch far enough, those early retirees might find themselves heading back into the workforce.

1.6. Advantages of Investment :

- Investing is the least “active” approach to participating in the markets. It can be good for those who have an interest in the markets but don’t have enough interest in it to make it a part of their daily or weekly schedule.
- Some people have extreme difficulty doing short-term trading. Some, in fact, believe it’s impossible to determine short-term moves with consistent accuracy. For such people, investing may be a good choice.

- Holding a position for more than a year potentially allows you to tap into the long-term capital gains tax, which is generally a lower tax rate than short-term capital gains tax.
- This is not meant to be tax advice. Please consult a competent and qualified tax professional for details about taxes as they apply to the time you're reading this and to your individual situation.
- If you don't invest and grow your money, you'll actually end up losing money over time. This is all thanks to inflation.
- .Inflation is the general increase in prices that happens every year and the decline in purchasing power of your money. The rate of inflation can vary widely but historically inflation has averaged to around 3 %.If you invest your money and say, earn a rate of return of 7% on average, then you'll stay way ahead of inflation and will be to increase the value of your money.
- You can also consider investing to help grow your money to meet other financial goals. For instance, investing in your child's college fund. When you have a long term goal of ten or more years it may make sense to invest that money to help you reach your goal faster! There are many benefits of investing. If you want to create financial stability, grow your wealth, and stay on track for retirement you need to come up with an investing plan that suits your needs.
- It is well documented that diversification lowers investment risk. On a risk-adjusted basis, single assets do not match the performance of a well-diversified portfolio .Most funds will invest across a wide variety of assets in order to mitigate the downside risk of holding single assets. It is human nature to back winners. This means that investors are more likely to invest in assets that are already performing well without considering that these assets may be close to their peak. Funds can provide investors with natural, automatic diversification by holding groups of assets independent of individual performance.

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1.7. Disadvantages of Investment:

- Investing can be the slowest way to make money, assuming that you could be an excellent swing trader or day trader.
- Because investing reuses the same capital very infrequently, the annual returns are generally not as good as a successful professional trader.

- Earning an average 10 percent return annually may be considered acceptable for an investor. However, some day traders have made 10 percent returns in a week! That's certainly not meant to be an income claim, nor is that normal, but, yes, it does happen.
- Making investing decisions that result in a better return than if you simply invested that same money into an equity index fund, such as the S&P 500, and didn't touch it. Even many professional fund managers aren't able to do that for their clients after costs.
- Assuming that you could be a good day or swing trader, investing can be the slowest way to make money by comparison.
- As investing re-uses the same capital relatively infrequent in comparison to trading, the annual returns are generally lower than those of a professional trader.
- Investors can have a hard time outperforming the market — thus making a return higher than directly investing into an Equity Index Fund. Many professional fund managers do not beat market returns for their clients after costs.
- For example, an investor may consider an average return of 10% annually as acceptable. By comparison, day traders could make the same return in a month, and even much more.

1.8 HISTORY:

The British started the pension system in India after the Indian struggle for independence in 1857. This was the reflection of the pension scheme then prevailing in Britain. But the provisions of this system discouraged the employees for creating a financial cover for their post-retirement life. So, confronting to all these problems, the Indian Pension Act 1871 replaced the Pension System of 1857.

After that, temporary increases were done regularly in pension to compensate the increasing prices, and the concept of dearness allowance came in the light to satisfy the pensioners. But, like in most developing countries, there was no universal social security system to protect the elderly against economic deprivation.

The Royal Commission on Civil Establishments, in1881, first awarded pension benefits to the government employees. The Government of India Acts of 1919 and 1935 made further provisions. These schemes were later consolidated and expanded to provide retirement benefits to the entire working population of the public sector.

Provident Fund is a defined-contribution, fully funded benefit program providing lump sum benefit at the time of retirement. The provident fund system, consisting of the Employees' Provident Fund (EPF) and a number of smaller provident funds is the largest benefit program operating in India. Together, the schemes provide retirement benefits to about 10 percent of the labour force. Workers (and private employers) contribute between 10 – 12 percent of monthly earnings, to be returned to the employee in a lump sum payment at retirement, including accumulated interest. In 1995, the government partially converted the EPF scheme and introduced the Employees' Pension Scheme (EPS). In addition to the provident fund, workers in both public and private sectors receive the second tier of lump sum retirement benefit known as 'Gratuity.' It is paid to the workers who fulfill certain eligibility conditions like a minimum qualifying service period of five years.

For people in the lower end of the economic strata, there are several central as well as state government-run means-tested, targeted, social assistance programs and welfare funds.

The criteria for eligibility vary, but generally the destitute, the poverty stricken and the infirm, aged 60 years and above are provided a pension at rates ranging between Rs. 30 and Rs. 100 per month. However, the combined coverage of these social assistance schemes is insignificant and covers anywhere between 5 and 10 percent of the total elderly population. To widen the reach of the social safety net for the aged poor, the central government, in 1995, introduced a more comprehensive old age poverty alleviation program called the National Old Age Pension (NOAP) under the aegis of the National Social Assistance Program (NSAP). The scheme aims to provide monthly pension to thirty percent of the poorest elderly.

On 1 January 2004, A contributory pension system was notified by the GOI which was named as "NATIONAL PENSION SYSTEM." The NPS was subsequently extended to all citizens of the country with effect from 1 May 2009, including self-employed professionals and others in the unorganized sector on a voluntary basis.

Unlike traditional financial products where all the functions (sales, operations, service, fund management, depository) are done by one company, NPS follows an unbundled architecture where each step of the value chain has been made disjointed from the other. This unbundling not only allows the customer to mix and match his providers of service through the value chain, picking the best-suited option, but it also curbs the incidence of mis selling. The benefit of such a pension regime is likely to foster aggregate rate of savings and accelerate capital market development.

On the future note, we can say that, despite all these excellent initiatives, a lot needs to be done in favours for our grand generation, for whom once pt. Jawaharlal Nehru said “the real pillars of our economy- with whose blessings the economy flourishes.”

1.9 Features of Retirement :

1.9.1 Pension Plans

Pension or retirement plans offer the dual benefit of investment and insurance cover. By investing a certain amount regularly towards your pension plan, you will accumulate a considerable sum in a phase-by-phase manner. This will ensure a steady flow of funds once you retire. Public Provident Fund is one of the most popular retirement planning schemes in India.

When you start contributing to your retirement early, the funds build a secure golden year money-wise over the years. A well-chosen retirement plan can help you rise above inflation, thanks to the power of compounding.

1.9.2 Guaranteed Pension/Income

You can get a fixed and steady income after retiring (deferred plan) or immediately after investing (immediate plan), based on how you invest. This ensures a financially independent life after retiring. You can use a retirement calculator to have a rough estimate of how much you might require after retiring.

1.9.3 Tax-Efficiency

Some pension plans provide tax exemption specified under Section 80C. If you wish to invest in a pension plan, then the Income Tax Act, 1961, offers significant tax respite under Chapter VI-A. Section 80C, 80CCC and 80CCD specify them in detail. For instance, Atal Pension Yojana (APY) and National Pension Scheme (NPS) are subject to tax deductions under Section 80CCD.

1.9.4 Liquidity

Retirement plans are essentially a product of low liquidity. However, some plans allow withdrawal even during the accumulation stage. This will ensure funds to fall back on during emergencies without having to rely on bank loans or others for financial requirements.

1.9.5 Vesting Age

This is the age when you begin to receive the monthly pension. For instance, most pension plans keep their minimum vesting age at 45 years or 50 years. It is flexible up to the age of 70 years, though some companies allow the vesting age to be up to 90 years.

1.9.6 Accumulation Duration

An investor can either choose to pay the premium in periodic intervals or at once as a lump sum investment. The wealth will simultaneously accumulate over time to build up a sizable corpus (investment + gains). For instance, if you start investing at the age of 30 and continues investing until you turn 60, the accumulation period will be 30 years. Your pension for the chosen period primarily comes from this corpus.

1.9.7 Payment Period

Investors often confuse this with the accumulation period. This is the period in which you receive the pension post-retirement. For example, if one receives a pension from the age of 60 years to 75 years, then the payment period will be 15 years. Most plans keep this separate from accumulation period, though some plans allow partial/full withdrawals during accumulation periods too.

Surrendering one’s pension plan before maturity is not a smart move even after paying the required minimum premium. This results in the investor losing every benefit of the plan, including the assured sum and life insurance cover.

1.10 Steps for Retirement planning :

Firstly ,

A. Why do you need Retirement Planning?

B. The best Approach to Retirement Planning?

C. Steps of Retirement Planning

A. Why do you need retirement planning:

You understand how quickly or how likely you are to achieve your retirement goals. Additionally, you gain control on your cash flows, your earnings and expenses, and what level of risk you need to be take to achieve all your goals.

In short, a retirement plan will let you to develop a comprehensive understanding of your life goals (the ENDS) and also define the path (the MEANS) to achieve it.

Why do you need to plan your finances for retirement?

It is easy to cover your expenses as long as you are earning your monthly salary. But post retirement, you need to have enough money set aside to live the rest of your life and maintain a good lifestyle.

I. **To cover daily living expenses**:

All of us have to bear the necessary living expenses even after retirement. Because life moves on and the absence of our monthly income could become a nightmare.

Retirement planning is working towards avoiding this nightmare from becoming a reality. Not many people get pensions or gratuities post retirement and even for those who do receive them; the amount is generally not big enough to cover all of their expenses.

By planning and building a sizeable retirement corpus, you can ensure that your family's standard of living is not compromised post retirement.

II. **To cover medical expenses:**

As one's age progresses, the number of health issues and emergencies also increase. And as you might be aware, medical expenses bear the potential to create a huge hole in your pocket. In fact, these days even dental treatments can cost you a small fortune.

Mediclaim or health insurance policies sometimes may not cover all your medical expenses.

Therefore, your retirement corpus must be large enough to cover your and your family's medical expenditure to avoid a financial crunch in the later years of life.

III. To fight inflation:

Inflation refers to the rise in the prices of goods and services. It erodes the purchasing power or value of your hard-earned money .You see, there has been constant rise in price of goods and services and it will continue to be on a rise until you reach the retirement age. This means that you would have to pay more for everything in the future. From grocery to travel to accommodation, it is all going to cost you relatively more in the future.

Without a sound retirement plan, that aims to establish an adequate retirement corpus accounting for inflation, life expectancy, rate of return, and so on; it would be impossible for you to achieve all your retirement goals.

IV .To deal with uncertainties:

Life is quite unpredictable and uncertain. It can sometimes throw us in adverse situations and circumstances which we may not have expected. Some situations have the power to create a financial as well as emotional turmoil in your life such as natural calamities, loss of loved ones, financial difficulties in the life of family members, and so on. Having a significant sized corpus to take care of such contingent events can always come to your rescue.

Thus, while you approach retirement, it is imperative that you have a sufficient contingency fund, so that the intermediate period of turbulence and turmoil can be managed better and not hinder your long-term goal of retirement.

V. To meet your retirement goals:

Retirement goals are the objectives that you wish to achieve in your retirement years. These could be travelling and exploring new places or taking up hobbies that you have always wanted to pursue. However, if you do not plan and save for all these retirement goals in your working life, they cannot become a reality in your post retirement years.

Hence, it is absolutely essential to have a strong Retirement Plan that will make you aware where you stand today, and what steps you need to take to achieve this goal.

B. The Best approach to retirement planning :

It is important to understand why many fail at retirement planning. And one big reason is, they start late. At times, individuals are unable to set aside the requisite amount of money needed for their retirement. They can contribute only a part of it, not all. As a result, they end up postponing their plans.

In our view, this is a wrong approach.

Instead, the right course of action is to start off with what you have and make up for the deficit at a later stage. On the other hand, if you decide to simply wait for an 'opportune' time, it might be too late by the time you start. Another reason for failing to start is that a significant amount of money is often spent on providing for one's present lifestyle, i.e. shopping and entertainment binges, leaving very little for retirement. While the importance of satisfying present needs cannot be denied, it does make sense to take care of your future as well. Ideally, one must strive to strike a balance between the two.

Finally, perhaps, drawing up a strong retirement plan and saving for the eventuality – retirement. Maybe the thought of growing old and leading a rather sedentary lifestyle brings with it a certain degree of discomfort and discourages some from working towards their retirement plan.

However, such mindsets need to change.

Looking the other way will only worsen the situation. The solution lies in accepting retirement as an eventuality and being adequately prepared for it.

Making an early start is your best bet at being prepared!

C. Steps of retirement planning:

Step 1: Decide Your Retirement Age

The most common retirement age is 60 years, but it may vary from person to person. Some may wish to work beyond 60 years of age, while a few even wish to retire at 55 —basically it's a matter of choice. Estimating your retirement age is an important step, because after this age your regular income stream will stop or at least reduce considerably (in case you are eligible for pension). You will have to depend on your savings and investments to take care of your retirement needs.

This is also the timeframe you are left with to plan for retirement.

For instance, if you are 25 years old and you wish to retire at the age of 50 years, then years to retirement = 50-25=25years.

One of the important factors while deciding your retirement age is the life expectancy rate. In other words the estimated number of years you are expected to live based on the age, medical condition, family history and other demographic factors.

Step 2: Start Early To Retire Peacefully

Like any other goal, start planning your retirement as soon as possible. With several years in hand, you have time and the power of compounding in your favour. Never delay retirement planning or else you might have to compromise your goal. Worst case you might have to be financially dependent on your children or family. Hence, start early, start now .Most individuals who are in their 20s and having recently started earning might think that retirement is a distant reality. For them, planning for retirement at this early age may seem like being overly cautious. However, it is imperative for you to recognise that being young provides you a benefit that is not available to all, 'time'. As it is said, "the early bird gets a bigger pie".

Beginning to invest early in life will enable you to accumulate the necessary corpus required on without much stress. And it gives you a peace of mind. And if you are in your 30s and haven't even started planning for retirement, then it is still not very late. You still have many years to work, earn and save for your golden years. But make sure you do it prudently and differentiate between your needs and wants.

Step 3: Determine Your Retirement Corpus

Retirement corpus is the amount you require post retirement to meet your expenses and continue with the same lifestyle and maybe pursue your other personal goals. For this, first ascertain your annual expenses at present.

For that you need to first write down monthly expenses on various categories such as household, medical, entertainment, travel, EMI, and children's school/tuition fees, and so on.

So, it is important that you make an accurate estimate of how much amount you will require, to maintain your present lifestyle after you retire. Then factor in inflation to calculate how much your present expenses will amount to at the time of retirement. This is referred to as future value of money. This is the amount you will need every year to meet your post-retirement expenses.

For instance, Mr. X is 35, wants to retire at 60, currently spends Rs. 75,000 a month on household and other expenses and spends about Rs. 5 lakhs a year on travel and medical.

He assumes household inflation is 7% per year both pre and post retirement, travel, and medical expenses inflate at 10% per year, and he will earn 6% per year on his retirement corpus once it is built and he invests it after his retirement.

Step 4: Calculate The Future Value Of Your Current Savings

How much you are able to save every year, after meeting all your expenses, plays a crucial role in building your retirement corpus. Your saving is the surplus amount that is left after deducting your annual expenses from your net salary. The ideal way is, to earmark a portion of your savings towards retirement. This part of your saving should be treated as sacred and should not be disturbed unless it is very urgent. After estimating how much amount you will be able to save annually towards your retirement corpus, the next step is to find out its future value. To determine this, you have to factor in the expected rate of return on your investment. This is the value of your savings or investments at the time of retirement.

For instance, if you are able to save Rs 100,000 annually for your retirement, and you invest this amount in an avenue, which earns you 10% rate of return p.a., then after 25 years, you will have a retirement corpus of approximately Rs 9,834,706.

Step 5: Cut Down On Unnecessary Expenses

If you are unable to save now to reach the target, cut down on avoidable expenses. Some of the avoidable expenses are your weekly entertainment, impulsive purchases, dining out, foreign vacation, etc.

Cutting down on such expenses can help you invest more and reach closer to your targeted corpus.

Step 6: Plan And Create An Ideal Portfolio Seeking Help Of A Financial Planner

Depending on your current age and the risk that you can afford to take, you should define a standard allocation to each asset class. It is important to have a diversified investment portfolio across the asset classes. Some assets like equities have the ability to offer you a betterinflation-adjusted return (also known as real rate of return) than fixed income instrument can provide safety. Gold can be a store of value and act as an insurance in your portfolio. If you see a swift rally in any of the asset class, and the deviation in your asset allocation, you can timely rebalance by reaping the benefits from the respective asset class and moving it to other asset classes. Do not forget, every asset class may not be suitable for you. At the same time, you should not be over exposed to a single asset class.

As retirement planning is an exhaustive exercise, seeking help of financial planner can go a long way. But take care to opt for an independent, honest and a competent financial planner who will handhold in every step to plan your retirement.

Your financial planner should be able to come up with a relatively accurate retirement corpus, which can help you negotiate retirement. More importantly, he/she should conduct risk profiling, whereby the asset allocation can be set and the portfolio can be structure accordingly to achieve your retirement corpus.

Step 7: Track And Review Your Plan Regularly

Your retirement plan needs to be monitored at regular intervals (at least once a year) to make sure you are on target to meet your objectives. Any changes in the income, expenses, retirement age, etc. needs to be incorporated in the retirement plan.

Also, make sure the retirement plan meets your investment objectives in the changing market scenario.

1.11. How to plan for retirement according to your age?

Planning for retirement is a critical decision and the thumb rule is the "earlier you start, the better it is". Only by planning timely and wisely. You will be able to make up the most of your golden year.

- **If you're in your 20s**

Twenties is the best time to start your retirement planning. You may want to enjoy your life at the moment, but if you are able to save now you will save a huge corpus by the time you retire. Further, you will have a lower premium amount as it will add up to a higher investment value by the time you decide to increase the amount. Early start will lay the foundation for your future savings initiatives.

There are Two Pros to start Investing in 20's:

- You can start with lower Primum amount as it will eventually add up to a bigger corpus in an interval of 10-20 years, after which you can Switch to a higher gear of investment.
- You can gamble a high risk on your Investment. Starting a retirement plan becomes all the more important in 20's as you appetite for savings at this age will set up a foundation for the saving habit you'll develop for all the years to come.

- **If you're in your 30s**

By now, maturity has set in. You are more responsible towards not just yourself but also your family. Thus, you will begin planning a corpus without any financial load. Further, the longer term you invest for, the more you will be able to generate interest and save more.

There are two factors that makes 20s and 30s the best age of retirement planning:

- The power of compounding- the longer term you invest for, the more positive effect, compounding will play in multiplying your wealth.
- The averaging of lows and highs in a long run-If you are consistent toward your savings, neither the steep declines nor the momentary highs can astray you from your savings. Resultantly in the long term you always end up getting more. Those who are smart enough will start investing for their retirement in 30s and enjoy sizable nest egg.

- **If you’re in your 40s**

Experts consider it a safe bet for starting your retirement plans. You have two decades more to build a substantial sum for your future needs. However, in the 40s, what actually is cumbersome is your present financial needs. It can be your child’s education, parents health needs or may be even your needs. Your approach towards saving in this time period will have to be a little conservative keeping in mind both present and future circumstances. You will have to ensure you do not stretch yourself beyond a certain limit. At the same time, save a littleat least to add to your future corpus, instead of spending it all in the present. You can start evenwith your company’s retirement plans if they have any.

- **If you’re in your 50s**

Better late than never. You can still start saving till your retirement. You will need to be a little more aggressive in saving. All this will be possible because you may not really have major financial obligations and thus, you can take out a heavy chunk from your earnings and put it all up for savings. If you’ve decided to take the retirement call earlier than you thought, you could seek some consultant opportunities at places so there is a steady stream of income from which you can demarcate some for your retirement planning.

All said and done, don’t push yourself to the end of your retirement and make an early start. HDFC Life presents a host of retirement plans for an effective retirement planning

- **If you’re in your 60s**

Tune out the life expectancy numbers that make it into the news from time to time. That’s the average from birth. What matters now is your life expectancy from where you’re at today. Make it into your 60s and there’s a good chance you will still be alive in your 90s.. Take a spinthrough the free tool to get a sense of how long you may need your retirement income plan to last. With a potential 30-plus year retirement runway, you likely will want to keep some of your investment portfolio invested in stocks, which historically provide the best inflation- beating gains.

The best investment move you can make in your 60s is to plan to delay taking Social Security. You can start as early as age 62, but you will get 25% to 30% less than if you wait until your FRA, when you are entitled to 100% of your earned benefit.

1.12. Other Retirement Benefits :

Apart from the retirement benefits mentioned above, the retired government officials are also qualified to pension benefits. These benefits will allow them to lead a peaceful retired life with no hassles whatsoever in terms of finance.

The different kinds of pension available for retired government official at the end of their employment tenure are pension on retiring, superannuation, voluntary retirement pension, compassionate allowances, family pension, compensation pension, and extraordinary pension.

Superannuation pension plans are in place for those retired government officers who go on to serve until they turn 60 years old. Voluntary pension is paid out to those government officials who wish to retire just three months after they have completed serving for a period of 20 years.

Extraordinary pension schemes are a kind of pension plan which is paid out to those retired government employees that are differently-abled or physically challenged or to the families of those government employees who lost their lives in the service of their employment with the government.

1.13. Golden rules of retirement:

I. Gratuity:

Gratuity means any amount which is read by an employee from an employer at the time of retirement resignation death (RDD) .Gratuity is a lump sum amount that employers pay their employees as a sign of gratitude for the services provided.

The gratuity rules are mandated under the Payment of Gratuity Act, 1972. The act was passed by the Parliament on 21st August 1972 and came into force on 16th September the same year.

All central and state government departments, defense, and local governing bodies are covered under this act. Private organisations can come under its purview subject to fulfillment of certain condition

1. Gratuity is payable if an organisation employs 10 or more individuals –
Organisations with a workforce of 10 employees on a single day in the preceding 12 months are liable to pay gratuity. If the number of employees of the same organisation reduces to under 10, it will still have to pay the gratuity, as per regulations of the Act.

2. Employees have to complete 5 years of service to be eligible –
To be eligible, an employee has to render his/her services for 5 continuous years. However, this condition is not taken into consideration in situations of demise or disablement of an employee.

3. Gratuity can be paid not only upon retirement –
As per the gratuity rules, an employee will be eligible to avail gratuity upon –

- Retirement.
- Resignation.
- Demise.
- Disablement due to an accident or a disease.
- VRS.
- Termination.
- Lay off due to retrenchment.

4. Calculation of gratuity is based on the last drawn salary and years of service –
Gratuity is calculated based on an individual's last drawn salary and years of service. The formula for calculation differs from the applicability of the Payment of Gratuity Act, 1972.

a. Gratuity calculation for employees covered under the act
As mentioned before, organisations with 10 employees in a single day in the preceding 12 months are covered under this act.

For calculation of gratuity of employees in such organisations, the formula is –

Gratuity = (15 x last drawn salary x number of completed years of service) / 26

Here,

- The last drawn salary includes basic and dearness allowance (DA). Any other component of income will not be included in the salary.

Completed years of service include any year where an employee has served for more than 6 months.

Income tax applicability differs for different employees –

Organisation type	Gratuity tax implications
Covered under the act	Not applicable up to least of the following: ▪ Rs. 20 Lakh. ▪ Actual gratuity received. ▪ 15 x last drawn salary x number of completed years of service) / 26
Not covered under the act	Not applicable up to least of the following: ▪ Actual gratuity received. ▪ Rs. 10 Lakh. ▪ 15 x average salary for the last 10 months x number of years employed) x 30
Central/state government, defence, and local government authorities	Not applicable

II. Pension :

As per section 10(10A), any commuted pension, i.e., accumulated pension in lieu of monthly pension received by a Government employee is fully exempt from tax. Exemption is available only in respect of commuted pension and not in respect of un-commuted, i.e., monthly pension. Exemption in respect of commuted pension in case of a non-Government employee will be as follows:

Govt. employees, employees of local authorities and employees of statutory corporations	*Any other employee*
Fully Exempt	(a) If gratuity is not received Commuted value of half of pension which he is normally entitled to receive. (b) If gratuity is also received Commuted value of 1/3rd of pension which he is normally entitled to receive.

III. Encashment of leave salary :

Many organisation provide the facility of **Leave Encashment** (by whatever name called be it earned leave, sick leave etc) either

1) during the period of employment or

2) at the time of retirement (including separation on account of resignation, retrenchment, VRS etc other than termination) of the employee or

3) at the time of Termination of the employee

For tax treatment of **leave encashment** u/s 10(10AA) of Income Tax Act 1961 the employees has been classified into two types:

1) Govt Employees and

2) Non-Govt employees (PSU employees are considered as non-govt employees)

The tax treatment of **Leave encashment** is explained with the help of following table:

S.N	Leave encashment timing	Taxability of **Leave Encashment** for Govt Employees	Taxability of **Leave Encashment** for Non-Govt Employees
1	During period of service	Fully taxable	Fully taxable
2	At the time of retirement or separation (other than on account of Termination)	Fully exempt	Leave Exemption is least of the following: 1) Rs 3,00,000 2) Leave encashment

			amount actually received 3) 10 months' salary (on the basis of average salary of last 10 months) * 4) Cash equivalent to leave to the credit of employee at time of retirement **
3	At the time of termination of employee	Fully taxable	Fully taxable

*

Here salary means Basic + Dearness Allowance (forms part of pay) + Commission (Fixed % on turnover)

Section 80 (c): Saving & Investment

You can claim a deduction of Rs 1.5 lakh your total income under section 80C. In simple terms, you can reduce up to Rs 1,50,000 from your total taxable income, and it is available for individuals and HUFs.

If you have paid excess taxes, but have invested in LIC, PPF, Mediclaim, paid your children's tuition fees etc. and have missed claiming a deduction for the same, you can do so while filing your Income Tax Return. The Income Tax Department will refund the excess money to your bank account.

Investments eligible for deduction under Section 80C of The Income Tax Act

Investment options	Interest	Minimum lock-in period	Assured return	Associated risk
ELSS	12% to 15% (depending on market fluctuation)	3 years	No	High
NPS	8% to 10%	Till the investor reaches 60 years	No	High

		of age (retirement)		
SCSS	8.60%	5 years	Yes	low
PPF	7.90%	15 years	Yes	Low
NSC	7.9%	5 years	Yes	Low
ULIP	8% to 10% (depending on market fluctuation)	5 years	No	Moderate
Fixed deposit	Up to 8.40%	5 years	Yes	Low
Sukanya Samriddhi Yojana	8.50%	8 years	Yes	Low

Section 80 (ccc): Pension

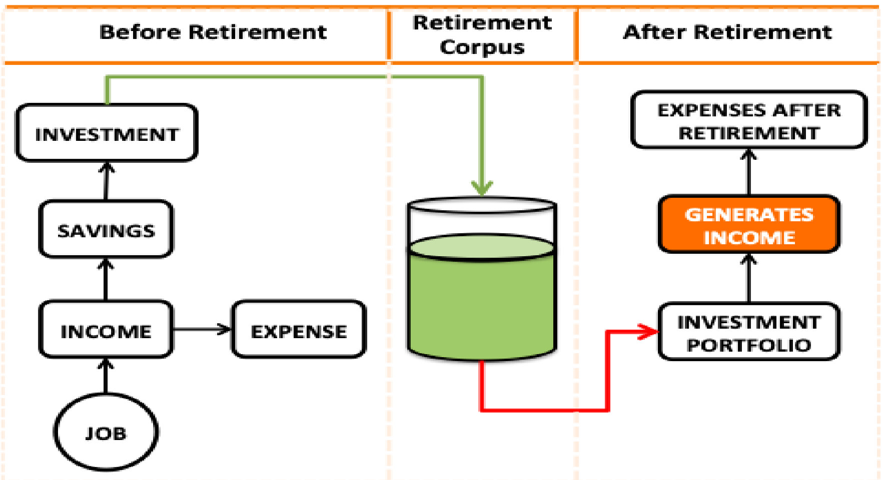
1. Some of the conditions associated with claiming deduction under Section 80CCC are:
2. Tax deduction can only be claimed by taxpayers who have deposited some amount towards buying or continuing an annuity plan from LIC or any other insurance company.
3. The maximum deduction that can be claimed during a financial year is Rs. 1,50,000.
4. The policy towards which payments are made has to pay out pension from the accumulated funds, which is as per the terms of Section 10 (23AAB).
5. The taxpayer cannot claim deduction on the interests or bonuses accrued from the policy. Additionally, the proceeds from the policy are taxable.
6. The contribution that is made, on which deduction is being claimed, should be from the income that is chargeable to tax of the concerned individual assessee.

7. The annuity plan's surrender value, whether in part or in whole, will be treated as income and accordingly taxed.
8. Tax deductions can only be claimed on amounts paid for the preceding year only. In case contributions toward a pension fund are made at one-go, the individual can only claim deduction for the year in which the payment has been made.

1.14 Where to invest your money after retirement:

Retirement means the end of earning period for many, unless one chooses to work as a consultant. For retirees, making the best use of their retirement corpus that would help keep tax liability at bay and provide a regular stream of income is of prime importance. Building a retirement portfolio with a mix of fixed income and market-linked investments remains a big challenge for many retirees. The challenge is not to outlive the retirement funds - one retires at 58 or 60, while the life expectancy could be 80.

Here are few investment options for the retired to provide for their monthly household expenses.



Senior Citizens' Saving Scheme (SCSS)

Probably the first choice of most retirees, the Senior Citizens' Saving Scheme (SCSS) is a must-have in their investment portfolios. As the name suggests, the scheme is available only to senior citizens or early retirees. SCSS can be availed from a post office or a bank by anyone above

60. Early retirees can invest in SCSS, provided they do so within three months of receiving their retirement funds. SCSS has a five-year tenure, which can be further extended by three years once the scheme matures.Currently, the interest rate in SCSS is 8.6 per cent per annum, payable quarterly and fully taxable. The rates are set each quarter and linked to the G-sec rates with a spread of 100 basis points. Once invested, the rates remain fixed for the entire tenure. Currently, SCSS offers the highest post-tax returns among all comparable fixed income taxable products. The upper investment limit is Rs 15 lakh and one may open more than one account. The capital invested and the interest payout , which is assured, has sovereign guarantee. What's more, investment in SCSS is eligible for tax benefits under Section 80C.

Post Office Monthly Income Scheme (PO-MIS) Account

POMIS is a five-year investment with a maximum cap of Rs 9 lakh under joint ownership and Rs 4.5 lakh under single ownership. The interest rate is set each quarter and is currently at 7.8 per cent per annum, payable monthly. The investment in POMIS doesn't qualify for any tax benefit and the interest is fully taxable.

Instead of going to the post office each month, the interest can be directly credited to the savings account of the same post office. Also, one may provide the mandate to automatically transfer the interest from the savings account into a recurring deposit in the same post office.

Bank fixed deposits (FDs)

A bank fixed deposits (FD) is another popular choice with the retirees. The safety and fixed returns go well with the retirees, and the ease of operation makes it a reliable avenue. However, interest rate over the last few years has been falling. Currently, it stands at around 7.25 per cent per annum for tenures ranging from 1-10 years. Senior citizens get an extra 0.25-0.5 per cent per annum, depending on the bank. Few banks offer around 7.75 per cent to seniors on deposits Unlike SCSS and POMIS, bank deposits provide flexibility in terms of tenure. Therefore, instead of locking funds for a particular duration, an investor may spread the amount across different maturities through 'laddering'. It not only provides liquidity to funds, but also manages the 're-investment risk'. When the shortest-term FD matures, renew it for the longest duration and continue the process as and when various FDs get matured. While doing so, ensure that your regular income need is met, and deposits are spread across various maturities and institutions.For those looking to save tax, the five-year tax saving bank FD could be a better option. The investment made here qualifies for Section 80C tax benefit. However, such a deposit will have a lock-in of five years and early withdrawal is not possible. Even though the interest income is taxable, there is a set-off by the amount of tax saved at least in the year of investment. Most banks offer a rate which is slightly lower than the non-tax saver deposit rates. So choose carefully, if you want to go for them.

Pradhan Mantri Vaya Vandana Yojana (PMVVY)

Another product designed specifically for senior citizens, Pradhan Mantri Vaya Vandana Yojana (PMVVY) is offered by the Life Insurance Corporation of India (LIC). Like SCSS, you can invest up to Rs 15 lakh and it also promises a return of 7.4 percent. A government-backed scheme, it comes with no credit risk and a longer tenure of ten years, making it suitable for retirees. The scheme was to end on March 31, 2020, but the central government decided to extend until March 31, 2023 due to its popularity amongst retirees. However, the interest rate was slashed from 8 percent to 7.4 percent. Yet, it remains an attractive

proposition for senior citizens, offering returns far higher than those of fixed deposits. For example, the State Bank of India’s (SBI) offers an interest of 6.5 percent to senior citizens for fixed deposits with tenures of 5-10 years.

Annuities from life insurance companies

Annuity plans from Life Insurance Corporation of India (LIC) – Jeevan Akshay (VII) and New Jeevan Shanti – are being promoted heavily. This is how annuities work: if you were to purchase an immediate annuity plan, that is, invest a lump-sum in such plans offered by all life insurers, you will get a regular payout. “Broadly, if you invest a lump-sum now, you get regular payouts – be it monthly, quarterly or annually. The returns work out to 5.75-5.9 percent annually over 20-30 years.

Unlike PMVVY and SCSS, annuities offer guaranteed returns over a much longer term of 30-40 years, covering your entire retirement phase.

Now, annuities may sound like an answer to your quest for a long-term instrument capable of yielding assured returns. However, there are better-yielding, long-term avenues such as government securities that you must consider instead of annuities. The entire annuity income is taxable at the slab rate applicable to you.

Unless the annuities market develops further – especially given that 40 percent of your National Pension Scheme's maturity at age 60 must be invested in an annuity – these are not your best options yet.

Government securities

Instead of annuities, financial planners recommend government securities. "Being a sovereign security, it is highly secure, and returns will be in the range of 6.6 to 6.75 percent. You can stay invested for 40 years (bonds with maturities till 2060 are also available). These work out better than annuities. You also have an option to exit, if the need arises. These bonds have semi-annual interest payments," adds Dalal. The principal invested is safe as these are sovereign bonds. And, if held till maturity, you will not face any interest rate fluctuation risk either. "You must choose government bonds if fixed returns over the long term is your objective," he adds.

While the process of investing in government securities was not easy earlier, now you can invest through NSE's go BID platform. It is an online platform meant for retail investors who want to purchase treasury bills and Government of India Dated Bonds.
You can invest in government securities through your stock brokers. The process is quite simple, but the awareness amongst retail investors is low.

Similarly, you can also invest through the BSE Direct platform. If sold within a year, gains made on sale of government bonds will be treated as short-term capital gains (SCTG) and taxed as per your slab rate. Beyond this period, gains will qualify as long-term capital gains (LTCG), and will be taxed at 10 %

SAFE RETIREMENT INCOME AVENUES FOR SENIOR CITIZENS

	Senior Citizens Saving Scheme (SCSS)	Pradhan Mantri Vaya Vandana Yojana (PMVVY)	Annuities	Government bonds
Interest rate (p.a)	7.40%	7.66%	5.38-5.67%*	6.76%^
Liquidity	Quarterly interest payments	Monthly/quarterly/half-yearly/annual pension	Monthly/quarterly/half-yearly/annual pension	Can be sold in the secondary market
Minimum investment	Rs 1,000	Rs 1.57-1.62 lakh**	Rs 1 lakh*	Rs 10,000
Mode of purchase	Post offices, banks	LIC	Life insurers	Through NSE GoBID, BSE Direct
Exit load	1-1.5%	2%	Depends on age*	No exit load
Tenure	5 years	10 years	For life	Up to 40 years
Taxation	Interest taxed as per slab rate	Pension taxed as per slab rate	Pension taxed as per slab rate	Subject to long-term and short-term capital gains tax, as applicable

Conclusion:

It is essential to review your needs for long-term care and other costs (like medical and burial expenses) before and during retirement.

It is crucial to constantly monitor your cash distributions from your retirement savings. We have experienced a significant decline in interest rates over the last decade and that can affect your portfolio. In this low interest rate environment it is even more essential that you have a strategy for taking distributions from your portfolio. In the past, a larger distribution rate might have been acceptable, however, with today's low interest rates it is imperative to make sure that your withdrawal rates are reasonable and will be sustainable over the long-term.

The bottom line is that throughout each stage of retirement it is wise to make sure that you plan and monitor. Remember, the only thing that is constant is change!

Our role is to help and assist you through each stage of your retirement. We take great pride and satisfaction in reviewing each of our client's individual situations and needs. Our goal is to fully understand and review your retirement and estate planning needs.

CHAPTER : 2

RESEARCH METHODOLOGY

2.1. Introduction :

Retirement planning is an essential part of financial planning. An increase in average life expectancy increases the need for retirement planning. Planning for retirement not only ensures an additional source of income but also helps in dealing with medical emergencies, fulfil life aspirations and be financially independent. It creates a personalized retirement plan and monitors it periodically to ensure the investor is on the right track. Retirement and pension benefits are given to a retired government official to make sure that they have a constant income and a secured life. The pension provisions are in place to ensure that the retired government officials are well off and can be financially independent and can lead their retiredlives with no financial challenges. The need of the study was to fill the gap that was identified in the previous researches. Considering the ample important of this aspect, the present study was conducted to know the retirement benefits & various option available in the retirement to invest & study the behaviour of investors and determine their awareness level regarding variousinvestment avenues available in retirement benefits.

2.2. Objectives of study:

The basic objective of the study is to examine the awareness level and behavioural pattern of individuals towards retirement planning. The specific objectives are:

1. To find out the pattern and awareness level about retirement planning
2. To analyse if demographic factors e.g. age and marital status have any bearing on retirement planning of the respondents.
3. To study the factors influencing retirement planning.
4. To offer valuable suggestions for various awareness programs based on study.

2.3. Hypothesis:

H0 = There is no significant effect of age on retirement planning.

H1 = There is a significant effect of age on retirement planning.

2.4. Scope of study:

- One cannot work forever.
- The average life expectancy is increasing.
- Higher complications, e.g., medical emergencies.
- Best time to fulfil life aspirations.
- Relying on one source of income is risky, e.g., pension.
- Do not depend on children.
- Contribute to the family even during retirement.
- Start planning early and diversify investments.

Therefore, to lead a peaceful and uncompromised life during retirement, it is essential to start planning and investing towards it.

2.5. Limitations of study:

Due to constraints of time and resources the study is likely to suffer from certain limitations. Some of them are mentioned below so that the findings of the study are understood in proper perspective. The limitations of the study are-

(1) People were not sure that this online survey was safe and would not leak there information, though there was nothing as suspicious questions which would give me their e- payment details

(2) Some of the people were less known of the sectors and there information, and were unable to provide the exact information about the same

(3) Some of the respondents of the survey were unwilling to share information.

(4) The research was carried out in a short period of time. Therefore the sample size and other parameters were selected accordingly so as to finish the work within the given time frame.

(5) Area of study is limited to the Thane City.

(6) The research was conducted through limited sample size i.e. of 100 respondents..

2.6. Research Methodology:

Research is an art of scientific investigation. In other word research is a scientific and systematic search for pertinent information on a specific topic. The logic behind taking research methodology into consideration is that one can have knowledge about the method and procedure adopted for achievement of objectives of the project. With the adoption of this others can evaluate the results also. Its main aim is to keep the researchers on the right track. The methodology adopted for study of Awareness of retirement benefits among thane city. So keeping in view the nature of requirements of the study to collect all the relevant information regarding the retirement benefits. Questionnaire method was adopted for the collection of primary data. Secondary data has been collected through the various books and by surfing on internet & family members.

2.7. Universe of the region:

The research universe was thane city. The response were collected by the family members and friends in thane city only.

2.8. Research design:

This study has been conducted to understand retirement preparedness of individuals. For the purpose primary data is collected from the 100 respondents. Structured questionnaire was developed to collect the data. Google forms were sent through emails and Whatsapp to 120 or more individuals. Convenient sampling method has been used to select the respondents. Correlation has been used to assess the association between demographic factors and various dimensions of saving. Factor analysis is used to identify number of factors having impact on financial planning for retirement. Finally, relationship between behavioural factors and personal financial plan for retirement.

2.9. Method of Data Collection:

Data was collected by Two main method i.e. Primary data & secondary data.

2.9.1 Primary data:

There are number of sources of primary data from which the information can be collected. I choose the following resources for my research.

Questionnaire: I researched using a set of some simple questions and requested the respondents to answer these Questions with correct information. The questionnaire was uploaded on Google docs. This questionnaire was send to the respondents through various social networking apps i.e. whatsapp, mail, messaging app, etc

2.9.2 Secondary Data:

The secondary data was collected by referring various research papers, books, journals, newspaper articles and surfing on internet. The secondary data collected is aimed just for reference purpose.

2.10 Method of Data Analysis:

The data analyzing techniques used were bar graphs, pie charts, percentage method and column method. The data collected from primary source is represented by using bar diagrams, graphs, pie charts, etc.

2.11. Sample size:

Keeping in mind all the constraints the size of the sample of my study was selected as 100. The sample size was classified on the basis of age, gender, education qualification, occupation of the respondents.

Chapter -3

Review of literature

Many studies have been undertaken to understand the influence of social attitude and personality traits to understand individual behaviour towards savings and financial planning for retirement, but such studies have failed to predict the individual's behaviour. General attitude and motivation of the individual would indicate individual's intention to save But when it comes to taking action in this respect, there are many other behavioural factors which influence individual's behaviour. To plan for retirement an individual must understand variousfinancial products, their advantages and issues, clarity in financial goals are few dimensions which can clubbed under term 'financial literacy', has influence on financial planning for retirement. Besides financial literacy, the effort taken by an individual to plan for future, called as 'planned behaviour also acts as a control variable for planning for retirement.

Review of literature:

Jeniffer Nyawira (2015) Analysis of the determinants on retirement planning :

Apart from the researcher's personal interest in the area of retirement due to what is happening to retired officers; there are other reasons for undertaking this study. Firstly, the data will help employers and the workers unions to plan and implement effective workers' education programmes for betterment of employers and workers

during working and further life after retirement. Secondly, the data will provide workers with an awareness of the education programmes which should be provided to them by their employers and trade unions. Thirdly, the findings will help policy planners to get a stance for including workers education in education policy and curriculum Workers and retirees have been thinking to develop in their career while working forthe whole time of employment so as to get promotion in rank and salaries

Moses ochieing gweyi: A survey of registered pension schemes:

Background of the Study Retirement can be a rewarding phase of one's life. However, a successful, happy retirement doesn't just happen. It takes planning and continual evaluation.

Thinking about retirement in advance can help in understanding the retirement process and in gaining a sense of control over the future (Kapoor et al 1994).

Magera (1999) defines retirement planning as a systematic way of setting aside resources (funds), business project and time for the purpose of providing income in the old age. The goal of social protection is not mere survival, but social inclusion and preservation of human dignity (Keizi, 2006). It is vital to engage in basic retirement planning activities throughout your working years and to update retirement plans periodically. While it is never too late to begin sound financial planning, you can avoid many unnecessary and serious difficulties by starting this planning early. Saving now for the future requires tackling the tradeoff between spending and saving

Robert L. Clark : Retirement plans and saving decisions, The role of information and education :

The lifecycle model has been used extensively to explain how individuals make retirement-related decisions by smoothing consumption across working and retirement years. The central predictions of the lifecycle model rest on the assumptions that individuals are far-sighted and rational, and that they are correctly informed about the various factors that determine wealth accumulation. The model implies that the saving decisions of different individuals reflect their rationality and knowledgeable status, given their preferences and other exogenous factors. That is, if people with similar socioeconomic conditions are observed to have different saving rates, the model predicts that those differences can be attributed to differences among the individuals in rates of time preference, health, and desires for leisure. Recent empirical evidence suggests otherwise The individual solves the optimization problem given current information. If new information is received, the retirement goals based on prior optimization will change. Information is multi-dimensional, and there are several ways that it could enter the problem of optimal planning for retirement. New information might influence the optimal choices through changes in parameters of the specific utility functions, such as the relative weights on C and L. Information could also prompt the individual to alter investment strategies, which would imply an update in the effective return on saving, r. Information could cause the individual to alter her impatience rate..

David Ekerdt : Workers ignorance of retirement benefits:

The necessary condition for anyone's retirement is income or wealth that replaces the earnings from employment. To the extent that older workers are aware of their financial prospects, retirement planning can be more complete and their decision making more confident. Ignorance about finances, however, could compromise the advantageous timing of retirement and jeopardize one's choices about activities, living arrangements, and level of consumption. A second category of knowledge is individuals' factual grasp of their own wealth and income potential. This is essential information for any personal calculation, estimate, or projection about personal finances— specific input for the useful exercise of generic instrumental knowledge. In this study, we will examine the sufficiency of older workers' factual knowledge about one important sector of personal finances—the retirement benefits that are earned by employment. Workers' familiarity with retirement benefits is likely to be greater to the extent that they see themselves closer to the event and for two reasons.

Rene morissette : Retirement plan Awareness :

Employers offering an RPP are required by law to contribute to it. In contrast, those offering a group RRSP may choose not to contribute—although the concept of employer contributions to group RRSPs is not well defined. A group RRSP is simply a collection of individual accounts set up through the employer. The employer may put a certain amount of money into the plan for each contributor, or may contribute nothing and simply collect the employee contributions through payroll deductions. In either case, the employer will contract a financial institution (for example, a mutual-fund company) to invest the funds. Because the federal Income Tax Act recognizes only contributions made by employees, employers contribute indirectly by increasing an employee's pay and then contributing the increase to the group RRSP through payroll deduction. The amount contributed by the employer is recorded on the employee's T4 slip as employment income. The employee can then claim the contribution as a tax deduction. As long as the employment income shown on the T4 is the same, workers in firms offering a group RRSP but not contributing to it will have the same opportunity to prepare for retirement as their counterparts in contributing firms. the increasing popularity of alternative retirement plans such as group RRSPs, assessing employee awareness of their coverage by some type of retirement plan in their job becomes more important..

Prof. Suyog Chachad, Dr. Komal Singh: Are you Making yourself retirement ready:

Retirement Planning is nothing but an effort put to find out the sum of money need to be invest per month or per year to achieve the required Retirement Corpus for Comfortable Retirement. Every Individual wants safe and happy retirement. Some factors like Defined Contribution plan design, Phased Retirement, Post-Retirement Medical expenses, Debts, etc. having high impact on Financial Planning for Retirement. Most of the salaried individuals are looking Pension from employer as their retirement income, however changes in pension policies by Employer and Government, only two options left i.e. savings for retirement and private pension plans. It was found that financial literacy is always associated with retirement planning. Most of them are Risk adverse. It is proven fact that Married Women are more active than unmarried Womenin terms of Saving, Invest & awareness on Financial Planning towards retirement. However, they don't take much risk and invest in low to moderate risk instruments. Every individual must plan for the income after his/her retirement. They should not be reluctant towards financial planning for retirement. Seminars and workshop on Financial Literacy program have change the thinking of the people towards Financial Planning for retirement. Arranging workshops on Financial Literacy or Financial Knowledge or on awareness are very much needed to the society.

Saisai Zhang, Mary Hardy and David Saunders: Retirement consumption , risk perception and planning objectives:

The study explores three key areas. The first is the difference between expectations and experience among Canadian retirees, in particular, as it relates to longevity, The second area relates to the current level of wealth in retirement, or savings pre-retirement, third area addresses preferences and objectives. the four most importance concerns when making planning and spending decisions are: liquidity, consumption/income smoothing, inflation and longevity. The purpose of this study is to determine key elements of the retirement planning and experience of Canadians, including preferences among different consumption patterns, key risks concerning retirees and pre-retirees, and the subjective discount factors and mortality expectations. We further elicit quantitative risk preferences that will enable us to develop more realistic models for retirees' preferences and needs. The objective of the study is to d evelop a better understanding of the concerns and risk preferences of individuals who are either close to retirement, or who are already retired. a close examination of the relationship with existing pension income shows that those with higher social insurance pensions exhibit higher risk-taking behaviour

Ranganathan (2003):

It has stated the investor behaviour from the marketing world and financial economics has brought together to the surface an exciting area for study and research: behavioural financial. The realization that the is a serious is, however, barely dawning. Analysis seem to treat financial market as an aggregate of statistical observations, technical and fundamental analysis.A rich view of research waits this sophisticated understanding of how financial market are alsoaffected by the " financial behaviour" of investors. With the reform of industrial policy, publicsector, financial sector and the many development in the Indian money market and capital market, mutual fund that has become an important portal for the small investors, is also influenced by their financial behaviour. Hence, this study has made an attempt to TYBFMINDIAN STOCK MARKET 42 examine the related aspects of the fund selection behaviour investors towards Mutual fund, in the city of Mumbai. From the researchers and academicians point of view, such a study will help in developing and expanding knowledge inthis field.

KSHAMA SAWANT : The role of information and education :

A key contribution of our work is the use of data that provide an extensive picture of retirement planning behaviour along with the realization of retirement age, which is a central aspect of the retirement plan. There is an important role for time preferences in understanding decision making in regards to retirement planning and preparedness Planned retirement behaviour, as self-reported on our survey, is predictive of actual retirement behaviour. we show that time preferences matter for actual retirement timing, but only for individuals who had already made a retirement plan.. These studies highlight the importance of two significant relationships: the relationship between financial literacy and planning and the relationship between planning and retirement wealth accumulation. Some of the measures detailed in this section are subjectively measured, while others are objectively measured. Both types of measures have important limitations. Using several aspects of retirement planning, we explore the predictive power of risk and time preferences in understanding decision making in this important setting.

ROBERT CLARK : The importance of the time preference:

In defined contribution plans, such as 401(k) plans, the responsibility of ensuring adequate financial preparedness for retirement rests primarily on workers themselves. Individuals must decide when to start saving, how much to save, and how to invest their account balances. he need for financial education to improve the level of financial literacy of individuals is an important policy issue facing our society. . We explore how individuals alter their stated goals on retirement age and income, how they modify their investment choices in their retirement accounts, and how they change their desired saving behavior. Their estimates indicated that attendees tended to have increased rates of participation in the 401(k) plan and they tended to have greater diversification in their retirement plan portfolios. Lusardi (2000) used data from the Health and Retirement Survey to examine the role of planning and the lack of financial literacy in retirement saving. If people preparing for retirement are not correctly informed of all the relevant factors or are not completely knowledgeable of the nature of the retirement savings process, it follows that they will not achieve their retirement objectives.

Dr. T. Joseph : A study on retirement planning of working individual :

Individuals working under private sector has no such retirement age. In India the pension system coverage was very small by handling Employees' Provident Fund (EPF), Employees' Pension Scheme (EPS), and Public Provident Fund (PPF). In recent years the government has brought National Pension Scheme (NPS) and Atal Pension Yojana (APY) under pension system. The most important reasons for people to frame out a retirement plan is to “Enjoy their retired life and to take care of family”. The best period to plan for retirement is at the age of 25 where most would have started to work. Pension plans provide financial security and stability during old age when people don't have a regular source of income. Pension scheme gives an opportunity to invest and accumulate savings and get a sum amount as regular income through annuity plan on retirement. As a result number of postretirement years increases. Thus, rising cost of living, inflation and life expectancy make retirement planning essential part of today's life.

Professor Annamaria Lusardi : The saving for retirement:

A number of studies have shown that this simple model does not accurately describe the distribution of wealth in the U.S. (or in other countries).1 In particular, detailed survey data on household finances show significant differences in the accumulated wealth of households with similar levels of lifetime resources. These data suggest that there are large differences in saving behaviour that are not explained by the life-cycle permanent income model. We know relatively little about exactly what causes these large differences in wealth holdings. Very littleexisting research focuses on how households make saving plans and how they collect all the relevant information to make their saving decisions. In particular, almost all models used in existing analyses assume that there are no planning costs and, for example, no differences in how individuals attain and evaluate information as well as overcome all the difficulties of devising saving plans. Nevertheless, these are important factors in decision making. Differences in building saving plans and carrying those plans out can be powerful determinantsof both wealth holdings and portfolio choice. Households may make use of several sources of information in their planning decisions. Survey respondents are most likely to report that theyrely on planners or brokers and read magazines and newspapers.

Karen C. : Financial literacy and retirement planning :

The members of the Commission included recommendations such as changes in the employers and employees contribution requirements, modifications to special laws that enhanced retiree benefits, changes to the benefit structure and retirement age, to stop temporarily early retirement programs, to modify personal and mortgage loans made against the retirement savings funds, changes in governance and other ideas. Ironically, in the last section, the section called "Other Ideas"; the commissioners recommended that education for retirement planning should be given on a regular basis to employees. This suggestion made clear that there is a need to educate people about retirement and other financial matters. They found that this is not a matter of age. Young and older people in the United States and other countries appear inescapably under informed about basic financial computations necessary to make savings, retirement planning, mortgages and other decisions. They also point out that governments and non-for-profit organizations are starting to play an important role in developing initiatives regarding financial education. The current state of the economy and its impact on future retirees raises concerns about financial planning and security, but especially for those who are not aware of the implications that it may have in the future and how to address them today. The majority answered they have saved in the last year.

Dr. Ashok

The external factors are out of influence of the individual but the individual factors can be altered for better retired life. Hence it is important to understand the practices followed by the young Indians for retirement financial planning. A strong intermediary channel bridges the gap between the individuals and financial institutions offering retirement products and services, the current role played by intermediaries needs to be scanned thoroughly. Along with this understanding the individuals' awareness about available retirement planning and products and services can be provide guidance on future actions and course corrections. The entire world is attracted by the financial markets in India. However the participation of common man in markets is very low. Also it is thought to sentiment driven and maturity of the market has been questioned on numerous occasions. One major concern from retirement planning perspective is the underdeveloped pension market in India. The annuity options are very limited and individuals lack faith in them. The governments key initiative of National Pension Scheme is not seen picking up pace to the desired level. To have a comfortable retirement in the future, it requires individuals to sacrifice some comforts today

Anne Nolan, Karina Doorley: Financial literacy and preparation for retirement

In this paper, we investigate the extent to which financial literacy is an important determinant of financial protection in the older pre-retirement population in Ireland. We contribute to the growing international literature on the importance of financial literacy by focusing on a population for whom retirement financial protection is of particular concern. We use data from the Irish Longitudinal Study on Ageing (TILDA), which contains detailed information on pensions, wealth and debt, in addition to other demographic and socio-economic correlates of financial wellbeing. We find significantly higher levels of financial literacy among men, those with higher levels of education and cognition, and the self-employed. Financial literacy is in turn associated with higher household wealth, lower financial stress and higher expected retirement income. We find little evidence that those with higher levels of financial literacy are more likely to have various forms of supplementary pension cover however, suggesting a more limited role for financial literacy over and above other important determinants of supplementary pension cover such as income, education and employment/occupational type. A large literature has examined differences in levels of financial literacy across the population, with largely consistent results despite differences in the instruments used to assess financial literacy.

Emmanuel Farhi : Saving an investing for early retirement: A theoretical analysis

Throughout the paper we maintain the assumption that agents receive a constant wage. This is done not only for simplicity, but more importantly because it makes the results more surprising. It is well understood in the literature6 that allowing for a (positive) correlation between wages and the stock market can generate upward-sloping portfolio holdings over time. What we show is that optimal retirement choice can induce observationally similar effects even when labour income is perfectly riskless. Since the argument and the intuition for this outcome are orthogonal to those in existing models, we prefer to use the simplest possible setup in every other dimension, thereby isolating the effects of optimal early retirement. In this paper we propose a simple partial equilibrium model of consumer behaviour that allows for the joint determination of a consumer's optimal consumption, portfolio, and time to retirement. The appendix provides essentially closed-form solutions for virtually all quantities of interest. The results can be summarized as follows. The ability to time one's retirement introduces an option-type character to the optimal retirement decision. This option is most relevant for individuals with a high likelihood of early retirement, that is, individuals with high wealth levels.''

Hafis Bello : Planning towards a Successful retirement ,issues and opportunities

Depending on the outlook and personal circumstances, retirement age vary considerably. While the statutory retirement age in the public sector is either 60 years or 35 years of service, whichever comes first; in the private sector, retirement age varies between 55 and 60 years and the factor of 35 years of service is not applicable. Also, some people may choose to retire early, say before 50 years, while others will retire later at 60 years, or for however long their terms of employment. Despite the importance of retirement planning and savings, studies have shownthat there is widespread financial illiteracy- many households are unfamiliar with even the most basic economic concepts needed to make sensible saving and investment decisions. This has serious implications for savings and investment decisions, retirement planning, retirement, mortgage, and other decisions. Poor retirement planning leads to low living conditions in the later part of life with adverse effects on the individuals, families and the entire nation. Work Life stages were also reviewed to show the importance of retirement planning at each stage of human life. investments, retirement income needs, and the state of the economy at the point of retirement. Most importantly, any solid retirement plan starts with the right legal and investment guidance and advice. The paper also recommended soft tips to help workers and retirees make right decisions towards their retirement.

Cheryl R. Cooper : Household decision making an policy option saving for retirement (2020)

household financial decision making relating to retirement is both difficult and important. Currently, retirement planning includes many decisions relating to saving, investing, and decumulating (or spending down) retirement wealth over a person's lifetime. Making these decisions successfully may require complicated calculations involving uncertainty about the future—for example, how high (or low) inflation and market returns will be, how much future health care will cost, and how long family members may be able to work and will live. Given the variety of options and decisions to make, researchers claim that many households may find planning for retirement to be overwhelming or intimidating. This report focuses on household decisions related to saving for retirement in DC plans and IRAs. First, it discusses household finances and retirement savings. Then, it summarizes relevant consumer decision making research. Individuals and households frequently save for retirement in DC plans, IRAs, or both. About 52% of U.S. households had retirement assets in DC plans or IRAs in 2016. 14 Other parts of a household's finances, such as debts, emergency savings, and employment outcomes, may also affect retirement security over time. Research has offered mixed conclusions regarding whether Americans overall have enough savings for retirement.15 Some research suggests that certain subgroups of the population may need to be saving more to fund retirement

Chapter – 4

Analysis and interpretation of data

Analysis is a process of organizing and synthesizing data in such a way that research questions can be answered and hypothesis tested. The term analysis refers to the computation of certain resources along with searching for patterns of relationship that exists among data groups.

Analysis of data in a general way involves a number of closely related operations, which are performed. With the source of summarizing the collected data, organizing these in such a manner that they answer the research questions In this chapter.

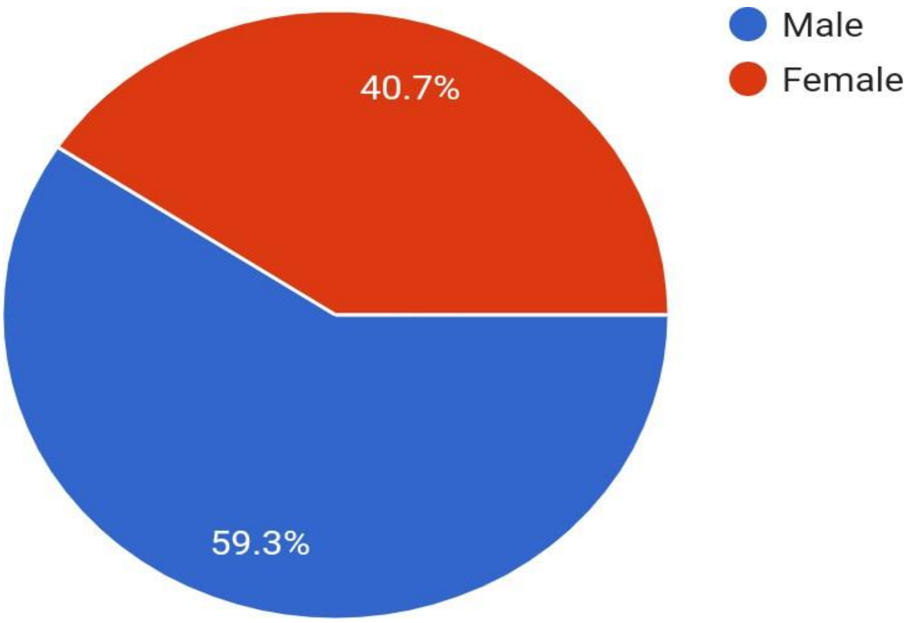
The data collected were systemically processed, tabulated and made suitable for analysis and interpretations, it was a study on Awareness of retirement benefits among the public in thane City through data collected by questionnaire. The results obtained were classified, tabulated and the following analysis were performed in fulfilling the objectives of the study

Table 4.1. Gender:

Gender	Frequency	Percentage
Male	59	59.3%
Female	41	40.7%

Source: By Primary data

Chart 1: Gender of the respondents



Source: By primary data

Interpretation:

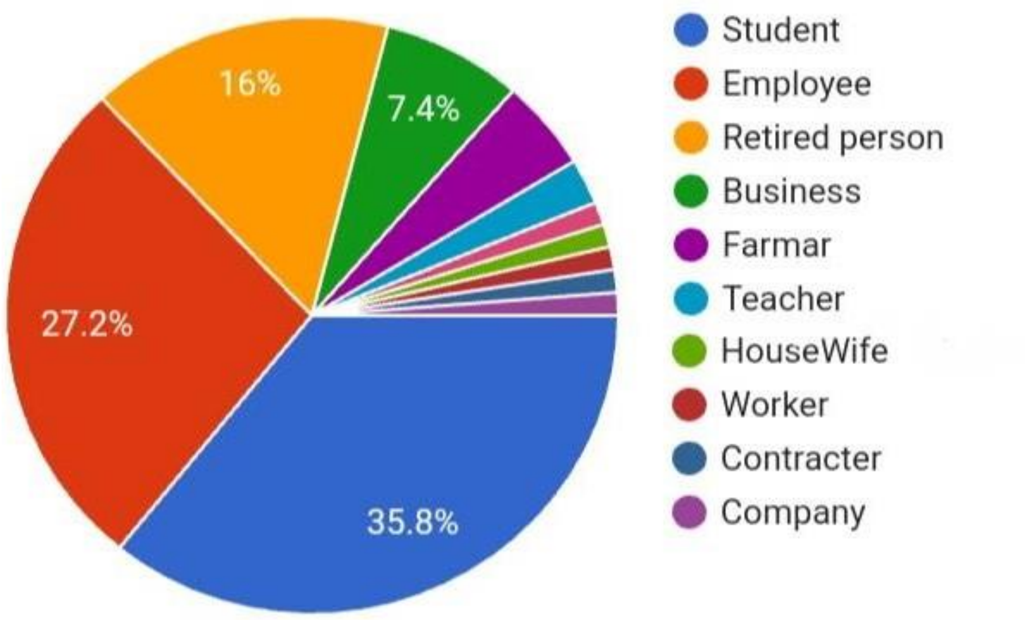
Table respondent total male respondents are 59.3% out of 100 respondents. while total female respondents are 40. 7% out of 100 respondents. We can say that male activities using the retirement benefits after retirement as compared to female.

Table 4.2. Occupation

Occupation	Frequency	Percentage
Student	**39**	**35.8%**
Employee	**27**	**27.2%**
Retired Person	**16**	**16%**
Other	**18**	**18%**

Source : By primary data

Chart 2: Occupation



Source: By Primary data

Interpretation:

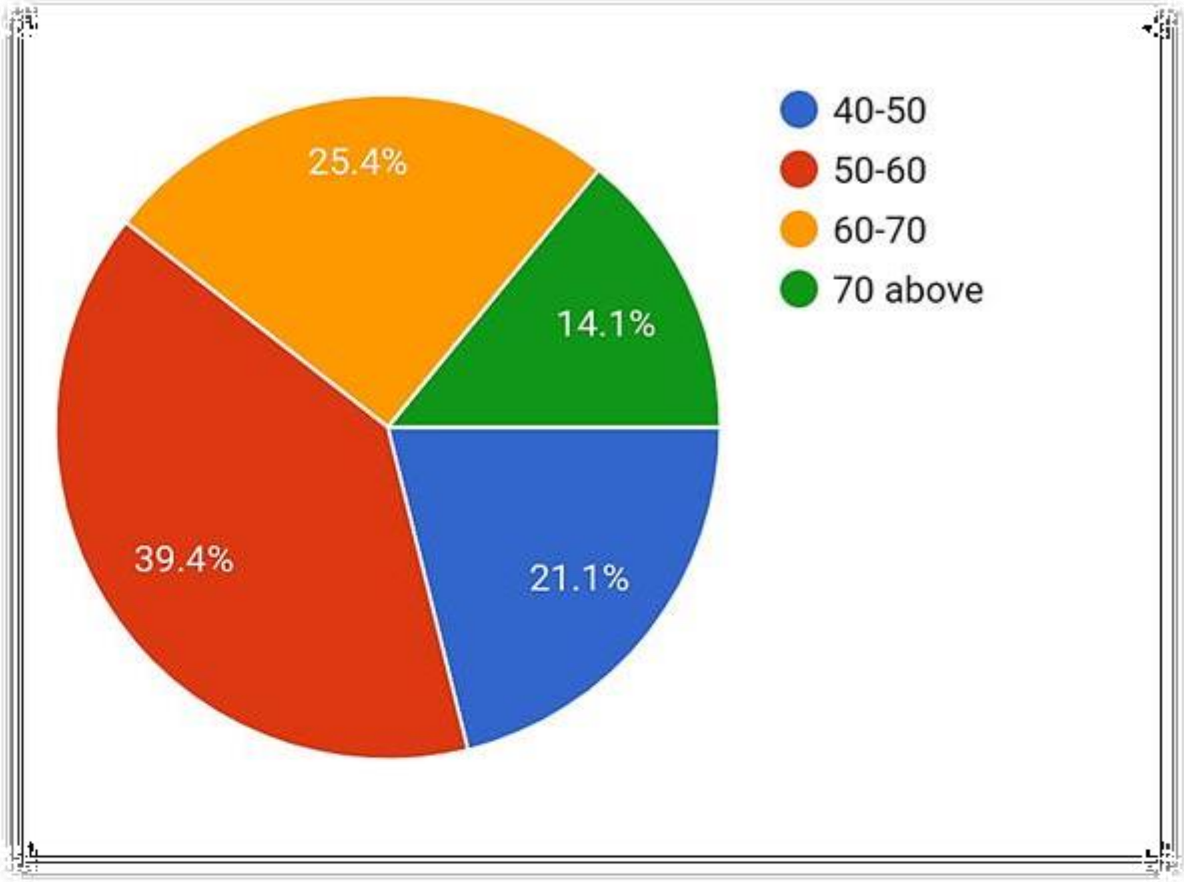
The above table shows the Occupation of the respondents. The respondents includes students, employees, retired persons, and other includes farmers, teachers housewife, worker, contractor etc. In that survey included student 35.8%, Employee 27.2%, Retired Person 16%, and other is 18% out of 100 respondents.

Table.4.3. Respondents retirement age:

Retirement age	Frequency	Percentage
40-50	21	21.1%
50-60	40	39.4%
60-70	25	25.4%
70 Above	14	14.1%

Source: By Primary data

Chart 3: Retirement age of respondent



Source: By Primary data

Interpretation:

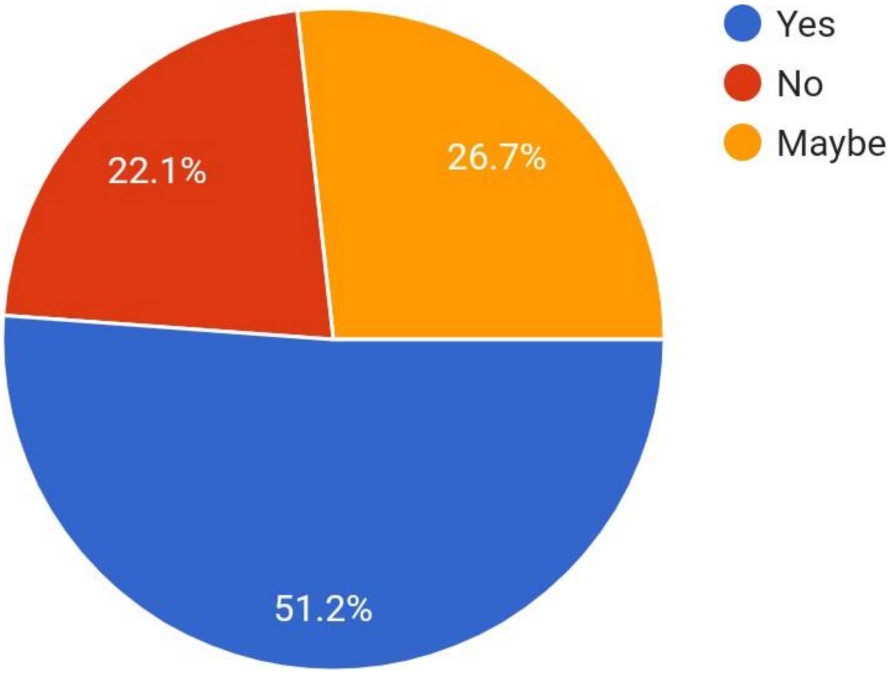
In the above chart shows the retirement age of the respondent. The respondent under 40-50, 50-60, 60-70, and 70 above. The survey includes 40-50 21.1%.,50-60 39.4%,60-70 25.4%, 70 above 14.1% out of 16 retired persons.

Table.4.4 Are you aware about retirement plans and benefits?

Awareness	Frequency	Percentage
Yes	51	51.2%
No	22	22.1%
May be	27	26.7%

Source: By Primary data

Chart 4: Awareness about retirement plans and benefits



Source: By primary data

Interpretation:

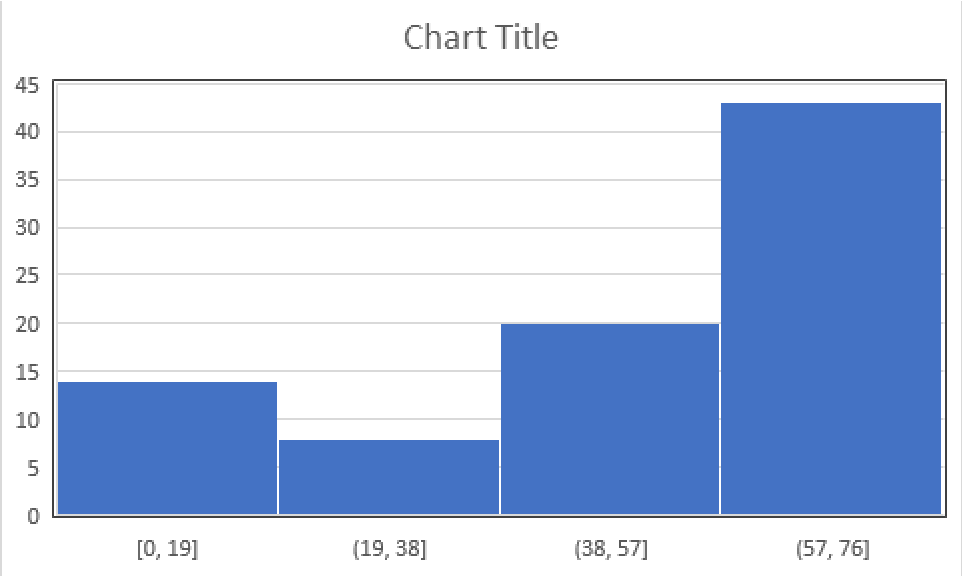
The above table shows about the awareness among the respondents about retirement plans and benefits. More than 50% of the respondents are aware about the retirement plans and benefits.22,1% respondents are not aware about plan and benefits.26.7% respondents are not sure about this answer. This indicates that the 30%-40% respondents are not aware about retirement plans and benefits .

Table.4.5. At what age you decided for retirement ?

Ans:____________________

Source : By Primary data

Chart 5:



Source: By primary data

Interpretation:

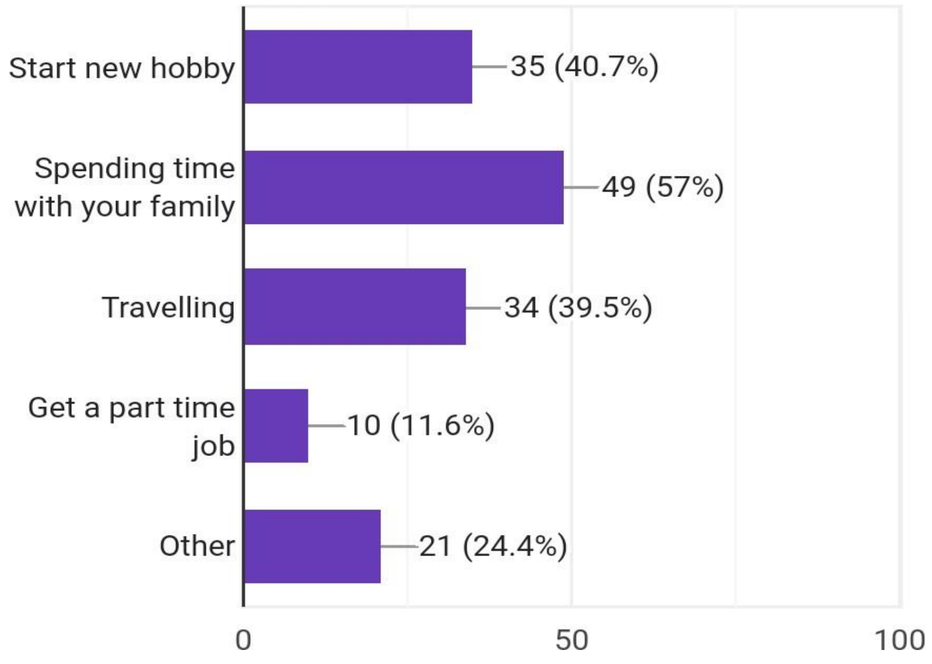
The above table gives the information about where did the respondents decided their retirement age. 14% respondent decide their age at only age of 19 that's really good I can say. They know the importance of retirement. 7-8% respondent decided their age between 19-38. 20% respondent decided their age between 38-57.43% respondent decided their age between 57-76.This indicant that so many respondent decide their age after the age of 50.

Table.4.6. What will you do after retirement? (Multiple choice)

After retirement	Percentage
Start new hobby	40.7%
Spending time with family	57%
Travelling	39.5%
Part time job	11.6%
Other	24.4%

Source: By primary data

Chart 6:



Source: By Primary data (Multiple Choice)

Interpretation:

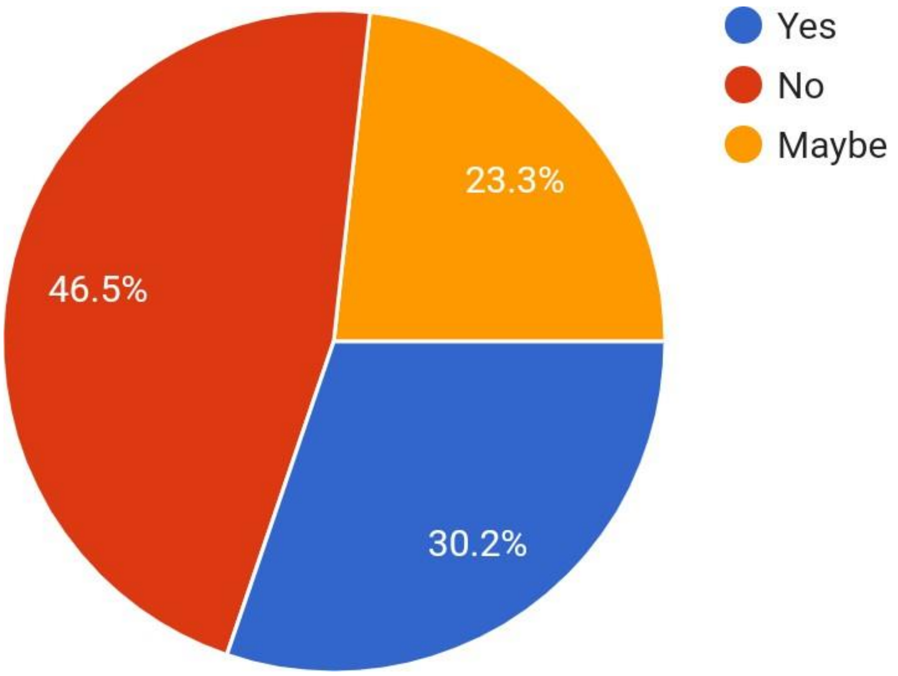
In the above table Indicate about the what after retirement by respondents.40.7% respondent start their new hobbies.57% respondent spending time with their family.39.5% respondent Travelling.11.6% get part time job.24.4% respondent going with other activities.

Table.4.7. Are you aware about new retirement rules?

'Awareness of new rule	No of respondent	Percentage
Yes	30	30.2%
No	47	46.5%
Maybe	23	23.3%

Source: By primary data

Chart 7: Awareness of new retirement rules



Source: By Primary data

Interpretation:

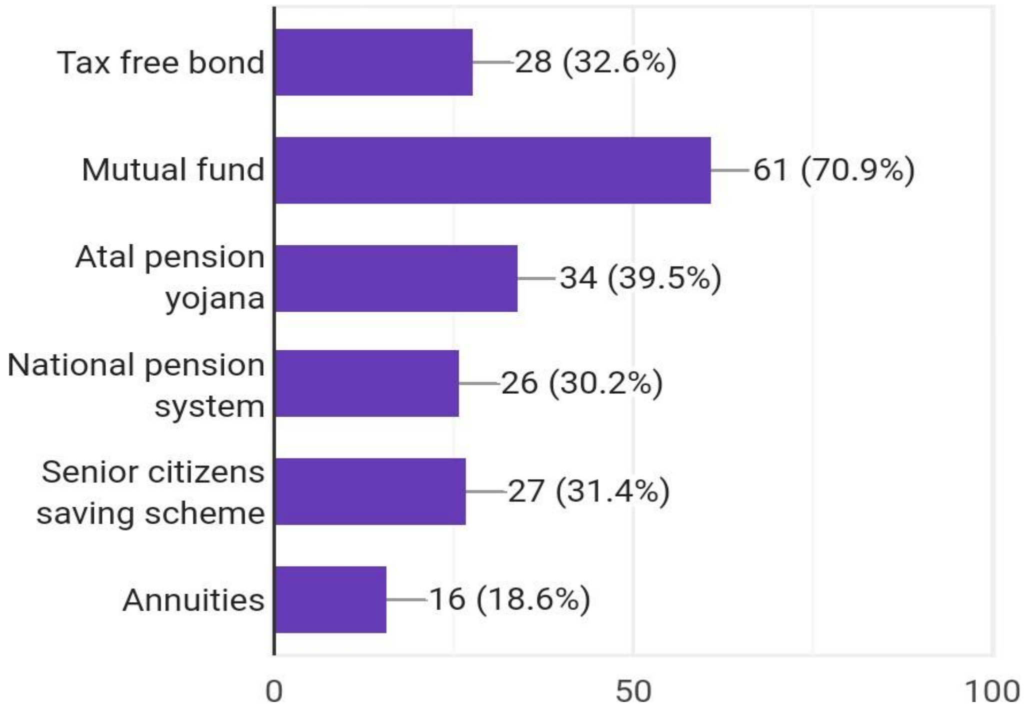
In this table indicate about awareness of new retirement rules among the respondents.30.2% respondents are aware about the new retirement rules.46.7% respondents are not aware about new rules, and 23.3% respondents are not sure about answer. We can say that half of the respondents are not aware about new retirement rules.

Table.4.8. What investment options you know about.(Multiple choice)

Investment Options	Percentage
Tax free bond	32.6%
Mutual fund	70.9%
Atal pension yojana	39.5%
National pension system	30.2%
Senior citizen saving scheme	31.4%
Annuities	18.6%

Sources: By Primary data

Chart 8: Investment option Know by respondents



Source: By primary data (Multiple choice)

Interpretation:

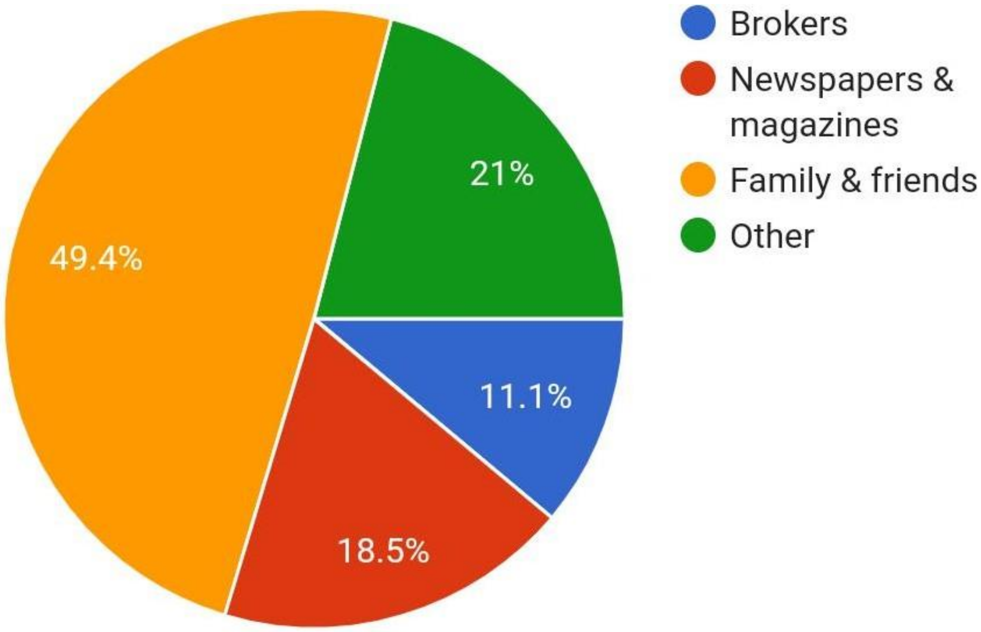
This chart indicate Investment options know by respondents. In that 70.9% respondent were aware of the mutual funds,39.5% Atal pension yojana, 32,6% tax free bond,31.4% senior citizen saving scheme, 30,2% national pension system and last 18.6% annuities. It means Majority of respondents aware about mutual fund whereas tax free bond & Atal pension are the second importance.

Table.4.9. Who advice you to seek on your investment decisions:

Sources	No of respondent	Percentage
Brokers	11	11.1%
Newspaper & magazines	19	18.5%
Family & Friends	49	49.4%
Other	21	21%

Sources: By primary data

Chart 9: Investment decision advice



Source: By Primary data

Interpretation:

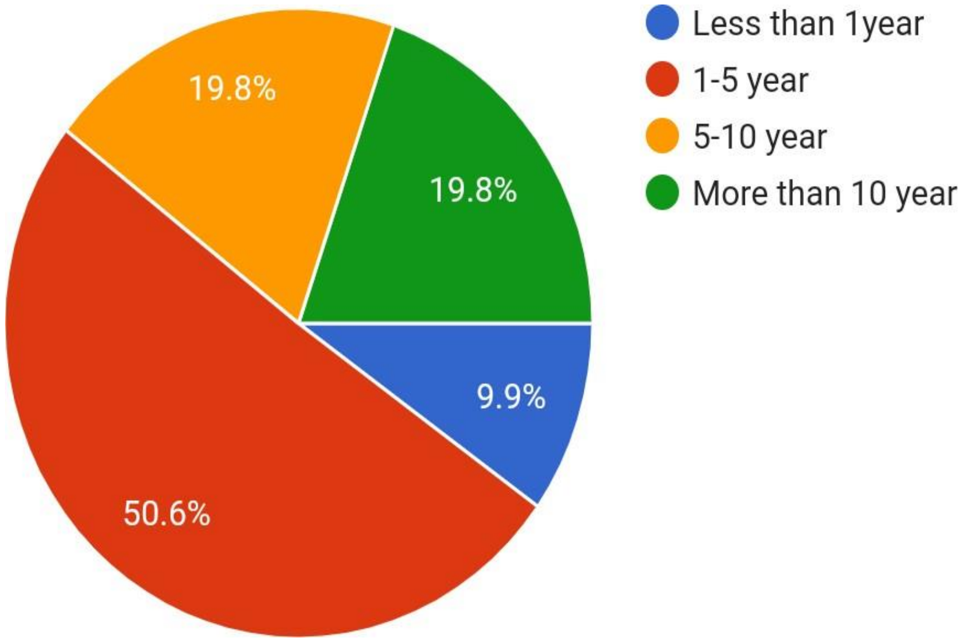
From the above table ,it was found that 49.4% respondents take investment decision based on their family members and friend.11.1% on bases of broker,18.5% on bases of newspaper & magazines and 21% by other options. It can be stated that majority of the respondents are influenced by their family & friends.

Table.4.10. What is your investment horizon?

Source	Frequency	Percentage
Less than 1 year	10	9.9%
1-5 year	50	50.6%
5-10 year	20	19.8%
More than 10 year	20	19.8%

Source: By primary data

Chart 10: Investment horizon



Source: By primary data

Interpretation:

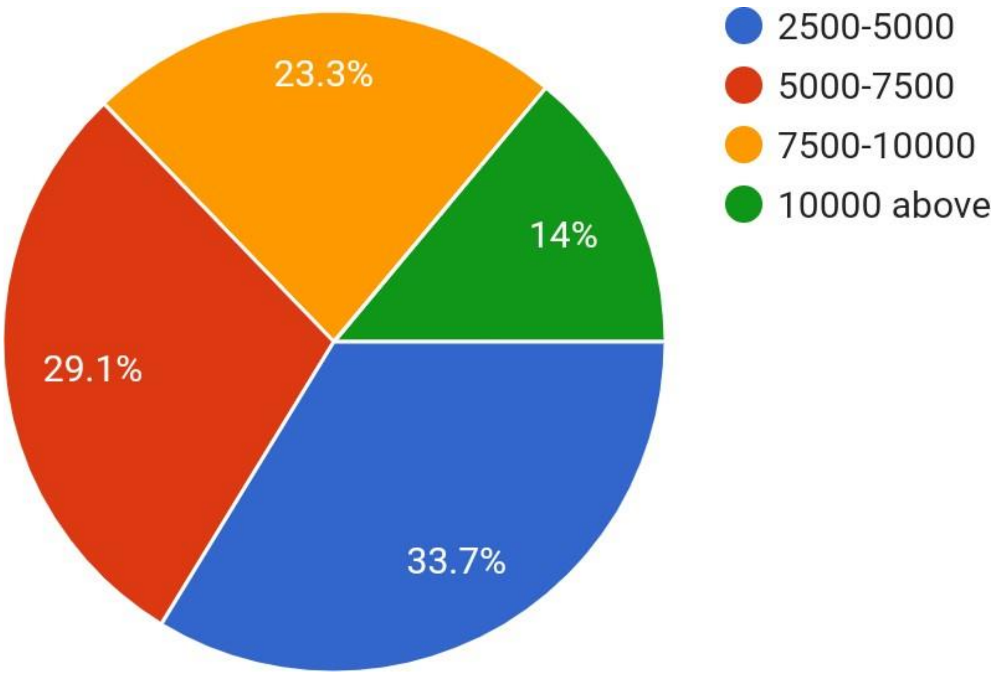
In this table, it was found that 50.6% respondent invest their money for the period 1-5 years.19.8% for the period of 5-10 year, 19.8% for the period of more than 10 year and 9.9% of less than 1 year. Thus, it can be conducted that majority of the investors invest the money for the period of 1-5 years.

Table.4.11. How much money you can afford to spend monthly once you retired?

Source	No of respondent	Percentage
2500-5000	34	33.7%
5000-7500	29	29.1%
7500-10000	23	23.3%
10000 above	14	14%

Source: By Primary data

Chart 11 : how much money you can afford once you retired



Source: By Primary data

Interpretation:

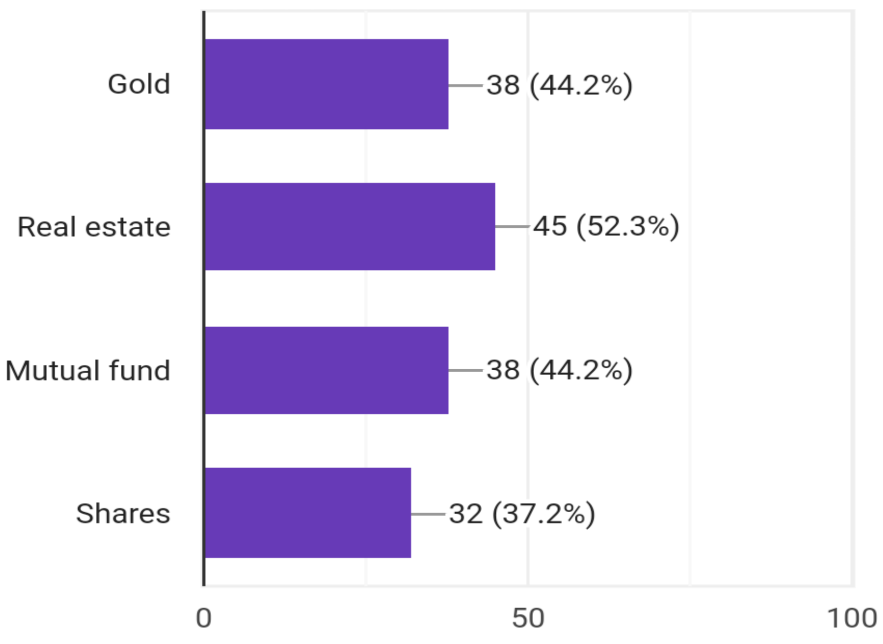
This chart shows that how much money respondents spend monthly after retirement.33.7% respondent spend their money after retirement upto 2500-5000 monthly.29.1% respondent spend 5000-7500 monthly.23.3% respondent spend 7500-10000 monthly and 14% respondent spend 10000 above.

Table.4.12. Where will you invest your money after retirement ?(Multiple choice)

Source	Percentage
Gold	44.2%
Real estate	52.3%
Mutual fund	44.2%
Shares	37.2%

Source: By primary data

Chart 12:



Source: By primary data

Interpretation:

In this survey it was found that 52.3% respondent invest in real estate,44.2% respondent invest in gold same in mutual fund. Thus it can be stated that maximum respondents choice or interest in real estate. And then gold and mutual fund is 2nd choice.

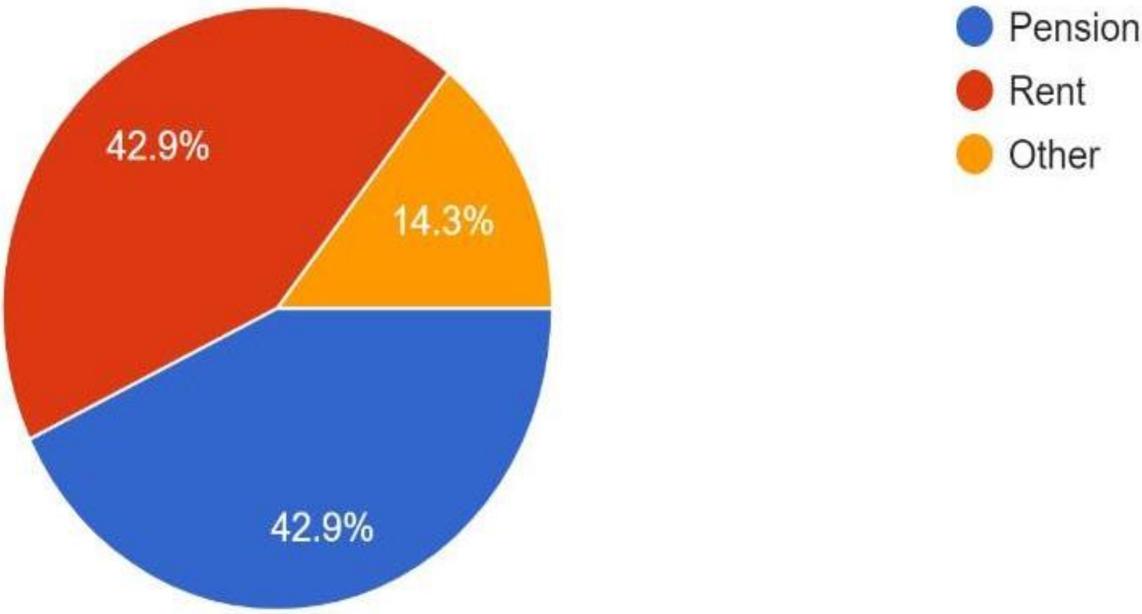
Q.13. What is your income source once you retired?

Ans:

Income Source	Frequency	Percentage
Pension	43	42.9%
Rent	43	42.9%
Other	14	14.3%

Source : By primary data

Chart 13 :



Source : By primary data

Interpretation:

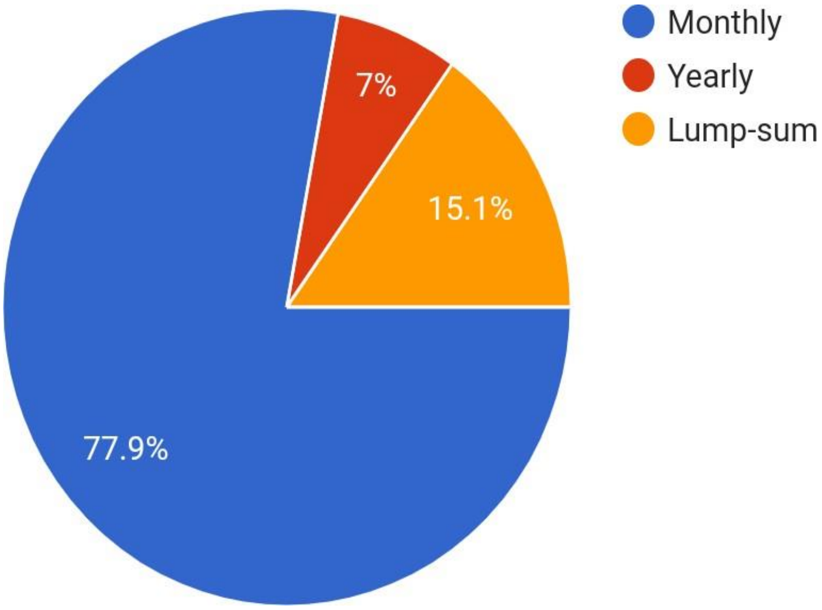
In this table indicate about income source once you retired.42.9% respondents income source is pension and rent both.14.3% respondent are have other option.

Table.4.14. How you getting your pension ?

Source	No of respondent	Percentage
Monthly	78	77.9%
Yearly	7	7%
Lump-sum	15	15.1%

Source: By primary data

Chart 14:



Source: By primary data

Interpretation:

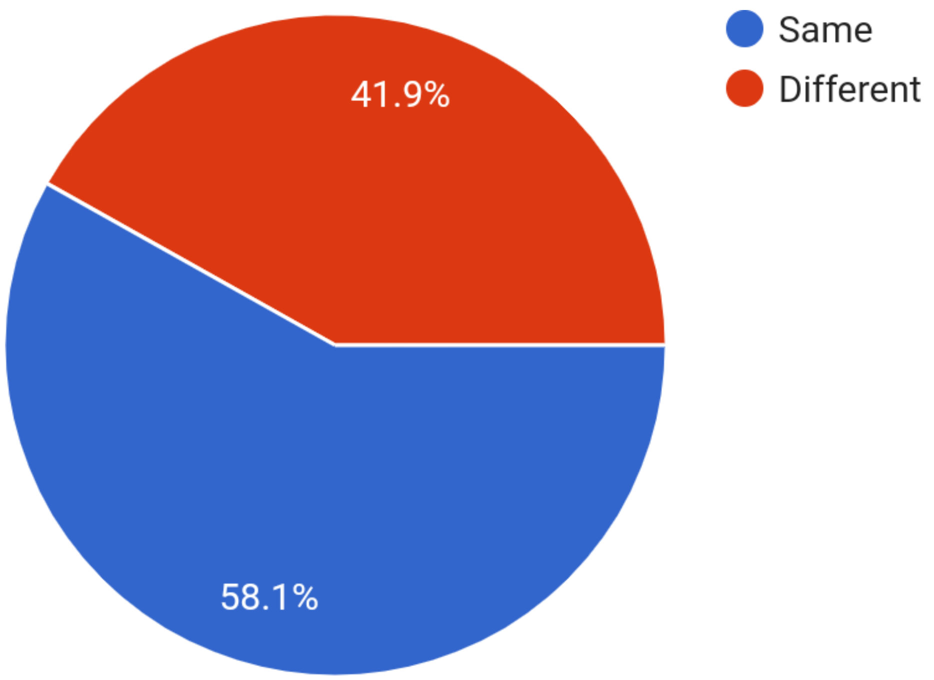
From the above table & chart , we found that 77.9% respondent get their pension monthly bases. 7% in yearly and 15.1% in lump-sum. Thus it can be stated that majority of the respondent get their pension in monthly bases.

Table.4.15. Retirement benefits for men and women are same or different .

Source	Frequency	Percentage
Same	58	58.1%
Different	42	41.9%

Source: By primary data

Chart 15:



Source: By primary data

Interpretation:

From the above diagram, it shows that 41.9% respondents are aware about retirement plan for men and women are different. Thus,58.1% respondents are not aware about different plan.

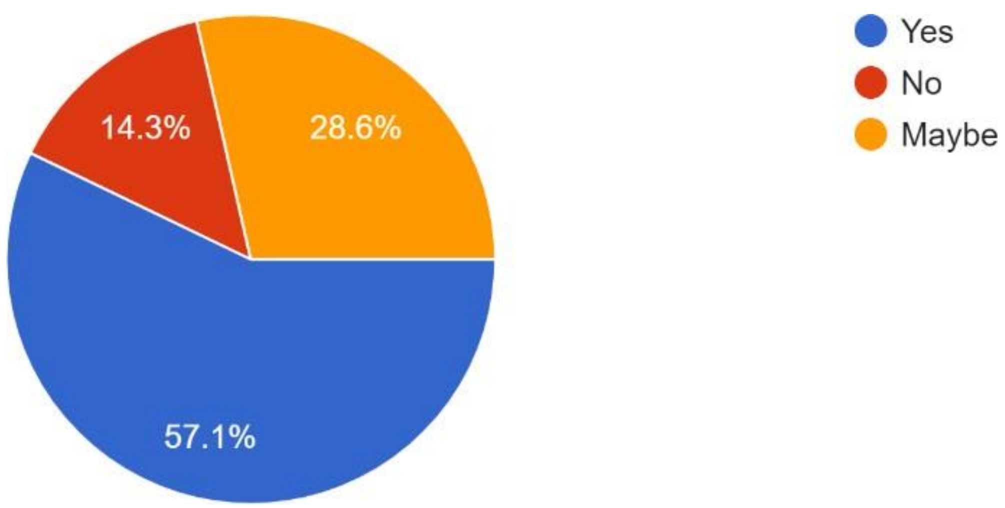
Q.16. Do you think retirement plans are important?

Ans:

Options	Frequency	Percentage
Yes	57	57.1%
No	14	14.3%
Maybe	29	28.6%

Source : By primary data

Chart 16:



Source : By primary data

Interpretation:

In this table indicate about retirement plans are important or not. 57.1% respondents say yes retirement plans are importatnt.14.3% respondents are says no for retirement plans, and 28.6% respondents are not sure about answer. We can say that half of the respondents are says retirement plans are important.

Gender quality for retirement benefits?

In a January 2020 survey, only about seven in ten workers were confident they would have enough to live comfortably in retirement, including 27 percent who were very confident in their ability to retire comfortably. This survey was taken before the economic impacts of the coronavirus pandemic, as were the data reflected in this report.

These t rends inordinately impact women. They tend to spend more t ime out of the workforce as a consequence of their caregiving responsibilities. Women earn less than men even when doing the same jobs and they more often work part-time or in jobs that do not offer retirement savings plans. As a result, women tend to accumulate fewer savings for retirement. At the same t ime, their longer average lifespan means that they will have higher retirement costs, both for everyday expenses and for necessary medical care.

Throughout history, working women have earned less than men at every level of education and across occupational categories. full-time female workers in 2018 were about 82 percent of those of their male counterparts: $45,097 compared with $50,653 respectively. A 20-year old woman just starting full-time, year-round work today stands to lose $407,760 over a 40 -year career compared to her male counterpart. When her male counterpart retires at age 60 after 40 years of work, she would have to work nine more years – until age 69, which is past Social Security's full retirement age – in order to close this lifetime wage gap. Since a large majority of older women today worked a significant portion of their careers when the pay gap was more pronounced, the cumulative impact during their working years has significantly impacted their ability to save for retirement.

Lower lifetime earnings lead to lower retirement wealth. The most important link is through Social Security, which provides over half of family income to 52 percent of the elderly and at least 90 percent of income to 25 percent of the elderly. Women receive Social Security benefits that are, on average, 80 percent of those men receive. Benefits are based on a person's 35 highest earning years. Women with long career interruptions risk not having 35 years with positive earnings, and the wage gaps noted above further reduce women's benefits. The motherhood penalty applies here, too: having a first child reduces a woman's Social Security benefits (through reduced earnings) by an average of 16 percent. Each additional child increases the gap by 2 percent. Women who leave work to care for an elderly family member not only lose wages, they also lose an average of $131,000 in lifetime Social Security benefits.Spouses (or ex-spouses, if the marriage lasted more than 10 years) can choose to receive benefits based on their own earnings history or to receive half of their spouse's benefit. Given the trends in employment, earnings, and marriage, women are increasingly choosing to receive their own benefits.

Lower lifetime earnings also reduce the amount of wealth women can accumulate from employer-sponsored retirement plans, which come in two forms—defined benefit (DB) and defined contribution (DC) plans. Typically, in a DB plan, retirement benefits are paid as an annuity and depend on the worker's job tenure and salary. In DC plans, an employee contributes funds to an individual account (with the employer potentially making a matching or other contribution). DC plan benefits come from the contributions and returns that accrue over time. Over the past several decades, DC plans (including 401(k)s) have increasingly substituted for DB plans, which are common now only for government and unionized workers.

The shift away from DB plans has helped women in a key sense: DB plans are designed for those with long, uninterrupted careers. Benefits generally do not vest immediately and are usually "back-loaded." That is, they require several years of job tenure to receive any benefit, and long job tenure is rewarded with disproportionately larger benefits. While the gap between job tenure for men and women has fallen over time, men still have longer job tenure on average. DB plans were designed to benefit workers with career jobs (who, several decades ago, were almost exclusively men). As a result, retired women are two-thirds less likely to be receiving annuity and employer-based pension income, and among recipients, women's benefits average two-thirds of the average for men.

DC plans tend to be less structured around job tenure and are portable. Workers are immediately vested in their own contributions and can take their accounts with them at job separation, which better fits women's work patterns. men and women working full-time, year-round in the private sector had nearly equal access to DC plans (45 and 46 percent, respectively) and equal take-up rates (81 percent). Vanguard data show that the average account balance for women was two-thirds the average for men, but almost all of this differencewas the result of wage differences rather than saving behaviour given earnings.

But managing DC accounts poses some new obstacles, too. First, women, on average, express more risk aversion and tend to hold overly conservative portfolios, which reduces the returns they earn on savings. In practice, the prevalence of target-date funds as default investments has helped women assume similar levels of risk (and returns) as men.

Second, DC plans often require participants to make active decisions about their contribution, investment, withdrawal, distribution, and rollovers. Automatic approaches to enrollment, escalation, investment allocation, etc., have helped people manage these accounts, but workers are still responsible for ensuring their own savings adequacy. As a group, however, women are less financially literate than men, though their financial literacy increases after their husbands' deaths.

Third, DC plans rarely pay benefits in the form of a stable monthly income stream. This hurts women, who—as discussed below—have longer life expectancies than men. Under a DB plan, women and men with identical earnings histories receive equal monthly payments, even though women are expected to live longer.

CHAPTER 5

FINDING AND CONCLUSION

5.1. Findings:

Following finding were generated from the study: -

- Maximum investors are aware of all the investment options but not aware about new rule.
- Investors do not invest in a single avenue. They prefer different avenues and maximum investors prefer to invest gold, real estate and mutual fund.
- Maximum investors want their investment grow at fast rate.
- The investment decision of investors is influenced through friends & relatives.
- Different factors considered by investors while investing is return, risk, tax
- benefits, capital appreciation and the most prominent factor is the return on any investment avenue.
- Majority of investors spend money in between 2500-5000 after retirement.
- Maximum investors invest the money for 1-5 years.
- The investors investing in different avenues are highly satisfied with the return
- generated by their investment option.
- Maximum investors have other investment policies.
- Most of the retired person get their pension in monthly basis.
- Majority of the respondents are not aware about the men and women retirement plans are not same they are different
- The most important factors are return which influenced the decision regarding investment.

5.2. Conclusion:

Retirement is no longer for the elders but now just as important to the younger adults. Each of the various phases help the individual get ready for retirement. The various phases in theblue collar occupation has affected due to changing economic forces. Most employers do not offer pensions and meet a certain percentage to the employees 401(k). The blue collar is finding it hard to retire at age 65 to receive their benefits due to the labor they work causing pain to their body.

In lieu of traditional retirement there are alternatives companies offersuch as sabbaticals, mini-retirements, focused career break, second careers and entrepreneurship. Alternatives allow a person to relax and enjoy a break. Retirement planning these days have affected the young adults due to most young individuals are finding it hard to save while paying student debt, not finding a career, health care, mortgage, and supporting their family. Lastly, retirement planning options affect a career selection in my opinion.

Today's retirement offers less benefits making it the individual's responsibility to save towards their 401(k). Employers not matching the individual's retirement contributions and employees are not saving enough towards their retirement. The individual in the end is going to look for a job with valuable benefits in today's economic crisis.

All your life you have worked Retirement you've earned No need to get ·up very early You will be able to sleep in Play golf, travel Take courses, relax Everything is allowed now Since you have much more time Love, friends Will continue to be part of your life But remember to think of yourself first Go to the hairdresser Buy nice clothes Have fun with your grandchildren You will be very good grandparents We can read on your face All the maturity you have acquired You can do what you want No one will stop you.

Recommendation:

Following were the recommendations of the study:

- The various investment tools which were mostly preferred by the investors were gold, real estate ,mutual funds etc. So, there should be various other means to create awareness regarding the potential of their instruments and the tools which can be more beneficial to the investors.
- The preferred time span of investment by the investors depends upon the need of the investor that whether they want to have early and high returns or wants to have stable returns, most probably the long- time span is suitable because the returns are high and safety is also there
- The satisfaction levels of various investors are different due to different investment alternative they opt for. If they will be aware of each type of alternatives and the worth of the alternatives, then investing as per that their satisfaction level will also be high.
- Investors should have the complete knowledge of Investment plans.
- The market is flooded with retirement plans. Here are a few things you must look at while selecting a plan to suit your needs and financial profile.

Suggestions :

- People should be more aware about retirement plans and benefits
- Awareness drives should be carried out to spread awareness about retirement benefits and plan
- People should be made in habit of getting knowledge about various investment option daily.
- Retirement plans should be built among the people
- Always know your retirement needs.
- Start saving, keep saving, and stick to.

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Annexure

Q.1 Name ___________

Q.2 Age _________________

Q.3 Gender

- ○ Male
- ○ Female

Q.4 Occupation

- ○ Student
- ○ Employee
- ○ Retired Person
- ○ Other

Q.5 Retirement Age

- ○ 40-50
- ○ 50-60
- ○ 60-70
- ○ 70 above

Q.6 Are you aware about retirement plans and benefits?

- ○ Yes
- ○ No
- ○ Maybe

Q.7 At what age did you decide for retirement?

Ans ______ _____________

Q.8 What will you do after retirement ?

- Start new hobby
- Spending time with your family
- Travelling
- Get a part time job
- Other

Q.9 Are you aware about new retirement rules ?

- Yes
- No
- Maybe

Q.10 What investment options you know about.

- Tax free bond
- Mutual fund
- Atal pension yojana
- National pension system
- Senior citizens saving scheme
- Annuities

Q.11 Who advice you to seek on your investment decision

- Brokers
- Newspapers & Magazines
- Family & Friends
- Other

Q.12 What is your investment horizon ?

- Less then 1 year
- 1-5 year
- 5-10 year
- More than 10 year

Q.13 How much money you can afford to spend monthly once you retired?

- 2500-5000
- 5000-7500
- 7500-10000
- 10000 above

Q.14 Where will you invest your money after retirement?

- Gold
- Real Estate
- Mutual Fund
- Shares

Q.15 Reason for selecting these options

Ans: ___________________

Q.16 How many retired members are in your family?

Ans _____

Q.17 What is your income source once you retired?

Ans _____

Q.18 How you getting your pension

- Monthly
- Yearly
- Lump-Sum

Q.19 Retirement benefits for men and women are same or different

- Same
- Different

Q.20 Do you think retirement plans are important?

Ans: ____________________

Q.21 Suggestion

Ans: ____________________