Sagicor

5 Ways to Have a Strong Retirement Plan

BY Krystal Penny Bowen Posted October 07, 2025

Planning for Retirement Starts Now

Planning for retirement is best when you are young, but it is even better when you are early or midway in your career journey. From research to debt consolidation, there are several areas to consider when saving towards your end-of-work life.

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1.Have a comprehensive retirement plan

If you were travelling on holiday, you would not leave home without a suitcase or spending money. Retirement is similar, it is impossible to have a comfortable life after work without preparation and idea of how much and for how long you will save and invest towards your future.

Your retirement plan should include the costs of your future expenses, income streams of retirement (like private pensions or Social Security), healthcare and lifestyle choices.

How much of a nest egg will I need each month during retirement?

Do I have any current savings and investments?

How much resources will I need after I retire?

This comprehensive plan can be created independently or with the assistance of a financial advisor. Remember that your goals should be SMART- Smart, Measurable, Achievable, Relevant and Time-Bound.

Example:

At age 25, John started a new job in accounts at a regional firm. He decided to
start a Registered Retirement Savings Plan (RRSP) with 3.7 percent interest for 40
Years. He will retire with about $268K by retirement

Benefits of RRSP include

- RRSPs are good saving tools with benefit of compound interest
- It is tax deferred -which means that you don't pay taxes until you make a withdrawal from the plan.

2.Consider the Age You Want to Retire and Its Impact on Benefits

How soon you retire will impact what type of life you have after leaving the workforce.

Example:

John has a friend Karl who wants to retire by age 50.

But there are disadvantages to retiring young

- Less money to support your lifestyle. Your pension will not be the equivalent of your current salary
- Penalties for early withdrawals

3.Think About Outstanding Debts and Automatic Withdrawals

At retirement, debt can drain your resources quickly. For many retirees, this is a time to scale down, pay off the mortgage, cut the excess and think more of how to live life on a budget.

Review your automatic withdrawals for subscriptions, loan payments and other expenses. While some of these withdrawals may be small, they can also add up over time and deplete your savings.

4.Research Retirement Investment Options

Provide practical advice on how to use or implement the concept.

Example:
John knows he has an RRSP but wants additional security for his retirement. He decides to invest in endowment plans, real estate, mutual funds and trade stocks and bonds online

Benefits of other financial sources for retirement

- Enjoy the power of compound interest and time horizon for mutual funds and stocks and bonds
- Diversification is good strategy for investing and retirement planning “don’t put all your eggs in one basket”
- Investing in a rental property can generate income and long term appreciation.

5.Plan for Healthcare and Unexpected Costs

Healthcare is rising and it is a significant setback for retirees. Staying well and preventing poor health can be an asset in retirement. Consider investing in health insurance and critical illness coverage as a safety measure. If possible, budget for medical emergencies and long term health costs

Final Thoughts

Retirement planning requires SMART goals and consistency. Your plan is unique to you. It will reflect your lifestyle choices, provisions for healthcare, future expenses and streams of income. Remember to consider the age of retirement, the impact of debts and automatic withdrawals, conduct research on your options and plan for healthcare costs.

While we are working, retirement seems like a long time away. But it is right around the corner. Remember to start early.

Take advantage of retirement plans privately and from your employer. Save frequently and consistently and explore as many investment options as possible. Are you ready to start your retirement plan?

Visit Barbados Segregated Pension Fund- Sagicor to learn more.