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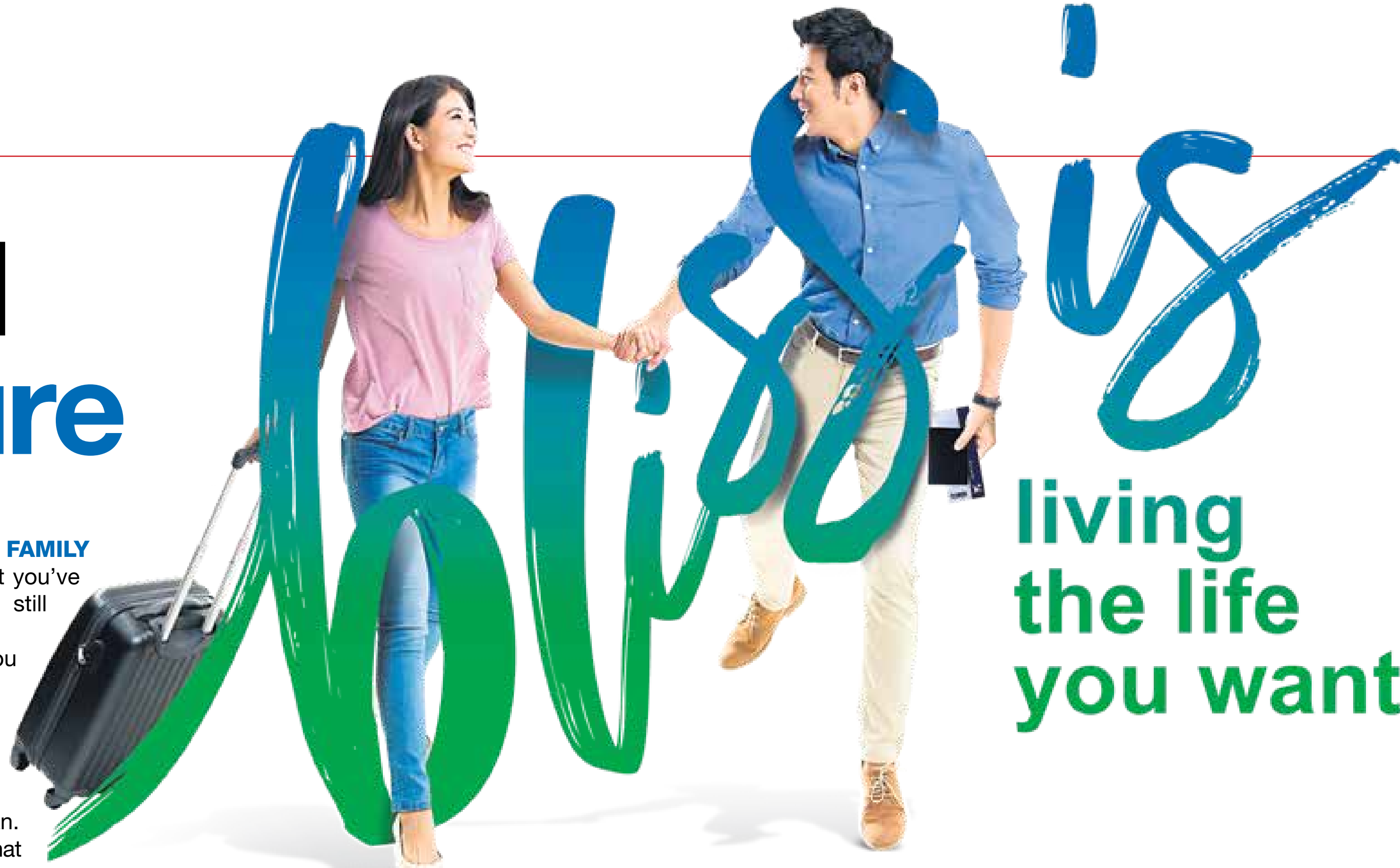
Save **now** and save your **future**



living the life you want

Long gone are the days when putting aside a portion of your salary every month suffices to grow your nest egg.

With inflation and varied demands of a modern lifestyle, having a well-thought-out plan that makes your savings work harder will go a long way towards reaching your financial goals.

Here are some valuable tips on how best to grow your wealth at different stages of your life.

WHEN YOU'RE JUST STARTING WORK

It is tempting to splurge on things you have been dreaming about when you receive your first pay check. The exhilaration of newfound financial liberty could lead to regret later in life if you don't manage your finances properly.

The most important advice at this stage is "Save First, Spend Later". Commit yourself to saving, say for instance, 20 per cent of your take-home pay and be prepared to make some sacrifices to meet the promise. A promise to your future self.

Even though your salary may not be as high as you would like it to be, your financial commitments are also fewer at this stage, which means you are in a good position to build a strong foundation for the future.

Plus, starting a savings plan early will maximise the compounding effect — meaning your money and accumulated interest earnings have a much longer time to grow. Assuming a nominal rate of return of 5 per cent per annum, an investment of just $100 per month snowballs into $43,103 after 20 years.

With Singaporeans' average life expectancy forecast to rise to 85.4 years in 2040, it is never too early to start growing your nest egg.

WHEN YOU'RE STARTING A FAMILY

The sound financial habits that you've picked up earlier on in life still apply here.

The difference now is that you are likely to be earning more, but having more financial commitments. Chances are you have several loans to pay off, from your housing and renovation loan, to your car loan.

You may have credit cards that you use regularly. Avoid going over the limit on your credit card and always pay off your bills on time, as they incur high interest rates.

Despite having more financial responsibilities at this stage, you should continue to save a certain percentage of your salary — make sure you set a sustainable amount and keep to it. Ideally, you should have an emergency fund — three to six months' of your monthly salary — at all times.

Many Asian parents tend to prioritise their children's needs over their own, investing large sums of money on their children's future. But this could leave the parents vulnerable in old age. So strike a balance — while it's important to provide for your children, you should also build up your retirement fund.

WHEN YOU'RE PREPARING FOR RETIREMENT

If you have about 10 to 15 years before you enter your retirement, any savings you have at this point should be dedicated to building up alternative income streams to supplement payouts from your Central Provident Fund (CPF) savings so that you can live your dream lifestyle in your golden years.

A survey released last month (May) by the National University of Singapore's Lee Kuan Yew School of Public Policy found that relying solely on basic retirement payouts from CPF cannot meet the retirement needs of many Singaporeans.

This is the time to continue to take good care of your health and stay active to reap the benefits of prudent and savvy financial choices you made earlier in life.

CHOOSE THE BEST SAVINGS PLAN FOR YOURSELF

China Taiping Insurance (Singapore) offers a selection of plans to suit different needs and financial situations.

For those who need maximum flexibility, i-Cash savings plan lets you choose a premium payment term of five, eight, 10 or 15 years. i-Cash provides guaranteed yearly cashbacks equivalent to 2.5 per cent of the basic sum assured right after the premium payment term, and a lump sum maturity benefit at age 85.

Take this scenario: A 40-year-old man wants to create an additional yearly income stream of S$3,600 to supplement his lifestyle at his later life stages. He takes up i-Cash with yearly premium of S$18,578 for five years (*see table above*).

Another capital-guaranteed plan is i-Wealth Builder, which guarantees a yearly cashback equivalent to 8 per cent of the basic sum assured for six years starting from the second policy anniversary. It guarantees 100 per cent of your total premiums upon policy maturity after eight years.

There is also i-Save, a single premium three-year capital-guaranteed savings plan, which provides a guaranteed return of 2.28 per cent per annum with premiums starting from S$20,000.

i-Cash Key Benefits	Payout
Total Yearly Cashbacks received over 40 years	S$144,000*
Maturity Benefit	S$118,437*
Total Payout	**S$262,437** (equivalent to 282%* of premiums paid)

** Based on Illustrated Investment Rate of Return (IIRR) of 4.75% p.a.. For an IIRR of 3.25% p.a., the values are: maturity benefit = S$108,962, total yearly cashbacks received over 40 years = S$91,200, total payout = S$200,162, Total Payout / Total Yearly Premiums = 215%. The actual benefit payable may vary according to the future performance of the Participating Fund.*

China Taiping FunRun 2019, in support of The Straits Times School Pocket Money Fund

With a strong heritage of over 80 years in Singapore and a high financial strength rating of "A" by A.M. Best, China Taiping Insurance (Singapore) remains as dedicated as ever to the well-being of her customers by providing both life and general insurance solutions catering to their needs.

China Taiping FunRun 2019 is back for its second year. All proceeds collected from the registration will be donated to The Straits Times School Pocket Money Fund for underprivileged children.

Run for a good cause. Sign up for the run by scanning the QR code or via **https://funrun.cntaiping.sg/**

CHINA TAIPING FunRun