



# Dos and don'ts of retirement planning

**Monitor your pension contributions and investments regularly before you retire**

*"Your retirement is an opportunity to live out your dreams and take care of your family. Don't leave it to chance." – Chris Hogan*

Many Ghanaian retirees are surprised when they receive their first monthly pension payout. Their surprise is usually because the amount received was much lower than expected considering their salary and/or the number of working years. Failing to monitor everything that concerns your retirement could result in unpleasant surprises when you retire. You should take the pains to find out whether your pension contributions are being paid, how much you could receive as monthly pension and importantly, how you can build a retirement fund to provide an additional source of income at retirement.

Let's look at why you need to keep your eye on these as you plan towards retirement and how you can do that easily.

## Why regular monitoring is necessary

It may already be too late if you wait until you turn 55 to take your retirement seriously. Planning for your retirement is ideally a process that spans the whole of your working life. This is because your retirement could last for many years and has many components (finances, health, accommodation, etc.), which must all be factored in your preparation before retirement. When it comes to financial planning, the two things you must keep your eyes on are **your pension contributions** (Tiers 1, 2 & 3, if applicable) and your **retirement fund**.

**Regular monitoring helps you to detect and rectify issues in time.** If your employers are not paying your SSNIT contributions, you should be able to correct it as soon as possible rather than waiting to discover it only when you change jobs. Again, regular monitoring allows you to determine if your retirement fund is growing at an acceptable pace and seek advice, if necessary. You may need to rebalance your portfolio or choose another fund and these must be done in time.

Also, **regular monitoring will help you escape the surprise that many retirees experience when they receive their first monthly pension payout.** Knowing how much you can expect to receive (and how your retirement fund has grown) is vital for your mental and physical health. You don't want to have an expectation of GHC 5000 and end up receiving GHC 500.

Related to this is that **knowing what to expect will help you to make realistic plans for your retirement.** Many workers dream of travelling the world, building mansions or starting a chain of businesses when

they retire, forgetting that these plans are capital-intensive. When they realize their pension can never fund their dream lifestyle, they end up spending their retirement in regret and depression. Meanwhile, regular monitoring would have informed you to invest more or perhaps adjust your dreams to less expensive choices, such as travelling to just one country instead of to the whole world.

## **How do I monitor my contributions or investments?**

### ***SSNIT pension contributions***

You can also easily check your pay slip to check if your SSNIT deductions are being made. But it is safer to crosscheck with SSNIT as some employers can state this without making payments. You can check your pension contributions at a SSNIT office or online. Here are the steps if you want to do that online:

- Request a portal identification number from SSNIT. You can do this at any SSNIT branch near you, by calling 0302 611 622 or by sending a mail to [portalid@ssnit.org.gh](mailto:portalid@ssnit.org.gh)
- Login to the SSNIT website ([www.ssnit.org.gh](http://www.ssnit.org.gh))
- Set up your security credentials
- Check your contributions and benefits. Your contributions made so far as well as the pension benefits you qualify for will be indicated.

The SSNIT Pension Calculator on their website can also give you an idea of how much you could be receiving as monthly payout when you retire.

### ***Investments***

- Regular monitoring of your investments can easily be done by checking your balance or statements. Remember, however, that depending on the type of investment, you may witness some volatility (especially with equity or balanced funds). It is, therefore, important to make sure you match your investments with your risk tolerance so there are no unhappy surprises. Do not just follow returns; speak to an investment advisor.
- You can also monitor the performance of the fund. This is usually made available to investors as Fund Facts Sheets. The historical performance of the fund will give you a better idea of what to expect and whether the fund is suitable for you as a retirement fund. Databank's Fund Facts Sheets are available at [www.databankgroup.com](http://www.databankgroup.com) (Go to Resources tab). You can also easily access it [here](#).

## **Secure a comfortable retirement through regular monitoring**

A comfortable retirement doesn't happen by chance. It takes the combined effort of you and your retirement partners. At Databank, we are eager to partner you on this journey and help you enjoy your dream retirement. One way you can also play your role is by regularly monitoring your pension contributions and your investments. Together, we can work towards a comfortable retirement. If you have any questions or would like some advice, contact Databank via phone on 0273 834440 or via email at [newmont@databankgroup.com](mailto:newmont@databankgroup.com).

**Retirement planning is easy with Databank. Let's face it together.**

**You may be wondering...**



**What should I do if I realize my employer is not paying my SSNIT contributions?**

Your employer's obligation is to register you as soon as he or she employs you; your obligation is to ensure that your contributions are being paid. You should discretely report your employer to SSNIT on 0302 611622 if you notice a discrepancy in payment and they will take the necessary action.



**Invest wisely. Invest with Databank.**



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