



# RETIREMENT PLANNING

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## A BIBLICAL PERSPECTIVE

*“...and let us run with perseverance the race marked out for us.”  
Hebrews 12:1*

The Bible is virtually silent on the concept of retirement and makes no mention of ceasing work at age 60 or 65.

Retirement should not be looked upon as the end, but rather as a new season. It is the start of the next phase of your service in God’s kingdom. With proper planning, you can have the financial freedom to use your talents and abilities to fulfil God’s purposes for your life, even after your primary career is completed.

In an uncertain world, investors can often be overly optimistic in their expectation of investment returns and believe that there is no need to plan and save for a leaner future. Alternatively, they may feel that the equity in their property will be enough provision in retirement without understanding what their requirements will be and the true implications of relying on the family home. In contrast, some investors are so aggressive when it comes to their retirement savings that they rob themselves (and their families) of opportunities to enjoy life and be generous towards others. Neither extreme is healthy nor reflects wise stewardship. Wisdom and prudence are needed to achieve the right balance between what is needed now and what is needed in the future.

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## RETIREMENT PLANNING - INTRODUCTION

### Definition

Retirement Planning is the preparation for life in retirement i.e. a period in which you are not reliant on earnings from work for an income. Trinity Wealth Management also refer to this as *planning for financial independence*.

The key vehicle that is used for Retirement Planning is a pension. These come in many shapes and sizes, but the primary benefit of all pensions is the favorable tax treatment of contributions into and of the pension fund itself.

### Background

- Thousands of people retire in the United Kingdom every month.
- People are living longer and longer.
- For several decades now the UK government has cut back on the provision of State pension to the point where it is one of the lowest in Europe.
- You have the opportunity and responsibility during your working life to plan for your retirement life. The *distribution phase* following the *accumulation phase*.
- In planning for your retirement, it is essential to establish your goals and objectives in this area, hard though this may sometimes be. The key issues being, when you would like to retire and what your income requirements will be.
- Retirement planning involves structuring your current finances now so that you can begin to provide/save/invest for you retirement and ultimately have sufficient funds on which to draw during that period (or those periods) of your life when you cease earning.
- Saving/investing towards your retirement should be done in a tax efficient manner, maximizing the returns over time.
- One should start as soon as possible, taking a long-term view. In doing so the overall costs to achieve your goal are reduced due to cumulative growth.

The fear of having insufficient resources in retirement is very real for many people – even though it is possible to make good provision with careful planning.

### The Objective of Retirement Planning

To establish a plan that will, by the provision of pension and investment income, enable you to cease or reduce your need to earn at a chosen age. This will then release you to fulfill your other goals and God's plan for your life.

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## PREPARING FOR RETIREMENT

### Key Steps of Retirement Planning

1. Spend time with God first and ask for guidance.
2. Decide *when* you plan to retire.
3. Calculate *what* provision you will require in retirement.
4. Calculate *how* this can be achieved.
5. *Structure* your spending habits to free up funds to support this goal.
6. Have written *plans*.
7. *Review* regularly – at least annually.

### Key Questions to Consider

#### In the Early Years:

- At what age do I (we) wish to achieve financial independence?
- At what age do I wish to cease work and why?
- How much income do I need in retirement?
- How will I provide for this?
- Is this a realistic proposition / Does this need to be reconsidered?

#### In the Later Years:

- Should I/Can I afford to retire from my current occupation?
- How would retiring from this occupation help me to fulfil God's purpose for my life?
- What will I do next?

### Trinity's Role

The role of Trinity Wealth Management is to help you through this process from start to finish, identifying the most efficient and effective ways of arranging your finances now to enable you to achieve your goal of having sufficient provisions in retirement or to reach the stage of financial independence. Having a financial plan in place will help you to know exactly where you are, exactly what you are aiming for and how you are going to get there, which will in turn help you to remove any fears that you may have and bring you peace of mind.

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## WHAT THE BIBLE SAYS

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### Scriptural Insights on Retirement

- “Go to the ant, you sluggard; consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest.” **Proverbs 6:6-8**
- “Then I realized that it is good and proper for a man to eat and drink, and to find satisfaction in his toilsome labour under the sun during the few days of life God has given him - for this is his lot. Moreover, when God gives any man wealth and possessions, and enables him to enjoy them, to accept his lot and be happy in his work - this is a gift of God. He seldom reflects on the days of his life, because God keeps him occupied with gladness of heart.” **Ecclesiastes 5:18-20**
- “Serve wholeheartedly, as if you were serving the Lord, not men, because you know that the Lord will reward everyone for whatever good he does, whether he is slave or free. And masters (employers), treat your slaves (employees) in the same way. Do not threaten them, since you know that He who is both their Master and yours is in heaven, and there is no favoritism with Him.”” **Ephesians 6:7-9**
- “I press on towards the goal to win the prize for which God has called me heavenwards in Christ Jesus.” **Philippians 3:14**
- “...and let us run with perseverance the race marked out for us.” **Hebrews 12:1b**
- “A faithful man will be richly blessed but one eager to get rich will not go unpunished. A stingy man is eager to get rich and is unaware that poverty awaits him.” **Proverbs 28:20-22**
- “The plans of the diligent lead to profit as surely as haste leads to poverty.” **Proverbs 21:5**
- “Suppose one of you wants to build a tower. Will he not first sit down and estimate the cost to see if he has enough money to complete it?” **Luke 14:28**