



The Retirement Number

A CLEAR, CONFIDENT PATH TO YOUR FUTURE LIFE

Every great journey begins with a destination.

Retirement planning is no different. When you know where you're headed, every step becomes purposeful, every decision becomes clearer, and every investment becomes a building block toward a life you truly look forward to.

At the heart of this clarity lies a powerhouse: your retirement corpus

This number represents the total amount you'll need by retirement to live comfortably, joyfully and independently for the rest of your life. It's a personalised figure shaped by your lifestyle, your aspirations and the future you envision for yourself.

Once you know this number, your financial life gains direction. You're no longer saving "because you should", you're saving with intention.



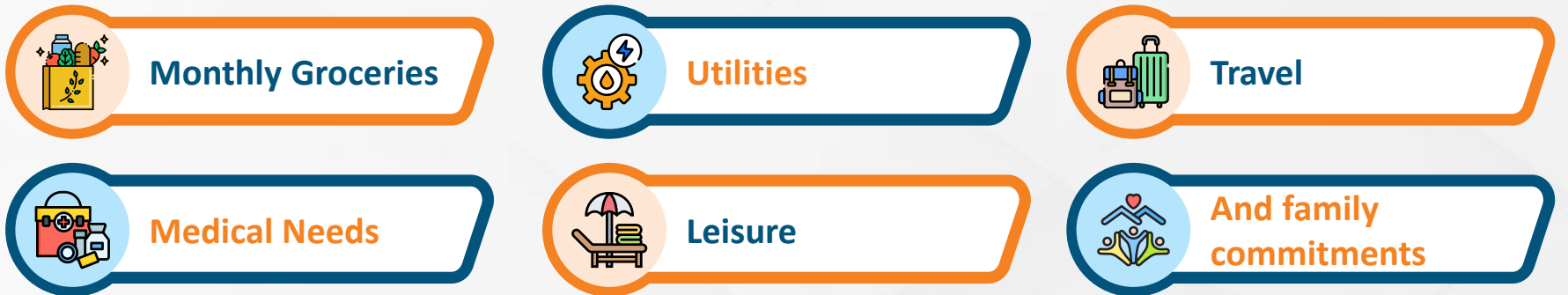
Understanding the Concept Through Real Life

To understand the retirement number, it helps to look at everyday life. Consider how people plan for a long road trip. They don't start by guessing how much fuel they might need. They begin with the destination. Once the destination is clear, everything else - route, fuel, timing falls into place.

Retirement planning works the same way. The retirement number is the destination pin. Once it's known, the journey becomes smoother, more intentional, and far more empowering.

Step 1 Start With Today's Lifestyle

Every household has a rhythm i.e.



These expenses form the foundation of one's lifestyle.
Understanding them is the first step toward calculating the retirement number.



For example, if a household spends **₹8 lakh** per year today, that becomes the starting point. It reflects the life they enjoy and the comfort they value.

Step 2 Project These Expenses into the Future

Just as the cost of a cup of tea or a movie ticket rises over the years, everyday expenses also grow with inflation. If someone is 35 today and plans to retire at 60, their expenses will grow for 25 years.

Assuming a 6% inflation rate, these expenses would rise to approximately **₹34 lakh per year**.

Here, **₹8 lakh** is the household's current annual expense, 1.06 represents a 6% annual inflation rate and 25 is the number of years until retirement.

$$8,00,000 \times (1.06)^{25} \approx ₹ 34 \text{ lakh / year}$$

This projection isn't meant to alarm, it simply acknowledges how life naturally evolves.

Step 3

Adjust for Post – Retirement Lifestyle

Retirement often brings a shift in spending patterns. Work related costs reduce, children become financially independent and people spend more time on meaningful activities – travel, hobbies, community, or simply enjoying slower mornings.

Most people find that they spend 70-90% of their pre-retirement expenses after retirement. If we assume 80%, this works out to approximately **₹27 lakh per year**.

In this calculation, **₹34 lakh** is the estimated annual expense at retirement and 0.8 means the household expects to spend 80% of that amount after retirement.

$$34 \text{ lakh} \times 0.8 = ₹27 \text{ lakh / year}$$

This becomes the estimated annual expense during retirement.



Step 4

The Safe Withdrawal Rate – A Simple, Elegant Idea

Here's where the concept becomes beautifully intuitive.

Financial planners use something called the **Safe Withdrawal Rate (SWR)** – the percentage of one's retirement corpus that can be withdrawn each year while keeping the wealth sustainable for life. Most experts consider **3% to 4%** a healthy range.

This leads to a clear formula

Retirement Number = Annual Expenses at Retirement ÷ Safe Withdrawal Rate

Using a 3.5% SWR

$$\text{Retirement Corpus} = \frac{27 \text{ lakh}}{0.035} \approx ₹7.8 \text{ crore}$$

This is the retirement number – a personalised, lifestyle-based target that reflects the future someone envisions.



Imagine someone planning a garden for the next 30 years. They would think about



The kind of plants they want



How much sunlight and water they'll need



How the garden will grow over time

The retirement number works the same way. It helps people understand how much “nourishment” their future lifestyle needs and how to prepare for it steadily and confidently.

One of the most inspiring aspects of the retirement number is how responsive it is to lifestyle choices. **A seemingly small increase of ₹1,00,000 in today's annual lifestyle can increase the required retirement corpus by nearly ₹1 crore over 25 years.**

This means small, thoughtful decisions today can create meaningful freedom tomorrow. It highlights the beauty of intentional living where each choice contributes to long-term comfort and independence.

A Takeaway that Stays

The retirement number is more than a calculation. It is a lens through which individuals can view their future with clarity and confidence. It transforms retirement from a distant idea into a well-defined destination – one shaped by personal values, lifestyle preferences, and long-term aspirations.



By understanding their retirement number, people gain



A clear sense of direction



A deeper connection to their financial choices



A roadmap that aligns today's actions with tomorrow's dreams

Most importantly, it empowers them to build a future where comfort, dignity and independence are not just hopes, they are planned outcomes.



And that is the true power of knowing one's retirement number

It turns the future into something beautifully intentional.

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