

## SAMPLE CALCULATION

|        |   |                                      |
|--------|---|--------------------------------------|
| STEP 1 | a. Number of years before retirement (age 35 to 60)   | 25                                   |
| STEP 2 | b. Present value of retirement expenses   | P 50,000 / month                     |
| STEP 3 | c. Future value of retirement expenses (at age 60)<br>(annual inflation – 3%)                         | P 104,689                            |
| STEP 4 | d. Other sources of retirement income<br>(SSS pension - P10,000/month, Part-time work: P15,000/month) | P 25,000                             |
| STEP 5 | e. Retirement income gap (c – d)  | P 79,689 / month<br>P 956,267 / year |
| STEP 6 | f. Retirement fund needed to cover gap<br>(retirement period – 20 years, rate of return – 5%)         | P15,636,352                          |
| STEP 7 | g. Retirement benefit lump sum  | P 2,000,000                          |
| STEP 8 | h. Retirement fund gap (f – g)  | P13,636,352                          |
| STEP 9 | i. Required savings (age 35 to 60) to reach target fund<br>(rate of return – 8%)                      | P 186,528 / year<br>P 15,544 / month |