

Long-term Care Plan

Be prepared. Start planning now so you can enjoy your retirement years with peace of mind. *By Aged Care Group*

Retirement is inevitable. However, not many Malaysians are making their retirement planning their priority.

Nothing can wipe out a retirement like a health problem. A sickness can take away your mobility, independence, and finances. So, are you financially ready for that eventuality?

Here's how you can build a comprehensive retirement planning, so you won't be left in a lurch if you need long-term care in the future.

90% of Malaysians aged 45 and over who want to retire, are unable to do so¹...

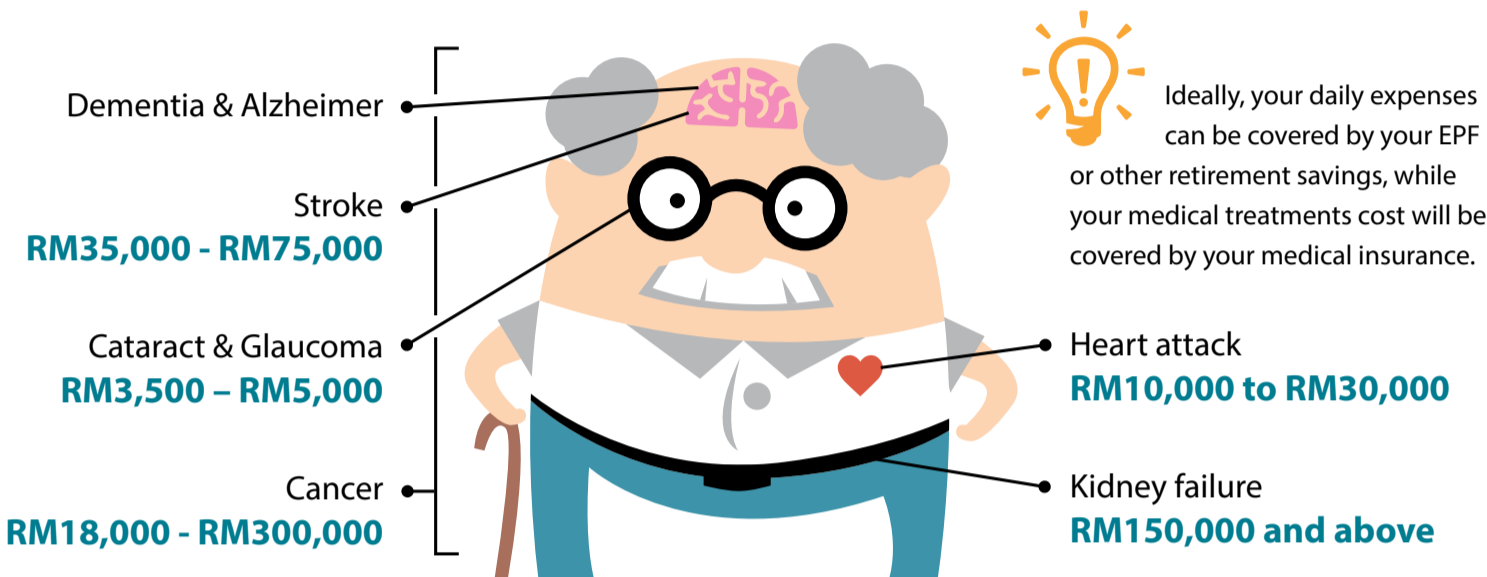
How does the future look like?



15% of population will be 60 years old and above by 2030²

10~15% p.a. medical inflation, which means higher medical costs³

What are the costs if you fall sick in your old age? ³



Daily expenses for at least 20 years	On-going medication & medical check-up	One-time cost of surgery/treatment	Long-term care cost
RM820/month⁵ minimum threshold set by EPF	At least RM235/session⁴ for Specialist consultation	Varies according to the disease	Varies according to dependency & needs

Cost of long-term care⁶



Independent living

Day care:
RM100/day
20 days per month
Annual costs
= RM24,000



Assisted living

Shared room:
RM2,000/month
Annual costs
= RM24,000



Dependent living

Shared room:
RM2,000/month
Consumable (diapers):
RM400/month
Annual costs
= RM28,800

Frightening figure? Here's what you can do NOW to ensure you cover all your bases in your golden years.

A COMPREHENSIVE RETIREMENT PLAN



Retirement Replacement Income

▶ How much do you need?
2/3 of your last drawn salary⁷
Save **33%** of your income



▶ How to save?
23% EPF
10% Unit trust, Private Retirement Scheme (PRS), etc.



Medical Protection

▶ **Medical insurance plan**

- High/Increasing annual limit
- No lifetime limit
- High coverage period (maximum 100 years)

▶ **Riders**

- Critical illnesses
- Personal accident
- Hospital income



Long-term Care

Unfortunately, your insurance does not cover long-term care.

You need to set up additional investment for your senior living costs.

▶ Alternatives:

CareTRUST™ – a living trust for your long-term care

- Minimum RM30,000 initial placement

Insurance

- Includes life & medical
- Single premium or regular premium

Other investments (unit trust, PRS)

- Important to ensure an average annual return of 8% to 10%

Source:

- 1 Survey conducted by HSBC
- 2 <http://www.thesundaily.my/news/1357641>
- 3 <http://www.thestar.com.my/business/business-news/2015/10/04/planning-for-healthcare-costs-in-retirement/>
- 4 <http://www.thestar.com.my/news/nation/2014/03/05/mma-med-fees-acceptable/>
- 5 <http://www.thestar.com.my/news/nation/2016/05/04/malaysians-not-saving-enough-for-retirement/>
- 6 Complement to home care: The need for elder day care centres in Malaysia by Aged Care Group, April 2014
- 7 http://www.oecd-ilibrary.org/finance-and-investment/pensions-at-a-glance-2011/net-pension-replacement-rates_pension_glance-2011-18-enjsessionid=4co7verioptk8.x-oecd-live-02

• Infographic by Aged Care Group Sdn Bhd | May 2016

Aged Care Group (ACG) is an organisation engaged in the business of elevating the aged care industry in Malaysia. Its vision is to innovate and transform the perception of ageing to create an ecosystem that provides an integrated care system. For more information visit www.agedcare.com.my or contact ACG at 03 – 2142 1666.