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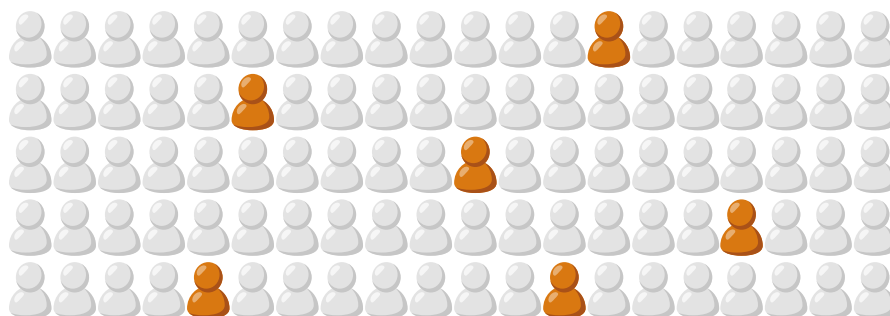
# Are you on track to retire comfortably?

## Retirement feels far away until suddenly it isn't.

When we picture retirement, many of us imagine freedom: time to travel, to rest, to enjoy family and life on our terms. But the reality for most South Africans looks very different.

According to National Treasury, only 6% of South Africans retire with enough income to maintain their standard of living. That means most investors retire without the financial security they had hoped for, often needing to adjust their lifestyle, delay retirement, or rely on loved ones, and sometimes all three.

Statistically, only 6 in 100 South Africans can maintain their standard of living in retirement.



Source: National Treasury.

## The uncomfortable truth

Whether you've already started saving for retirement – or are still planning to – the reality is the same:

**How much you save, and when you start all matter.**

For many South Africans, retirement saving either starts late, happens inconsistently, or falls short of what is ultimately needed.

Even if you are contributing to a retirement fund, saving alone does not automatically translate into a comfortable retirement.

**The real question is whether what you're putting away today will be enough to sustain your lifestyle tomorrow.**

Many investors aim to replace around 75% of their pre-retirement income – but reaching this level typically requires consistent saving over time. Starting early and contributing consistently can significantly improve outcomes. Lower contribution rates or delays in starting can make it much harder to reach your retirement goals.

Many retirees will need their savings to last 30 years or more, which makes planning for sustainable income essential.

If saving enough is the challenge, the next question becomes:

## So, how much is enough?

A practical way to think about retirement planning is through two simple numbers: 5 and 20.

# 5%

A prudent starting annual income drawdown in retirement.

# 20x

The approximate multiple of your final salary\* you may need saved to support that income - if you want to retire on 100% of your final salary.



### Key takeaway:

Retirement outcomes are shaped by a number of factors, including: how much you save, how early you start, and how consistently you stay the course.

\*If you are comfortable with a replacement ratio of 75%, then 15 times should suffice.

## Are you on track to retire comfortably?

This simple framework helps translate a complex question into something more tangible.

In his article, [Why 5 and 20 are the key numbers for retirement success](#), Paul Hutchinson explores this idea in more depth, suggesting that you can draw no more than 5% of your retirement capital each year, growing with inflation, in order for it to last for at least 30 years. On that basis, investors may need to accumulate savings of roughly 20 times their final annual salary to target a full income replacement. Reaching these goals depends not only on how much you save, but also on when you start.



### Key takeaway:

A clear retirement goal can turn an abstract idea into a practical, measurable objective.

## Why starting early matters

Time is one of the most powerful drivers of retirement outcomes.

The earlier you start, the more time your savings have to compound and the less you may need to contribute each month. Starting later often means saving significantly more to reach the same goal.

To illustrate the impact of starting early, the table below shows the contribution rates required to reach a target of 20 times your final salary by age 60:

### Retiring at age 60 with 20 times your final annual salary

When you start	% of salary needed
Age 20	~15%
Age 30	~30%
Age 40	~60%

Delaying your savings journey can make reaching your target more challenging – but it's never too late to act.

Even small increases today can have a meaningful impact over time, particularly when combined with a well-structured long-term plan.

Once you understand your target and the role of time, the next step is to take action.



### Key takeaway:

Time is one of the most powerful contributors to retirement success. Starting earlier can reduce the savings burden later.

# Practical ways to improve your retirement outcome

No matter where you are starting from, there are practical steps you can take to secure your financial future.

## 1 Increase contributions over time

If you are already saving, consider gradually increasing your contributions.

If you haven't started yet, beginning with an affordable amount and building over time can be a powerful first step.

## 2 Use tax-efficient solutions

Product solutions such as retirement annuities (RAs) and tax-free savings accounts (TFSA) can help your savings grow more efficiently by reducing the impact of tax over time.

Learn more about how these solutions work together in Why it pays to invest in an RA and a TFSA.

## 3 Stay invested

Long-term investing allows you to benefit from compounding – where your returns begin to generate returns of their own.

The longer you remain invested, the more powerful this effect can become.

While the two-pot system allows access to a portion of your retirement savings, frequent withdrawals from the Savings pot can significantly reduce your long-term outcomes by limiting the power of compounding.

## 4 Get professional advice

Retirement planning involves a number of moving parts, from contribution levels to investment strategy and income planning.

A financial advisor can help you bring these elements together into a plan that is aligned with your goals and unique circumstances.

If you don't already have an advisor, you can use our Find an Advisor tool to connect with a qualified professional.



### Key takeaway:

A well-structured plan, supported by ongoing advice, can make a meaningful difference to long-term retirement outcomes.

# Take the next step

Retirement planning is not about perfection. It is about progress.

Wherever you are starting from, taking the next step can help improve your long-term outcome. You may want to:

- start saving
- increase your contributions
- review your current plan
- understand how much you may need in retirement

**If you would like support in building or refining your plan, the [Ninety One Find an Advisor tool](#) can help you connect with a qualified professional.**



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