

Third Retirement Planning Workshop



Venue: RRCO Hall, Gelephu Thromde

Date: 21 to 22 September, 2017

Total Participants: 38

Resource Persons for the workshop

1. Khenpo Phuntsok Tashi, Director, National Museum of Bhutan, Paro
2. Dr. Chencho Dorji, Psychiatrist, JDWNRH
3. Dr. Tapas Gurung, Medical Superintendent, Gelephu RRH, MoH
4. Tenzin Norbu, Former Vice Principal, GLSS, Gelephu Thromde
5. L.B Ghallay, Former District Health Officer
6. Tshering Dorji, MoF
7. Kinzang Dorji, MoF
8. Sonam Deki, NPPF
9. Kesang Wangmo, RICBL

First Day

1. Emotional and Psychological Impact of superannuation

Dr. Chencho started with an important note that when civil servants superannuate from the Civil Service, there will be two things that can be noticed:

- How good they have been to people while working as a civil servant; and
- How well they have managed to keep relationship with their colleagues during their career.

The most challenging aspects of the process of retirement is transforming from a work based identity to an identity not many people know.

Male/female will experience mid-life crisis/empty nest syndrome where female will no longer be able to conceive and male may start to look for another partner, creating problems in a relationship. Children will also leave home to live their independent life which will likely bring about empty nest syndrome for the parents, especially for the mother.

Sometimes, these problems lead a person to depression, anxiety and other diseases, increasing medical expenses, money that actually could be used in enjoying retired life.

Retirees must face what is essentially the last transition/final frontier in their lives. The first transition comes when we leave the security of home to begin our school life in kindergarten, and after school we have the rest of the day to ourselves. Another major transition comes when we join the working world. Now we work all week but still have the weekend to ourselves. Then finally comes retirement, a time when careers are over and the work is done. Retirees have the rest of their lives to themselves.

“We all think that following a routine, especially one that may only marginally make us happy, will be easy. Think again. This routine probably began when we were first admitted to school – 55-plus years of the same thing: get up, get dressed, eat breakfast, go out, come home, eat, go to bed. Repeat,” said Doctor Chencho. “My recommendation to civil servants is this: As you plan for retirement, think about what it looks like. Talk to your friends and families. Write about it. Create a map of what you are going to do. Be imaginative. Your financial plans and your day-to-day retirement plan should go hand in hand. This is your retirement identity.”

Dr. Chencho focused on the six key transitional stages that civil servants usually go through in their retirement:

1. **Pre-retirement life(planning time):** During this period, civil servants are focused on getting to retirement rather than on what happens afterwards. During the working years, civil servants know that this stage of their lives is coming, and do

everything they can to save for it, but often give little thought to what they will actually do once they reach the goal – the current demands that are placed upon them leave them little time to ponder over this issue. Many people face retirement like a quarterback on the football field who dodges one defender after another until he reaches the end zone. It's hard for many workers to think seriously about what their lives will be like in 20 or 30 years when they are trying to stay on top of their mortgage, putting their kids through college and forgetting to have time for themselves. They want to reach the end zone, but other issues will tackle them long before if they don't take immediate action.

2. **The important day(farewell time):** The short stage of retirement, a day when work actually stops and is marked by the short farewell or ceremony provided by the office.
3. **The Honeymoon phase(I am Free!):** Here, the civil servants enjoy the initial freedom and time is spent doing the things that never could be done because of work. This phase has no set time frame and will vary depending upon how much honeymoon activity the retiree has planned.
4. **Disillusionment/Disenchantment:** The novelty of the honeymoon phase wears off and the retiree starts to get a feeling of disappointment resulting from the discovery that something is not as good as one believed it to be. They start to experience feelings such as disappointment, boredom, loneliness, feeling of uselessness and anxiety. Also, the big question comes constantly in their mind on: WHAT DO I DO NOW?
5. **Reorientation(Building a New Identity):** Fortunately, the letdown phase of retirement doesn't last forever. Retirees slowly begin to familiarize themselves with the landscape of their new circumstances and navigate their lives accordingly. This is the most difficult stage in the emotional retirement process and will take both time and conscious effort to accomplish. Here, the most difficult aspects of this stage to manage are the self-examination questions that must be answered once again, such as
 - WHO AM I, NOW?
 - WHAT IS MY PURPOSE AT THIS POINT?
 - WHAT IS IMPORTANT TO ME, AND HOW DO I GET IT?/AM I STILL USEFUL?

(It is necessary to answers these questions if the retiree wants to feel a sense of closure from his/her working days. But many retirees fail to achieve this and never truly escapes this stage.)

6. **New Routine(Moving on):** The new daily and weekly schedule are established in this stage. A new pattern becomes firm and the retirees adjust to new lifestyles. Slowly, the negative emotions start to fade off. "When you are newly retired, it may seem like you are riding on a roller coaster. Peaks and valleys require attention and patience to manage. In time, the new pattern will be your new reality." said Doctor Chenchu.

Life planning is an important key to successful retirement. People who have given serious time and thought to what they will do after they retire will generally experience a

smoother transition than those who haven't. Dreams and goals that cannot be achieved with a single trip or project may translate into long-term, part-time employment or volunteer work. But it is never too soon to begin planning out the course of the rest of their lives.

As with all emotional processes (mentioned above) that can be broken down into separate phases, it is not necessary to completely achieve one phase before beginning another. But all retirees will experience some form of this process after they stop working. Their ability to navigate these phases will ultimately determine how they live the last phase of their lives.

2. Mindful Thinking by Khenpo

Q) How many times do you mediate in a week? Do you have a routine for meditation?

A) Meditation is something which I do every time and everywhere. To do simple meditation, a person does not have to make a routine, instead whenever your thoughts are preoccupied, relaxing the mind through this will help you to gain focus. Also, meditation can be practiced after every hour for 2 to 3 minutes. This will enhance the brain to think properly.

Q) Why mindfulness is important to learn?

A) Mindfulness will teach someone to take life in a positive manner, building courage and confidence to enjoy and move your life ahead.

Q) Can we do meditation if we have the sins of eating meat, telling lie, etc?

A) Yes, we can do meditation.

3. Sharing Experiences by Retired Civil Servant

I) Tenzin Norbu, former vice principal of Gelephu Lower Secondary School

Tenzin Norbu shared the following:

- Before you retire, to plan and decide the place where you want to retire is very important because it will help you to further continue your life in a peaceful way.
- Planning is the best method that you need to adopt before superannuation because this would help you to transition to a smooth retired life without facing the difficulties of finance, house, etc.

“I was successful in adjusting to my new lifestyle because I had already planned for my retirement. I had discussed with my wife and she suggested to get involved in agriculture work. Since my parents were farmers, I had experience in farming. I also had a land at Gelephu, therefore I requested for transfer here so that I could at least work in the field after my retirement. When I requested for transfer, there was no vacancy for Principal in Gelephu, only vacancy for Vice-Principal was available. However, since I had planned to retire at Gelephu, I didn’t mind to work as a Vice-Principal. Now, I don’t regret my decision, although once my family and relatives told not to do so, because who I am today and what I have achieved so far has made me satisfied and happy,” said Tenzin Norbu.

II) L.B Ghallay, Former District Health Officer

- He shared that volunteerism is the best method to keep themselves engaged in activities that one finds happiness and satisfaction in. Volunteering can also help us build upon skills one already has and use them to benefit the greater community. For instance, since he was the former District Health Officer, he gets called by his community people to get advice regarding health problems. He said “volunteering offers vital help to people in need and it is a worthwhile cause. Volunteering and helping others can help to reduce stress, keep ourselves mentally stimulated, and provide a sense of purpose.”
- Volunteering doesn’t have to involve a long-term commitment or take a huge amount of time out of their busy day. Giving in even simple ways such as giving advice to people on health issues can help those in need and improve their health and happiness.
- As per L.B Ghalley, there are three direct benefits of volunteering:
 1. Volunteering connects you to others
 2. Volunteering is good for your mind and body
 3. Volunteering brings fun and fulfillment to your life
 1. One of the best ways to make new friends and strengthen existing relationships is to commit to a shared activity together. Volunteering is one of the best ways to meet new people, especially if someone is new to an area. It strengthens one’s ties to the community and broadens support network, exposing us to people with common interest, fun and fulfilling activities.
 2. Retired civil servants can find new meaning and direction in their lives by helping others. Whatever age or life situation that they are in, volunteering can help take one’s mind off their own worries, keeping them mentally stimulated, and adding more zest to their lives. Also, volunteering makes people happy. The more one tends to give, the more immense pleasure one feels.
 3. Volunteering is a fun and easy way to explore interests and passion. Doing volunteer work that one finds meaningful and interesting can be relaxing and bring about a sense of accomplishment.

Q) You have returned to your own village. What made you to come back to village? Was it a challenge to return to your village?

A) Although I didn't visit my village every year when I was working as a civil servant, I used to keep in contact with my family, relatives and neighbours. Moreover, when there were problems in the village, I tried to solve the problems be it financially or giving advise on the issues, etc. In this way, I was constantly in touch with the people of my community which made it easy for me to adjust once I returned after my retirement.

Yes, it was a challenge for me to return to the place where the environment was completely different than where I used to live in. I stayed most of my life at an urban setting and coming to a rural place, that was a challenge. I could not go around the village since I was going through mental trauma. I could not understand the people around and that was the very moment, I realized talking over the phone and personally had a lot of difference. You can build emotional attachment while talking face to face, unlike over the phone. I felt as if I was left alone.

The only question I had in my mind was: **Did I make the right decision by coming here?.** Then I started to involve myself in the various activities such as doing household chores, visiting neighbours and talking with them. If there are issues in the village, I try to provide the assistance, etc.

Q)Are you working because you need it or you are doing it to get some exercises?

A) I was really fat (82 kg) because I didn't do any work during the first year of my retired life. It was the first time in my life that I was categorized in the obesity group. I was surprised, but also, worried about my health conditions particularly, diabetes. Slowly, I planned a morning routine to walk. Now, it has become my habit to go for morning walk and I have burned the calories.

4. NPPF

Q) While in service, the civil servants' deduction would be made as TDS from the salary, and when we retire, the tax is again imposed.

A) The tax is deducted but it depends upon the income/pension of the individual.

- If the income/pension is equal to or above Nu. 16,666, then the tax would be imposed to the individual.
- If the income/pension less than Nu. 16,666, the tax would be exempted.

NPPF follow the rules made by the Ministry of Finance.

Second Day

1. Being prepared health-wise(common ailments)

Q) I was 26 when I was diagnosed for high blood pressure. I took regular medicine which was prescribed by the doctor, but my health became worse day by day. What could be the cause?

A) The possibilities to health deterioration could be as follows:

1. *Discontinuing of medicine prescribed by the treating doctor*

-Not taking medicine after you are better is extremely dangerous. After certain period, the person feels much better but is not fully recovered. For instance, if it is high BP, the person might die out of heart stroke if you have not taken the regular medicine. Even for simple headache, you have to complete all the medicine prescribed by doctor.

1. *Mixing up the medicines from hospital and Sowa Rig-pa*

Mixing medicines can be a disaster. It can be harmful and dangerous to take different types of medicines together.

Q) Consumption of less sugar is going to prevent diabetes. Is it going to help those persons who are somehow going to get this disease since his/her mother and father are both diabetic patients?

A) It doesn't mean that if both the parents are having diabetes, the child will get it too. There is a chance that the child will not get. However, whether you carry from parents or not, making a habit of consuming less sugar or no sugar at all will help you to keep away from diabetes.

Q)Is it true that the medicine is more effective towards male than female since the medicines are tested to male-rat?

A) Medicines are effective to both female and male. Medicines are not made in a day. It takes more than a year to come out as clinically or globally proven medicines. Moreover, the medicines should be globally tested and proven to be harmless to people, but effective to the disease. If it is harmful or not effective in curing the disease, it shall never be used or come to the market for sale.

2. Calculating Retirement Benefits

Q) If the Civil Servant has served for more than 6 months, will it be considered as a full term year when it comes to gratuity?

A) Yes, it shall be considered as a full term year. Not only for gratuity, but also for the other benefits under Government, it is considered same.

Q)How can we know about the GIS's contribution?

A) RICBL has come up with an online system to check GIS statement. This can give civil servants access to check the total GIS contribution made so far. They just need to login to RICBL website and go to 'My Business Profile.' They must first register with RICBL and RICBL will provide the password.

Now, civil servants can check their pension and provident fund statement through an online system too. NPPF has come up with E-services where every member registered with them can check their contribution made so far. You need to login to NPPF website and go to option 'e-Services' and sign in with username(CID number) and password which will be provided by NPPF.

3. Financial Planning

There are six steps under financial planning:

1. Gather important information
2. Establish goals and objectives
3. Evaluate current situation
4. Develop comprehensive plan
5. Implement plan
6. Periodic ongoing review

(It is a cyclic/continuous process where after process six, it follows one again.)

Dorji's Life Stages (Example:)

Age 21 : Graduated with B. A Honours

Age 22 : Gets a job and settles his life.

Age 23 : Buys a car and gets married.

Age 24 : First baby boy.

Age 25 : Second Baby girl.

Age 25-30: Busy paying for children's day care.

Age 30-50: Children's education (takes loans).

Age 58 : Retirement/ superannuation

Above example shows how Dorji was busy with his life that he forgot to plan and save for after retirement life. So the main question arises to when should Dorji first save for his retirement? The below shows planning strategies according to the age and the time that person should start saving money for retirement.

The Retirement Strategies for age groups:

Age 20's : Get started (to save little by little)

Age 30's : Review

Age 40's : Get back on track and review.

Age 50's : Accelerate and prepare.

Following the above strategies will help the person to save from the beginning which is important to note it since saving from the start, even with a small amount shall accumulate to become a saving which would be sufficient for us to enjoy the retired life later.

Feedback on the second Retirement Planning Workshop (September 21-22, 2017)

The result from the first Questionnaire is as follows

On income/expenditure

82.1% know what their monthly/yearly income is
61.5% know what their monthly/yearly expenditure is
92.3% of the participants have savings account.
74.4% have loans.
76.9% think they live a comfortable life right now.

Early Retirement Scheme

Although 53.9% knew whether they were eligible for ERS only 18% knew the benefits one would receive if they availed ERS

Retirement

43.59% did not know what they were entitled to when they retired while 10.3% had not thought about this.
71.8% did not know how much pension they were entitled to.
66.7% did not know the PF they would get
74.4% did not know how to calculate their other retirement benefits.

When asked if they were preparing for retirement,

56.4% have actually thought about retirement but only 35.9% said they were preparing for retirement.

10.3% thought it was too early to be thinking of retirement while one person said it was too late for him.

Life after retirement

48.7% had thought of life after retirement.
41% did not foresee a comfortable life after retirement.
20% had not thought about the whether they would have a comfortable life or not.

Only 46.2% have thought about where they want to retire.

84.6% have not done any financial planning.

89.7% think they need to do some financial planning to prepare themselves for retirement.

The result from the second Questionnaire at the end of the workshop is as follows

On income/expenditure

89.7% know their monthly/annual income

75.9% know their monthly/annual expenditure

Early Retirement Scheme

89.7% know what they will be entitled to if they take ERS

Retirement

93.1% know what they are entitled to when they retire

93.1% know the pension they are entitled to when they retire

93.1% know the PF they will get when they retire

93.1% know how to calculate their other retirement benefits

86.2% of them are now thinking of retirement and 89.7% are preparing for retirement.

Life after retirement

75.9% are thinking of life after retirement

72.4% think they will have a comfortable life after retirement while 13.8% did not know whether they would have a comfortable life or not and 13.8% did not foresee a comfortable life.

79.3% have now thought about where they will retire.

72.4% have said that they will start some financial planning for their retirement.

Feedback on the workshop

29 participants gave their feedback.

Maximum disagreement (10 people) was on the following

I had not thought of Retirement Prior to this workshop.

On the workshop as a whole, more than 80 % of the participants found the workshop useful.

Feedback on the sessions

On the sessions for the workshop, apart for three who did not feel that the various sessions would help them in preparing for retirement, the rest of the participants agreed that the sessions would be useful to them in preparing for their retirement.

The participants found Mindful Thinking by Khenpo Phuntsho Tashi and emotional and psychological impact of superannuation by Dr. Chenchu Dorji the most informative and useful. The next useful session was by RICBL followed by NPPF and calculating retirement benefits by MoF.

Participants have suggested the following topics for future retirement planning workshops.

1. Include retired CS who have had bad experiences after retirement;
2. Healthy living after retirement
3. Mindful thinking
4. RICBL
5. Plans to keep in touch with other retirees

The participants have expressed that financial planning workshop should be provided to the new recruits at the start of their careers.