



PREPARING FOR RETIREMENT

Preparing for retirement has become essential.

If for most people, the main concern in terms of retirement is the age at which it will be possible to take full advantage of it, most also forget to find out about the amounts of their future rights.

However, it is essential to find that out to anticipate future income. This will enable you to put solutions in place to make up for the shortfall in income when you retire.

The current context, and particularly the budgetary savings required to restore the balance of public accounts, give rise to fears that the level of retirement pensions will fall.

To fully enjoy retirement, one needs to anticipate and prepare for it, well in advance. The sooner the better.

How does retirement work in France?

In France, the pension system is based on the principle of distribution and solidarity between generations. The contributions of the current working population pay for the pensions of the current retired population.

In simple terms, working people are deducted a share each month, which is paid back to current retirees. Pensions are a subject of debate, mainly during election periods, because the system in place was efficient when there were many workers and few pensioners. Today, however, there are more and more pensioners, life expectancy is increasing, and unemployment is reducing the number of working people. The system, which was initially positive, is now having a considerable financial impact because it pays out more than it receives.



Why prepare for retirement?

Today, 69% of French people think that their pension is or will be insufficient to live properly.

It should be noted that retirement pension from official sources represents on average 50% of one's income during active period. By starting to build up savings at an early age, you can create a more substantial income supplement for your retirement. The earlier you start, the easier it is, and the lower the monthly effort. Saving for your retirement is sometimes difficult to implement because it is a long-term savings. Indeed, the deadline is so far away that it is often difficult to project oneself and therefore to anticipate as one should.

Preparing for retirement is an important step that is included in our Top 6 reasons to save.



How to prepare for retirement?

To start preparing for your retirement, it is important to know your rights. To do this, during your working life, you need to keep all the supporting elements of your professional activity to be able to claim your rights and to check that there are no errors in your pension rights.

Indeed, the report of the Court of Auditors in 2021 supports this observation since, out of 9,386 files analyzed by the basic pension fund of the Social Security (CNAV), it estimated that one out of every six newly awarded pensions in 2020 is incorrect.

In addition, the current system is in jeopardy, and it is necessary to anticipate a drop in the level of retirement pensions. To supplement your pension, start saving as soon as possible, then adapt your strategy according to your personal and professional situation.

**ONE OUT OF
EVERY SIX
NEWLY
AWARDED
PENSIONS IN
2020 IS
INCORRECT**



Retirement plan

To prepare for retirement, there is (among other things) the individual PER (Plan Épargne Retraite).

It allows you to save, in a tax-efficient manner, during your working life, to obtain a capital sum or an annuity when you reach retirement age. The individual PER is open to everyone; there are no conditions related to age or professional situation.

The sums paid into the PER are managed according to the principle of controlled management (unless you mention otherwise). This means that when retirement is far off, the savings can be invested in riskier and more profitable assets. As you approach retirement age, your savings are gradually shifted to less volatile assets.

The sums paid into your individual PER are deductible from taxable income up to a limit of 10% of professional income (much more for the self-employed and non-salaried workers). In return, the sums deposited in the PER are unavailable until retirement, except in the case of exceptional early release.

Since 2019, and the PACTE law, it is also possible to release all or part of the PER for the acquisition of one's main residence.



**THE INDIVIDUAL PER
IS OPEN TO
EVERYONE.
THERE ARE NO
CONDITIONS
RELATED TO AGE OR
PROFESSIONAL
SITUATION**



Life Insurance



**TO BUILD UP
CAPITAL
GRADUALLY AND TO
INCREASE ITS VALUE
TO OBTAINING
ADDITIONAL
INCOME**



Life insurance is also an effective instrument for preparing for retirement.

It allows you to build up capital gradually and to increase its value with a view to obtaining additional income, with advantageous taxation that decreases over time.

It is not a product specifically dedicated to retirement, but it is an investment that has the advantage of being efficient and secure.

With its great flexibility and very simple formalism, the subscriber retains control of his or her capital and has the possibility of changing the investment according to his or her situation.

In addition, life insurance makes it possible to optimize the organization of one's estate and to protect one's loved ones since it also benefits from an advantageous legal and tax framework in the event of death.

Location meublée non professionnelle (LMNP)

Non-professional furnished rental (LMNP) is also an asset for preparing for retirement.

It is intended for people who wish to diversify their assets and sources of income, or simply to build up a supplementary income in the long term while controlling taxation.

LMNP consists of renting out one or more dwellings with sufficient furniture for a tenant to enter the premises and live there normally with only his or her personal belongings.

Although it is a civil activity from a legal point of view, from a tax point of view, furnished rental is considered a commercial activity, which has important advantages.

The advantages of LMNP include among others :

- Regular rental income
- A higher gross rental yield than bare rental
- Low taxed income (thanks to the deduction of depreciation, works and acquisition costs)



**TO DIVERSIFY
ASSETS AND
SOURCES OF
INCOME OR TO
BUILD UP A
ADDITIONAL
INCOME IN THE
LONG TERM**





Anticipation

Finally, the most important thing to remember when preparing for retirement is that it is necessary to anticipate this period as early as possible.



Wealth management

Do not hesitate to contact our wealth management advisors to prepare your retirement today !

Contact us



+33 (0)4 85 80 03 95



coeos@coeos-patrimoine.com



www.coeos-groupe.com



535 route des Lucioles
Les Aqueducs bâtiment 3
06560 Valbonne



COÉOS GROUPE