

Cost of Delay

All details are input in Light Blue boxes

1. Input client details.

Will calculate;
• No. of complete years to retirement

2. Input investment & frequency (M or A)

Will calculate;
• Total payments made over term

3. Input growth rate

Will calculate;
• Expected fund at retirement..

4. Input years of delay.

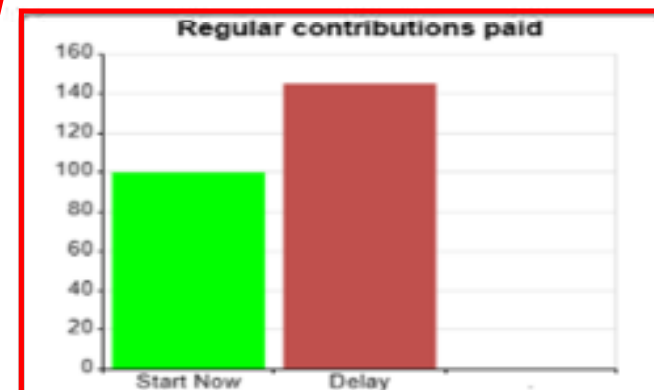
Will then calculate;
• Cont to be paid to achieve same fund &
• The increase that represents, and
• Total payments now paid over term, &
• The increase that represents.

This explains impact of delay.

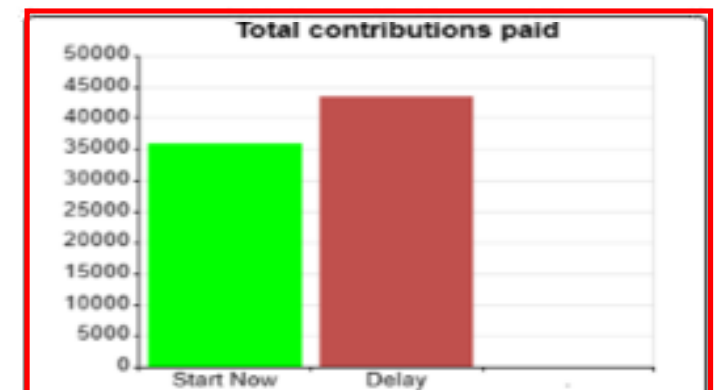
Name	Mr X
Age Next Birthday	30
Normal Retirement Date	60
Complete Years to Retirement	30
Gross investment	100.00
Frequency	monthly
Total payments	£36,000
Net Annual Growth Rate	6.00%
Fund at retirement	£100,954

Delay in Years	5
Contribution required to achieve same fund after delay	£144.95
Which is an increase of	44.95%
Total payments	£43,485
Increase in total payments of	20.79%

If, Mr X paid £100.00 monthly then assuming a growth rate of 6% in 30 years Mr X would have a fund value of £100954.
To achieve this same level of fund after delaying contributions for 5 years, Mr X would have to increase contributions to £144.95.
This is an increase in the regular contribution of 44.95% and overall an increase in total contribution of 20.79%.



This bar chart shows comparison of;
• Contribution paid now without a delay, &
• Contribution to be paid if delayed



This bar chart shows comparison of;
• Total contributions paid now without a delay, &
• Total contribution to be paid if delayed