



RETIREMENT PLANNING BEHAVIOUR

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In the name of Allah most Gracious Ever Merciful

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ABSTRACT

Retirement is a stage that a person stops employment completely. Retirement life need a proper preparation because it can lead a person continuous employment at retirement age. Lack of retirement planning preparation will make them suffer. According to The Ant Daily (29th January 2015), it states that most Malaysians are ill-prepared for life after retirement. Thus, it is very important to have retirement planning. The main aim for this research is to investigate factor affecting retirement planning behaviour among working individuals. For this research, retirement planning behaviour is a dependent variable while attitude toward retirement, potential conflict in retirement and goal clarity are independent variables. For this research, questionnaires will be distributed to 150 working individuals which are limited for age from 26 to 55 years in Tanjung Malim, Perak.

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

The Statistics of Labor Force, Malaysia shows that the number of employed person increased by 0.8 percent in July 2016 to 14,212.8 million as compared with 14,106.2 million in July 2015. This situation may continue year by year. In future, the number of pre-retirees will increase. The reality is a total of 68% of all its members aged 54 in December 2014 have less than RM50,000 in their EPF accounts based on statistics from Employees Provident Fund (EPF). Another 12% have only between RM50,001 and RM100,000. Literally, for a retiree who have RM100,000 in their saving can only live with RM208 a month. The working individuals are encouraged to have retirement planning not only nearing retirement but during their golden years. Therefore, retirement planning becomes a hot issue among working individual's life. Manulife Investor Sentiment Index in Asia found that a lower percentage of Malaysian view retirement planning as a financial priority.

Retirement can be defined as when an employee stops employment completely. After retirement, the employees need to survive their life by using their retirement saving. Once they are retired, the income will stop immediately. But, the expenses still continue as usual. Retirement give a freedom to the employees to enjoy their life without needed to think about work anymore. They can spend time with beloved family as they cannot do