

REFLECTIONS ON RETIREMENT AND THE MINISTRY

**By Rev Michael Moore, with additional information from the
Ministry Committee.**

(Suitable for use in a study/reflection session)

A man was retiring from work where he had no pension plan. On his last day at work one of his colleagues asked, "How do you feel now that you won't have to work anymore?"

"Well," was the slow reply, "I just feel as if there have been two elephants sitting on me for the last forty years, and now, one of them has just got off."

This was a man who in retirement still had an enormous worry about finances.

Most popular articles about retirement concentrate on information about preparing financially for this event. One article gives "ten steps to a carefree retirement", of which only two are not about money. So being financially prepared for retirement must be pretty important.

A. Financial implications of retirement

A wise retired minister of the UPCSA (Alan Maker) said that when we retire we have no more keys on our key ring. For most of us it is true that when we retire we hand back the keys of the manse and we hand back the keys of the car. We are now on our own.

Actually finances are not my area of expertise. Revs. Alan Maker or Bob Samson would be better on this. In fact, unless you are in a congregation that has given you a really good stipend, on which you have been able to save, I don't know how you will cope. I cope relatively well because my wife, Myra, was a school teacher for most of our marriage. With both salaries we were comparatively well off. Also she was frugal and I was careful. Now, even after her death, I still receive one third of her pension. Another factor that helped us was that I was out of the ministry for a period, teaching, and during this time we bought a home and so got into the housing market which is so governed by inflation.

I would advise you to arrange with your congregation for them to let out the manse so that you can buy your own house. Or, like Rev. Glen Craig, early on in your life buy a small retirement house, and keep adding to it and improving it.

The financial experts make the following 7 points:

1) Pay particular attention to the importance of you and the congregation making monthly deposits into your pension fund right from the start of your ministry. A very basic guide as to how much you would need in your personal pension's saving in order to retire on a pension that would enable you to carry on living at more or less the same standard as you are presently experiencing is the following: Take your yearly income and multiply it by 15. Thus (in South African terms) if you earn

R10,000 per month, your yearly income is R120,000, so the amount you would need to have in your savings in the UPCSAs Ministers' Pension Fund when you retire is just under R2 million (R1,800,000). If you are earning R20,000 per month then your total savings at retirement would need to be R3,600,000. The earlier you start saving, the earlier compound interest (interest on interest) can start working for you. An example of the benefit of compound interest is that after about 35 years of regular payments the interest being added to your pension's savings on a monthly basis is about 9 times greater than the amount you are contributing. So, each year that you delay making contributions to your pension means that your monthly contribution will need to be all the more to achieve the same targeted amount. Carefully read the yearly Benefit Statement sent to you from the UPCSAs Pension Fund Administrators.

For those in SA, it is recommended that you should view your Pension Benefit Statement on a monthly basis as it is possible to access it on-line. Phone **Thabiso Mzizi** at NMG (the administrators of the UPCSAs Pension Fund), at ph. **011 509 3245** (you can also email him at: tmzizi@nmg.co.za) and give him your ID number. He will give you a password and will guide you on how to access your Benefit Statement on-line. The NMG website is: www.nmg.co.za/everest. It is highly recommended that you access your pension statement regularly and track and verify the growth of your personal pension savings. Should you wish to get some advice on your pension investment, do contact Thabiso Mzizi who will be able to refer you to a financial adviser.

As the UPCSAs Pensions are investments that grow with compound interest, it is important to know how **Compound Interest** works for you and the importance of starting early.

Two scenarios:

If person **A** invests 2000 (Rands; Kwachas or Dollars) once a year from the age of 25 until retirement at 60, the amount invested will be 70,000 (2000 p/a for 35yrs) but the amount that will be available to person **A**, because of compound interest, will be 350,000 (Rands;Kwachas or Dollars).

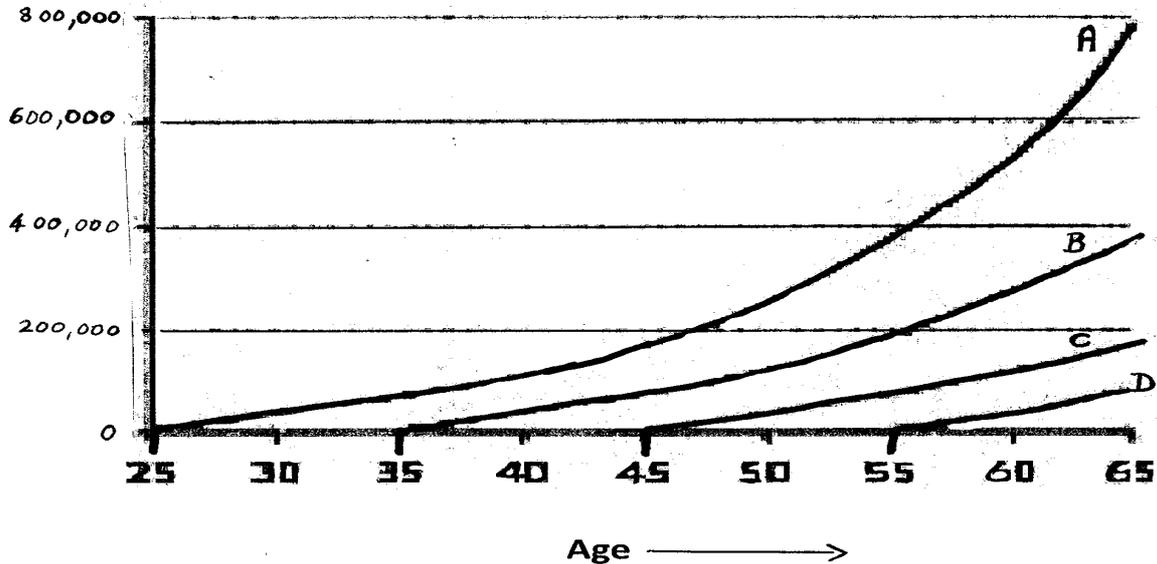
If person **B** invests 5000 (Rands; Kwachas or Dollars) once a year, but only starts at 40yrs until retirement at 60, the amount invested will be 100,000 (5000 p/a for 20yrs) but the amount that will be available to person **B** will only be 250,000 (Rands; Kwachas or Dollars).

The graph below represents the value of starting early so that compound interest (interest on interest) can work for you. From the graph it can be seen that it is in the last 5 to 10 yrs that the growth curve becomes interesting. If one looks at the graph of Investor A, it can be seen that it took 20 years to reach the first 200,000. However, the same graph indicates that the last 200,000 growth (from 600,000 to 800,000) took only 3 years. (While you look at the graph bear in mind that Investor A was only making deposits during the first 10 years when the growth was slow but was making no deposits at the end when the growth was entirely the result of the interest being

generated and then reinvested.)

The Value of Starting Early

5,000 invested each year for 10 years, with no additional contributions. Graph assumes an 11% annual return.



Investor A: 787,000

Investor C: 168,000

Investor B: 365,000

Investor D: 83,000

At retirement, in order to get 10,000 p/m;
one needs to have 2,000,000 invested

At retirement, one ought to have 15 times ones annual income
invested, in order to maintain the same standard of living.

Interesting and enlightening articles on retirement also regularly appear on such websites as: www.iol.co.za Click on "Business" and then on "Personal Finance".

2) Make additional savings: (do not think that the UPSCSA Pension will cover all your needs) – e.g. invest in property or a Retirement Annuity Fund. You, or your congregation, can also increase your monthly payments to the Presbyterian Pension Fund, and not restrict yourself to the basic amount required by the church. Raise your contributions to the maximum amount you can afford. If you get given a once off generous gift by a congregation, do think about putting some of it towards your personal pension savings.

3) Expose yourself to growth assets such as equities.

4) Stick to your investment strategy. N.B. The option of withdrawing retirement fund capital should be completely excluded. From the graphs above it can be seen that patience will only be rewarded in later years.

5) Talk to a qualified financial adviser. This is most important. I have one who, after many face-to-face meetings, I trust implicitly. I do nothing with my savings without his advice.

6) Take responsibility. You can do a lot for yourself by taking an active interest in your investments, reading and staying up to date on the markets. This is good advice, which I have totally ignored. If you are like me, you will find an adviser you trust and follow his/her advice.

7) Most Presbyterian ministers should also be mindful of the fact that when they retire they will no longer have a congregation paying for their medical aid. Contributions to Discovery Health will now have to be taken out from your monthly pension. This is a considerable amount, especially if you or your spouse suffers from ill health. My advice here is that if your spouse is on a medical aid plan (or could be on one), you should switch yourself and your family from the church fund to the one your spouse has access to. In the case of government school teachers, after retirement they continue on their medical aid fund without having to contribute. I wish I had thought of that earlier!

In addition, also bear in mind that the calculation done by the administrators of your pension payments can only begin after they have received your last pension contribution from the congregation (which is when you leave the congregation). It will take some time for all the calculations and paper work to be completed, so there will be a gap of a month or two between your last stipend from the congregation and your first pension payment. Do make provision for this "dry" period.

One way or another you must make sure that when you retire you do not still have an elephant of financial worries sitting on your back.

B. Look after your health

Caring for your physical health is not something you can leave until late in life. Your eating habits need constant attention, especially if you are diabetic. Give up smoking. Cut out sugar and cakes. Do everything in moderation, especially alcohol and avoid fast-foods. Remember, "Life is a struggle between good, evil, and chocolate."

There are some very inexpensive ways of keeping your body fit. I chose jogging when I was in my forties. There is also cycling for loners. What about tennis, golf, squash, swimming and walking? There are many team sports while you are still young enough for them. When St. Francis of Assisi was frail and dying, he spoke to his body which he called, "Brother Ass", and asked this willing little donkey to forgive him for expecting so much from it and for driving it so hard. Be kind to your body and take care of it. That is your Christian duty to look after this wonderful gift from God.

A friend of mine has joined me recently in the Johannesburg Hiking Club. He will be retiring soon and wants to build up some healthy interests before he actually retires.

It is amazing how many wonderful hiking trails there are in the vicinity of Johannesburg. Most of our hikes are in the Magaliesberg. Of course in and around Cape Town you are really spoilt for variety in the outdoors and likewise the Eastern Cape (or wherever you are). Hiking is not only good for the body, it gives food for the soul, and besides that it is marvelously social (these are three things: Health, a Soul that is fed and a Social circle, are needed when we retire). Actually I was pushed into hiking by my wife. She was then very frail and felt I was spending too much time as her care giver.

That points us to another aspect of health. There will come a time when either you or your spouse could be very frail. It is almost impossible to make preparations for that eventuality. Also we cannot look into the future and see the specific form this frailty will take in our own case. Death is a destiny for which we are never fully prepared. It seems to come as a surprise. Be prepared to enter a dark valley of the shadow of death. Then, as Henri Nouwen says, “keep choosing God.”

My own advice is that we should know that with the Lord “the best is yet to be”. Even frailty in old age can be a blessing. In my case it was as though I fell in love with my wife all over again. In her frailty she was like a different, even dearer person. I was greatly blessed. There are some for whom the change in personality can take a different and much more difficult turn. You may need much grace so that you do not find that “old age is a bugger” (as my grandmother said).

If you do not take care of yourself you will have only yourself to blame if Psalm 31:12 (Good News Bible) applies to you:

“Everyone has forgotten me, as though I were dead;
I am like something thrown away.”

C. Keep active and interested in life

A promise much to be desired comes from Psalm 92: 12&14 NIV.

The righteous will flourish like the palm tree...
They will still bear fruit in old age,
they will stay fresh and green.

Put those Psalm verses alongside the following quotation from an FNB website:

“Retirement options aren’t what they used to be. These days retirees are opting to start new businesses and even further their studies. These activities can give meaning and purpose to your golden years while allowing you to continue playing a role in the economy. The message is clear – don’t stop planning, working or dreaming.”

These are very wise words. Think, and pray about them. You could apply them to yourself just as they stand, retaining the word “economy”. After all, for two years I helped my son-in-law with his chickens and hydroponic tomatoes at Hekpoort. My friend, Danie, (also retired) has written books on philately (stamp collecting) and helps in a business devoted to stamps. The opportunities are endless. However

most retirement possibilities will open only to those who have prepared the way earlier on in life.

On the other hand most of us ministers would replace the words “a role in the economy” with “a role in the Kingdom of God”.

There will always be need for retired ministers to preach, to be pastoral assistants, to be Interim Moderators, or Stated Supply (to use our peculiar Presbyterian terminology). Glen Craig is actually ministering in retirement in the Methodist Church. I hope that, like me, you will find such retirement work strangely relaxed. You will not be driven by any need to prove yourself or to get your own way. All that sort of thing should be behind you by then. I also found myself sharing my work with my wife in a new and rewarding partnership. No doubt most of you have already been ministering in this perfect way.

If you should retire and live close to the church you once served, you will need to tread carefully. Of course your successor may be a saint who actually values your advice and help. But that would be unusual. Rita Snowden wrote a booklet of prayers for later life. She concludes the one prayer as follows: “With my vast store of wisdom, it seems a pity not to use it all – but thou knowest, Lord, that I want a few friends at the end. Amen.”

You may be used by the denomination after your retirement. But I have not found “the church” very appreciative of the wisdom of its senior personnel. I felt affirmed and wanted when Jerry Pillay asked me and another minister to be “assessors” at the meetings of a particular Presbytery where there was an atmosphere uncondusive to business and toxic to fellowship. When we gave our final report and recommendations one young minister stood up and spurned our advice saying, “We don’t have popes in our denomination.”

You should, however, be willing and ready to step in with help and advice where you can. I have been very saddened when I have noticed some retired ministers cutting themselves off from the worship and the fellowship of the church. I find that very strange.

I have written very personally because retirement is so different in every case. It is a very personal event.

One last thought to take into retirement. As we age we should keep growing spiritually towards that perfection and glory of which Paul speaks: “We... are being transformed into his likeness with ever increasing glory, which comes from the Lord, which is the Spirit.” (2 Cor. 3:18)

This can happen to us as we continue in selfless and loving activity, or it may come through prayerful self-examination and introspection. I pursue this through writing (writing for my own satisfaction). Henri Nouwen tells how the aging Rembrandt, looked at his own brokenness through his numerous self-portraits.

“Rembrandt felt that he had to enter into his own self, into his dark cellars as well as into his light rooms, if he really wanted to penetrate the mystery of

man's interiority. Rembrandt realized that what is most personal is most universal. While growing in age he was able to touch the core of human experience, in which individuals in their misery can recognize themselves and find 'courage and new youth'. We will never be able to really care if we do not paint and repaint continually our self-portrait, not as a morbid self-preoccupation, but as a service to those who are searching for some light in the midst of the darkness." (Henri Nouwen, *Aging, the Fulfillment of Life*, Doubleday, New York).