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OCTOBER-DECEMBER 2020
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NEW RULES FOR A POST-PANDEMIC RETIREMENT

ESTATE PLANNING DURING THE CORONAVIRUS CRISIS

MAKING KEY MEDICAL AND FINANCIAL DECISIONS

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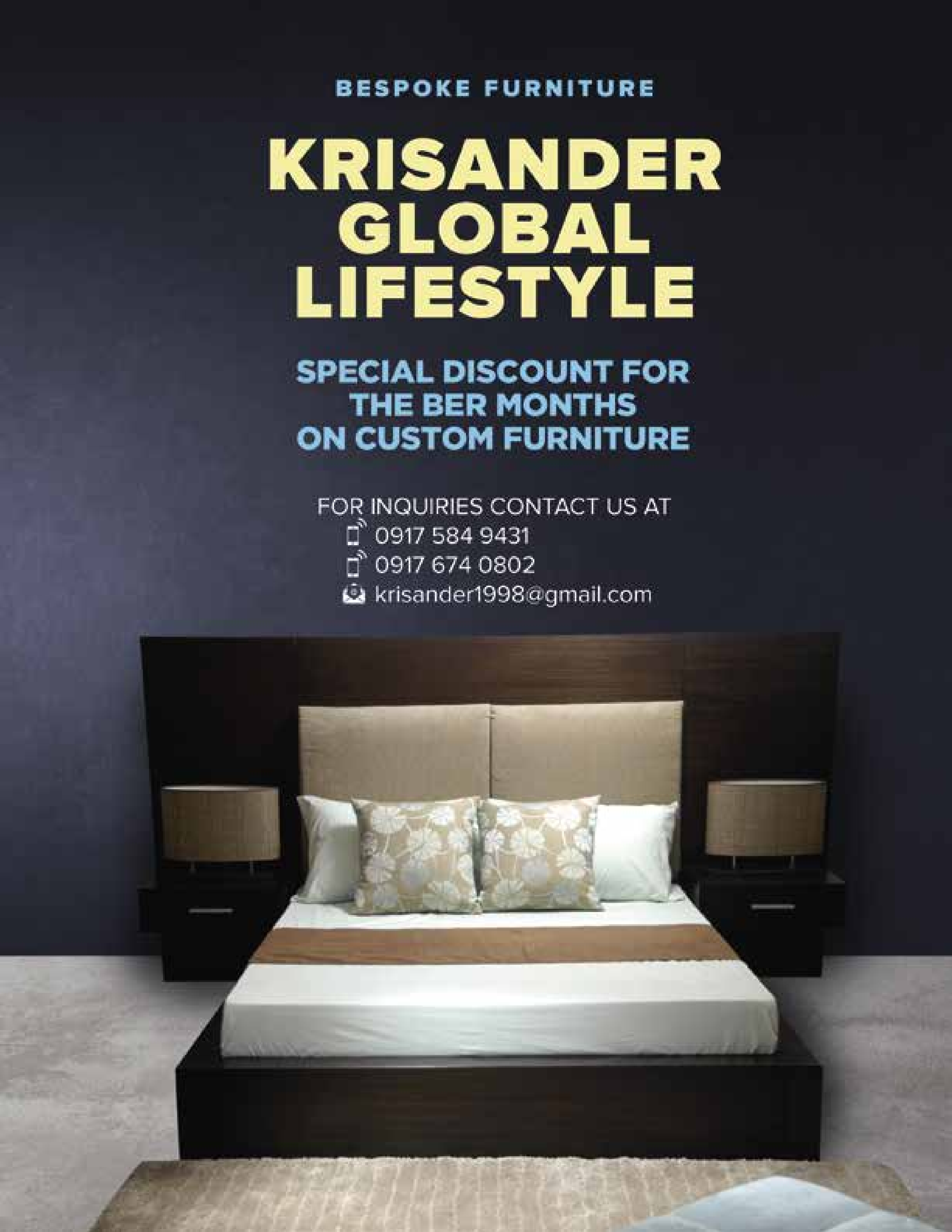
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"As in all *successful ventures*, the foundation of a good *retirement* is planning."

– EARL NIGHTINGALE

"*Preparation* for old age should begin not later than one's teens. *A life* which is empty of purpose until 65 will not suddenly become *filled on retirement*."

– ARTHUR E. MORGAN

"*Choose* a work that you *love* and you won't have to *work* another day."

– CONFUCIUS

"If we had no *winter*, the *spring* would not be so *pleasant*; if we did not sometimes taste of *adversity*, *prosperity* would not be so *welcome*."

– ANNE BRADSTREET

"The *question* isn't at what age I want to *retire*, it's at what income."

– GEORGE FOREMAN

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Say Goodbye to Retirement

If your retirement fund has been decimated by the steep decline in the stock market, the higher vacancy rates in the real estate market, or rampant job losses and business closures, here's the cold, hard truth: deal with it.

If you're supposed to retire now or soon, even if most of your nest egg are in safe government bonds or time deposits, you may want to consider delaying your retirement. In a crisis like this, cash is king.

In fact, forget delaying retirement. How about retire never?

Retirement is for really old people. These days, 60 or 65 isn't old. Old is 75, 80, 90. That means you still have 10 to 20 productive years ahead of you. Why waste them on retirement?

If you do a bit of research, you'll find out the concept of retirement was introduced in the late 19th century in Germany to address the high youth unemployment at that time. Promising to pay a pension to older workers, 70 and up, served as an incentive for them to leave the workforce to make room for younger people. It was easy to make that promise because the average lifespan was 70 years.

These days, we're expected to live longer and healthier. So why should we even retire?

Besides, what pension can we expect from the government? It's a pittance. Unless you're a C-level executive at a large corporation, your retirement benefits will not last that long. And if you haven't been saving and investing diligently towards your retirement, you can't afford to stop working.

That's just the financial side. There are also physical and psychological effects of retiring. The Institute of Economic Affairs found out that "retirement increases the chances of suffering from clinical depression by around 40%, and of having at least one diagnosed physical illness by 60%." In other words, retirement is bad for your physical and mental health.

But you're tired from working, you say. You want to spend more time with your family, you say. You want to start your own business, you say. Or you want to take more and longer vacations, you say.

These are all great reasons. But retirement is not the only answer. Here are some alternatives:

❶ DO PART-TIME WORK. You can simply cut back on your work hours by working part-time. You can do contractual or project-based work that runs for a few months. You can work as a consultant. You can also find freelance jobs. There are so many options online.

❷ TAKE A SABBATICAL. Sometimes all you need is a break from work. Some companies offer paid or unpaid sabbaticals. Or if you're a business owner, you can hand over temporary rein to a trusted manager for a few months. Once you're ready to go back to work, you're more refreshed and revitalized.

❸ SHIFT CAREERS. If you're sick and tired of what you're doing now, and you can't wait to quit, maybe a change in careers is your answer. You can try a new path that's more in line with your interest and passion. You can simply transfer your skills and apply your experience to a new career. And if it's totally new and different, invest in upskilling yourself.

❹ BE A DIGITAL NOMAD. This is a growing trend worldwide. Digital nomads move from country to country working on projects or doing full-time remote work. Although it's more in line with the lifestyle of young, single, and tech-savvy people, there's no stopping you from trying it out, especially if you're single or your kids have grown up.

❺ START A BUSINESS. While it's not risk-free, being your own boss means you control when, where, and who you work with. There are many low-capital, home-based, or online businesses you can start.

The important thing to remember is as long as you are physically and mentally capable, keep working. By all means, save and invest as much as you need to support yourself in case you become unable to work. But as long as you're able, keep working.

So, once and for all, just retire the idea of retirement. MS

Heinz Bulos
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How to Pay for Hospital Bills for COVID Cases

BY EDMUND LAO, RFP®

Getting infected by COVID will mean two things. First, the risk of physically dying is high. Second, the risk of losing lifetime savings is also high. Getting hospitalized can cost millions of pesos just to be treated with no guarantee of getting well. An acquaintance was reportedly admitted to St. Luke's hospital because of COVID and paid a bill amounting to P5 million. Luckily for her, she has the capacity to pay. COVID surely beat other critical illnesses in terms of treatment cost.

But what if ordinary Juans get infected with COVID? What will be his way out?

Before April 15 this year, anyone stricken with COVID only feared for his life as PhilHealth paid in full all expenses incurred. These patients can be considered lucky as they recovered without thinking of the hospital bills. After April 15, the story is already different. PhilHealth will only shoulder a portion according to its guidelines and with the recent fiasco, it is doubtful if the said agency can be of help in these trying times, especially when the agency is reported to be bleeding from corruption.

To depend on the government for COVID treatment is not enough as the government is incapable of giving the healthcare services similar to what First World countries can provide for their citizens. The best person you can depend on is yourself.

It pays to be prepared for uncertain times like this. The best time to prepare for a disaster is when there is none. People who are not yet infected still have a chance to prepare for the worst-case scenario by finding ways to build a contingency fund to pay for COVID-related hospital bills. We have to accept the fact that we have to rely on our own for our own healthcare funding.

So, what are your options to pay for your hospital bill?

PhilHealth. After April 15, PhilHealth did not shoulder the total cost of COVID treatment. Instead, they issued guidelines on the limit of the coverage. Disregarding the graft issue, PhilHealth is still mandated to pay members the benefit due them. Use PhilHealth as a form of discount on hospital bills. PhilHealth allows additional benefits for patients who cannot afford to pay by filling up a request form. If the patient can afford to pay, then PhilHealth will no longer extend additional benefits.

Health Maintenance Organization (HMO). An HMO is a prepaid healthcare system where the company manages the networks, providers, and members under one umbrella. A lot of HMOs give out a maximum of P200k hospitalization benefit. Although this may not be enough, it still makes perfect sense to have an HMO card for convenience, especially for admission purposes. This can serve as the pass in lieu of making deposit payment for admission. It is a good strategy to get an HMO even if the coverage is not enough to meet the high cost of treatment as this can be used in tandem with medical insurance.

> "To depend on the **government** for COVID treatment is not enough as the government is incapable of giving the **healthcare services** similar to what First World countries can provide for their citizens."

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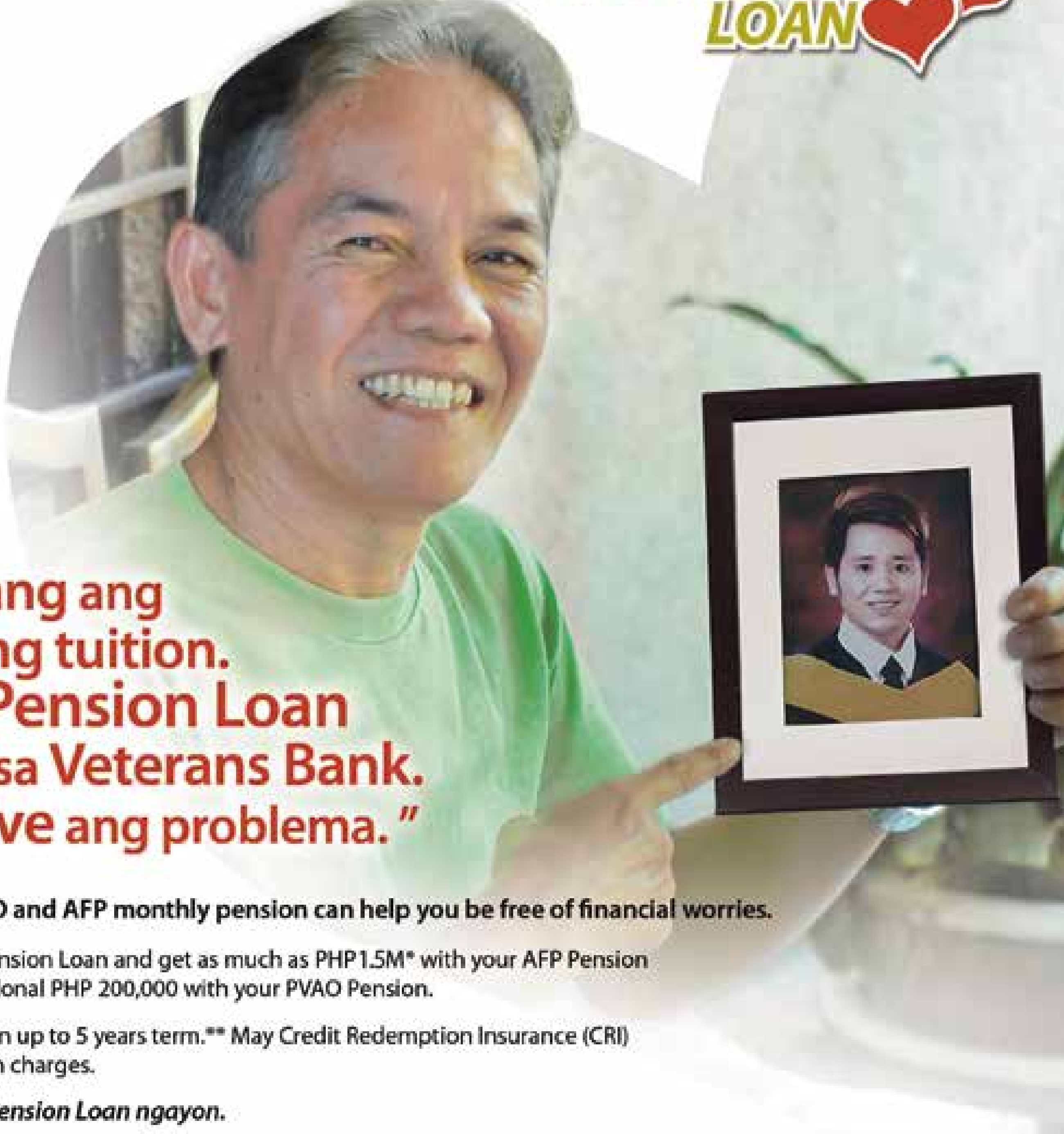

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Medical Insurance. Unlike HMO, medical insurance covers treatments at the time of the occurrence of the disease. Medical insurance is a form of insurance that can give a coverage as high as P100M for confinement and treatment of life-threatening diseases. This kind of insurance has a feature where HMOs can be a complement to it. The premium is lower if the patient can pay an amount like P200K and here is where HMOs come in handy. By maximizing the claim thereby replacing the cash payment of P200K, the premium for medical insurance (with the maximum benefit) can be brought down significantly. Actually, HMO plus medical insurance is a good combination and can save the client a lot of money.

Life/Health Insurance. There are life insurance companies that gave free COVID coverage for a limited time. It is best to check which companies give the best benefit. Health insurance covers pre- and post-care that manage an individual's well-being especially for treatment of critical illnesses. As of now, I have yet to see COVID included in the list of critical illnesses. Insurance companies are evolving and innovating on their products. It will be a good idea to research and talk to their representative to know more. The premium for health coverage might seem expensive but you must remember that getting ill without any amount of protection costs more.

Credit Cards. A credit card is a very useful tool for emergencies. Used wisely, it can help in solving payment problems. Abused, it can cause a bigger financial problem. Paying via a credit card is similar to borrowing money for payment. You just have to make sure you can pay in full within a month to avoid the interest charges for a revolving balance.

Cash. If you have the capacity to pay, then pay in full, or pay the balance that may be left after usage of your HMO or medical insurance.

Government Hospitals. For cheaper billing, it is recommended to go to a government hospital as private hospitals charge higher. But a lot will depend on the availability of beds for COVID patients.

Home Quarantine. Asymptomatic patients (without symptoms) and those with mild symptom are sent home by hospitals so that they can be quarantined at home. Hospital admission is required only for high-risk cases. In this case, all costs are shouldered by the patient, but it is a lot cheaper than being admitted.

Being infected with COVID might feel like a death sentence but the cheapest way is to be not infected in the first place—by staying home, maintaining hygiene, and practicing social distancing. Stay safe everyone. MS

"Asymptomatic patients (without symptoms) and those with mild **symptom** are sent home by hospitals so that they can be **quarantined** at home."

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The Best Online Course Platforms for Upskilling

BY EXCEL V. DYQUIANGCO

Working from home has given us many ways to improve ourselves. While there are those who have learned to bake or draw during these past few months of lockdown, some have improved their skills—and their minds—further by taking up additional courses online. But for others who want to get into the groove but don't know how to start, which are the best online course platforms for upskilling?

In this issue, we have rounded up several course platforms where you can enroll—sometimes, for free—and graduate right at the comfort of your own homes. From learning about art to learning about coding, these online course platforms provide you with the skills that you need.

BABBEL. Learning a new language is quite difficult to master but now there are apps for that? One of the best ones is Babbel, an easy-to-use platform that offers courses in 14 languages. Learn how to speak German, Italian, Spanish, Portuguese, Swedish, Russian, and more—all while immersing yourself in the culture and tradition of that particular country. To help you get started, there are human voices and speech recognition immersed in the app that helps you speak the tone and the pronunciation correctly.

Although the app is free to download, there are packages for one, three, six, or twelve months. Check out babbel.com to get you started.

> "Coding is not only for those computer programmers or data analysts but also for those who are in a different field."

MASTERCLASS. You see their online ads everywhere. If you are into filmmaking, cooking, storytelling, photography, and many others, or if you haven't dabbled in these skills yet but are curious to try a new skill, check out MasterClass, where your professors are the best in the lot. Of course, who wouldn't want to learn cooking from Gordon Ramsay, writing from James Patterson, creativity and leadership from Anna Wintour, screenwriting from Aaron Sorkin, the art of storytelling from Neil Gaiman, or acting from Helen Mirren and Steve Martin? The online platform allows you to have a wide variety of classes right in your own homes—brought to you by the award-winning experts in their fields.

Users can log into the site for a flat monthly rate. You can check out masterclass.com for more information.

CODE ACADEMY. Coding is not only for those computer programmers or data analysts but also for those who are in a different field. Codeacademy lets you pick up these technical skills and know-how, allowing you to learn the basics of coding online. From analyzing data to building websites, there are many courses to choose from. If, however, you are not sure where to start, you can always start with Codeacademy's short exam to know which are your coding strengths and weaknesses. You'd be surprised at how much coding you'd learn during these next months.

Codeacademy has free and paid monthly plans. Log on to codeacademy.com to find out more.

FENDER PLAY. The name of this online platform is itself a giveaway but Fender Play allows you to play the guitar with ease. Whether you have already forgotten to play the musical


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instrument, want to brush up on strumming those strings, or just want to learn, Fender Play is an easy-to-follow lesson and simple step-by-step learning. In addition, you'd be playing your tune to updated popular songs! How is that to make your boring nights lively again?

Fender Play offers both yearly and monthly paid subscriptions to its online classes. You can check out fender.com for details.

EDX. This is the perfect time to go back to school, and edX (created by MIT and Harvard) provides you with over 2,500 free online courses from 140 leading institutions nationwide and top-ranked universities in the whole world. Some of the subjects include data science, engineering, computer science, business and management, and humanities.

Depending on the courses, prices vary—with some for free. Log on to edx.org to find out more.

LINKEDIN LEARNING. When looking to sharing insights and opinions with professionals all over the world, LinkedIn is the perfect tool to showcase your ware. But this social media platform is beyond that. Through LinkedIn Learning, you get to enroll in more than 16,000—some for free and others, not—featuring courses on creatives, technology, and business, also taught by industry experts via video presentations.

LinkedIn Learning is available as part of the LinkedIn Premium, billed monthly or annually. To check the courses and the rates, log on to linkedin.com.

SKILLSHARE. For those working in the creative industry, Skillshare is the perfect online course platform that you can indulge in. Among its famous courses include design and illustration, video and photography, freelancing, and a host of other skills. Best of all, industry experts and professionals teach you these skills at your desired time and space.

Skillshare is free to access but if you want to access more than 20,000 classes, get a Premium Membership. Check out skillshare.com.

THE MUSEUM OF MODERN ART. Since a trip to the museum is out of the question these days, why not go on a tour virtually, and learn the art of the arts? The Museum of Modern Art has brought to you a handful of different courses that you can enroll in and finish at your own time and pace through its online platform, Coursera. Some of these courses include contemporary art, fashion as design, modern art ideas, and seeing through the photographs. The course ranges from a total of 12 to 38 hours but unlike in physical classrooms, these courses allow you to take your time slowly.

These courses are available for free. Just log on to moma.org for more information and details.

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Pay Off Mortgage vs. Keep Mortgage

BY JESI BONDOC, RFP®

There had been years of debates among homeowners and financial practitioners alike with these two schools of thoughts, paying mortgage early or keeping it.

If you have received a windfall and trying to decide whether to pay off your mortgage or not, there will always be two different opinions you'll likely hear. One is "pay it off now" so you can free some of your cash tied up with your monthly amortization and enjoy the sense of freedom from getting out of debt and the other is "with the current low interest environment, continue with your mortgage" and use that extra cash to invest, and potentially earn higher interest.

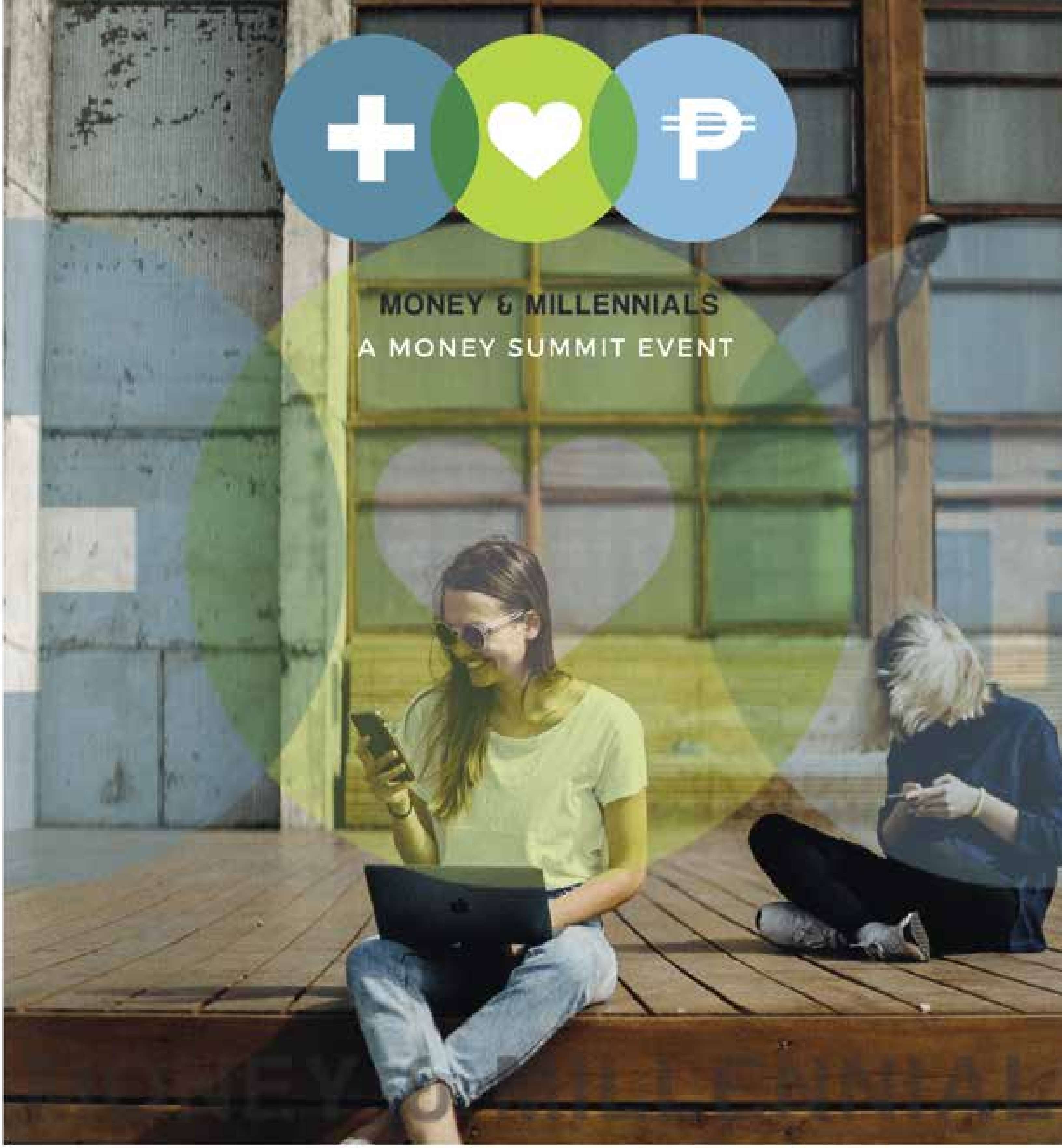
Let's explore some factors to consider that will help you decide what route to take:

EXAMINE YOUR MONTHLY EXPENSES AND CHECK IF YOU HAVE OTHER HIGHER PAYING DEBTS IN YOUR FINANCIAL BUCKET. There is no sense in paying off a 5% annual interest mortgage right away if you are carrying another debt obligation with 36% annual interest rate. You'll be in a better financial footing if you pay off the more expensive debts that could cost you more in the long run.

EXAMINE YOUR LIST OF ASSETS OWNED. Do I have enough cash in bank or liquid assets that could form part of my emergency fund? This is one of the most important questions to ask yourself before considering paying off your mortgage using your extra cash. Remember, once you have committed that extra cash and hand it over to your lender, there is no going back. The payment is already considered sunk cost. You might have eliminated your home loan but end up possessing a non-liquid asset that is difficult to convert into cash in case of financial emergencies. Worse, you might end up borrowing money from informal lenders that carry higher interest rates than your mortgage rate during a financial disaster. If you don't have an emergency fund, it is better to dedicate your extra cash in establishing your emergency fund especially during these uncertain times where CASH is definitely KING!

ASSESS THE CURRENT INVESTMENT AND BUSINESS LANDSCAPE. The common argument we hear from people saying NO to paying off mortgage early is to invest the extra cash in the stock market or a business that could yield higher returns. Historically, some funds in the Philippine market have yielded between 8% to 10% annual returns. By looking at the historical returns alone, one can argue that it makes no sense eliminating a 5% mortgage obligation and foregoing a likely higher return in the stock market. But basing your decision using historical returns alone could be a risky move for you as the inherent risk associated in stock investments is the non-guaranteed returns. The prudent way to do it is to also consider the forecast and assess the current investment situation.

> "The common argument we hear from people saying NO to **paying** off mortgage early is to **invest** the extra cash in the stock market or a **business** that could yield higher returns."



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Try to answer this question: During these trying times where the COVID-19 pandemic managed to cripple the global economy, are there opportunities available in the market right now where I can earn higher return than what I pay for my mortgage? If you're confident you'll find such investment assets, then you might be better off keeping your mortgage and invest the extra cash.

CONSIDER THE QUALITATIVE. Normally when trying to answer a question that involves money, we tend to focus solely on the quantitative aspect. We crunch the numbers and do the math to help come up with an answer. While it is important to understand the numbers, it is equally important to consider the behavior and emotions. There is a psychological benefit associated in being debt-free. The emotional win you get when eliminating a huge liability such as your mortgage can elicit other positive feelings that could motivate you in revamping your financial life towards betterment. If you feel that you could sleep better at night having no debt, and lose sleep if your investment portfolio in the stock market or business is trending downward, then you're better off using the extra cash to pay off your mortgage early.

For most people with mortgage, their home loan amortization is the biggest expense in their monthly cash flow, so naturally, getting rid of the loan will form part of their wish list. Generally, getting rid of debt is a great thing and has its own incentives but in relation to mortgage, there are several things to consider before deciding in wiping out that debt as paying it off early also comes with risks. The decision on what to choose lies heavily on your current situation and your ability to take on the risks involved with the two competing options. Good luck and keep safe!

Jesi Bondoc is a Registered Financial Planner and an entrepreneur. He is the CEO of Signopsys Inc., a print advertising company. You can send your money questions at jesi.rfp@gmail.com. For more info about Registered Financial Planner program, e-mail to info@rfp.ph or text <name><e-mail> <RFP> at 0917-9689774.

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Early Retirement

BY ARLYN W. CHENG, RFP®

Why do some people want to retire early?

In reality, early retirement can mean different things to people. Some of the advantages of retiring early are:

Opportunity to travel. The earlier you retire, the more mobility you have in going to different places in your bucket list, whether it is for local or foreign travel, before health issues set in that can prevent you from enjoying the attractions and the pleasure of being in the company of family or friends. For employees, they are usually limited to two weeks of vacation leave every year and this restricts their freedom to see more places. For entrepreneurs or business owners, they have greater degree of freedom. However, these are oftentimes business-related travel and rarely purely for pleasure. For some families, they have scheduled annual vacation time. Ideally, an early retirement is the best time to enjoy the fruits of your labor during the most productive phase of your life.

Opportunity to start a new career. If you dream of shifting to another field or start your own business, this is the opportune time after gaining relevant experience and expertise. It is better to get started in this next phase in your life than live a life of regret at your retirement years. Some people started a job or career after graduation and realized after many years of working that their passion lies elsewhere. If you plan to start a new business, the training, exposure, and experiences gained from your previous employers coupled with funds accumulated from investments and lump sum retirement benefits (if qualified and available) can help you jumpstart your journey towards entrepreneurship.

Better health. The stress coming from the daily grind of eight to 10 hours a day due to mounting responsibilities and expectations at work can take a toll on your health in your retirement years. Taking an early retirement will give you a chance to recover by sleeping more hours, getting out for fresh air and sunshine, engaging in physical activities, pursuing hobbies, and eating healthier home-cooked meals. It is also a chance to reconnect with friends and family longer and to be a mentor or consultant to the younger generation.

What are the disadvantages of early retirement?

Retirement benefits will be lesser. The government will release benefits only upon reaching an optional early retirement for GSIS employees (55 years old) while for private employees or self-employed (voluntary contributions), the minimum retirement age is 60 provided you have at least 120 contributions. The earlier you retire, the smaller the amount of pension you will receive.

Longer life expectancy requires higher savings. Given the longer life expectancy of Filipinos, you will have to save more to have a bigger nest egg. According to the latest data from the World Health Organization published in 2018, the life expectancy in the Philippines for male is 66.2 while for female 72.6 (www.worldlifeexpectancy.com). Given a longer life expectancy, inflation risk and health concerns associated with longer life expectancy, should you live for another 16-20 years, your retirement fund may not be sufficient and lead to family dependency.

Based on the data of the UN Population Division, the share of the population age 60 and over is expected to rise by 10% by 2040. If people can stay in good health and live in a supportive environment, their ability to do things they value will be well and good with the extra years. However, should these added years cause a decline in physical health due to critical illnesses and mental capabilities, there may be a negative implication in terms of funding healthcare costs aside from living out retirement years in comfort.

In 2014, the Global Aging Institute (www.globalaginginstitute.com) conducted the second wave of its East Asia Retirement Survey to determine the attitudes, expectations , and experience of workers and retirees in China, HK, Malaysia, Singapore, South Korea, Taiwan, Indonesia, Thailand, Vietnam, and the Philippines. Respondents consisted of main earners age 20 and over, including retired main earners in urban areas. Retirees were asked about their current experience while current workers were interviewed about expectations at retirement.

Based on the report entitled "From Challenge to Opportunity", here are the salient findings about the future of retirement in the Philippines:

- 90% of Filipinos today are anxious about being poor, exhausting their saving, poor health, having no one to care or being a burden to children when they retire.

- 68% of Filipino workers expect to receive SSS or state pension program when they retire, while 8% expect to

receive income from financial assets like insurance, stocks, and bonds.

While there is a growing trend to move away from the traditional model of family-centered retirement security, the reality is that 78% of retired elders are living with grown children and 40% financially dependent.

66% of the respondents believe that the government should be playing a dominant role not just to ameliorate pension benefits, 10% considered saving for their pension as an individual responsibility, while 8% are reliant on their families for support.

- 82% believe that government should require workers to save more for retirement.
- 43% suggested that taxes should be increased to provide a basic pension benefit.
- 58% felt it would be helpful for employers to provide jobs to the elderly.
- 14% (the lowest among east Asian countries surveyed) expect to receive income from financial assets like insurance, annuities, stocks, bonds, mutual fund, and bank deposits.
- 7% of today's retirees and 10% of today's workers reported having received professional financial advice about how to invest retirement savings.

By weighing both pros and cons, it is obvious that early retirement can pose a serious challenge unless proactive steps are taken early on by individuals today to achieve the lifestyle they wish to live before they hit retirement age.

The implications of data revealed by the Global Aging Institute shows that work doesn't end at 60 and should continue as long as one is capable to do so. Additionally, there is a need to improve the adequacy of state pension systems while raising retirement ages to encourage longer work lives.

Given that there is widespread retirement insecurity among Filipinos and weakening expectation of family support at retirement, this should spur Filipinos right now to seriously consider setting up their retirement account or review existing retirement plan in their financial portfolio to keep up with changes in the economic landscape as well as government regulations.

The best course of action is to start investing while you are in your productive years. Time is your greatest ally while you are still young so that you can benefit from the law of compound interest that will provide you the option to retire early instead of delaying retirement or working all your life until you are too sick to work. Invest in education to empower you to build multiple streams of income that can provide a source of stability and peace of mind in later years.

The objective of any retirement plan should be geared towards living a longer, healthier, and better life. The retirement period is the opportune time to reap all the fruits of your labor. The crux of the matter is not at what age you want to retire but rather at what level of income you can retire comfortably! MS

SSS Retirement Benefits

BY EXCEL V. DYQUIANGCO

Filipinos in their golden years can tap their Social Security System (SSS) pension when they retire from work. According to the SSS website, the retirement benefit is "a cash benefit paid either in a monthly pension or as a lump sum to a member who can no longer work due to old age."

Here are some of the things that you should know about SSS retirement benefits.

BENEFIT COMPUTATION. The first question you probably have in mind is how much you will get from SSS when you retire. The monthly pension depends on three factors: your paid contributions, your credited years of service (CYS), and how many dependent minor children you have when you retire (maximum is five).

There are three formulas that are used to compute your pension. Whichever amount is the highest will be the basis for your monthly pension:

- P300 + 20% of your average monthly salary credit + 2% of your average monthly salary credit for each CYS in excess of ten years
- 40% percent of the average monthly salary credit
- P1,200, if the CYS is at least 10 but less than 20, or P2,400, if the CYS is 20 or more

For all formulas, add P1,000 per month, based on a 2017 Memorandum from the Executive Secretary.

Before you start calculating, keep in mind that the monthly salary credit stated in the formula is based on the latest SSS contributions table. There is a range of compensation for each monthly salary credit. For example, if you're earning P15,700 per month just before your retirement age, you will fall under the P15,250-P15,749.99 range and the equivalent monthly salary credit is P15,500. There is a cap though at P19,750. At this salary or anything above, the monthly salary credit is fixed at P20,000. So whether you're earning P20,000 or P200,000 a month, the monthly salary credit is still P20,000.

Using the first formula, assuming you're earning P100,000 per month and you've been contributing to the SSS for 40 years, you'll end up with P17,300 per month.

You can also use the online calculator of SSS to estimate your monthly pension at www.sss.gov.ph/sss/portlets/retirementestimator/retirementEstimator1.jsp.

OTHER BENEFITS. You get bonus benefits aside from your pension such as a 13th month pension every December, automatic PhilHealth membership (if you aren't yet), and an allowance for your dependent minor children equivalent to 10% of your monthly pension or P250, whichever is higher. So if your monthly pension is P17,300, and you have minor children, they get P1,730 each or a total of P3,460. The maximum is five dependents, so if you still have 5 kids by the time you retire, that's P8,650 total.

OPTIONS FOR RETIREMENT BENEFITS. There are two options for receiving retirement benefits from the SSS. The first is a monthly pension, which is a lifetime cash benefit paid to a retiree on a regular basis while the other is a lump sum amount, which is a one-time payment equivalent to the first 18 months of your pension at a discounted rate, and then turns into a monthly pension on the 19th month onward.

QUALIFYING CONDITIONS. There are certain conditions you must meet to qualify for SSS retirement benefits. You

> "You must have paid at least 120 monthly **contributions** before the semester of your **retirement**. Plus you must either be 60 and retired or 65, retired or not."

must have paid at least 120 monthly contributions before the semester of your retirement. Plus you must either be 60 and retired or 65, retired or not. There are additional conditions you can find on the SSS website, but these are the primary ones.

APPLICATION REQUIREMENTS. In filing for an SSS retirement benefit, before going to the SSS office, here are some of the things that you have to prepare.

- Retirement Claim Application
- DDR Signature Card
- DDR Savings Account form
- Certificate of Separation from last employer (if the member is less than 65 years old)
- Passbook or ATM Card (if pension)
- Certified true copies of birth or baptismal certificate of dependent children
- Certified of cessation of business or practice of the profession (for self-employed members who are less than 65 years old)
- Certified true copy of marriage certificate
- Proofs of filiation for illegitimate dependent children
- UMID or SSS biometrics ID card or two (2) other valid IDs, both with signature and at least one (1) with photo and date of birth

In opening a single savings account, you should open with the bank of your choice and submit to the SSS your savings account number and a photocopy or ATM card once you have filed your application. The original copy of the passbook is also required for verification purposes.

ONLINE APPLICATION OF RETIREMENT BENEFITS THROUGH MY SSS. Since the country is still in a continued lockdown, you perhaps may want to avail of your SSS pension through an online application. Here are the requirements:

- "Overseas Filipino workers and voluntary members who are at least 60 years old upon the date of submission of retirement claim application.

- Employee-members who are at least 60 to 64 years old and separated from employment. Excluded are underground or surface mineworkers and racehorse jockeys.
- Members who are at least 65 years old upon the date of online filing of the claim."

As for the qualifying conditions, you must have a registered account with the My SSS facility found on the SSS website. You must also have disbursement account enrolled in the Bank Enrollment Module of My SSS such as UMID-ATM, UBP Quick Card, any PESOnet accredited bank.

You can visit the SSS website at www.sss.gov.ph for more details. MS

Starting a Business After Retirement

BY AUGUSTO MANANSALA AS TOLD TO EXCEL V. DYQUIANGCO

I have been a salesman for most of my life. When constant changes in company policies and indifference in objectives with my immediate manager led to heated arguments, I opted for early voluntary retirement last November 2019. For me, this was the best decision I have made so far in my career. It was a sigh of relief, no more sales targets to pursue, no bosses to think about, no more unnecessary pressures like reports for urgent submissions, and undue pressures of micro-management, which I did not like.

Family side, my children Alexis and Antoine fully respected and understood my decision. They have stable careers, and I opted to remain a single dad. I can now enjoy the remaining years of my life and fulfill my bucket list.

So, after retirement, the first thing I did was to pursue my passion for riding my bike. I also took care of my Persian cats and attended to my bonsais, which would later become a source of passive income. Several months later, I was able to start two small businesses—property management parking rental and public transportation business for financial income. My son Antoine now calls the shots in these two endeavors. Maintaining my bonsais is very rewarding for me. Weekend mountain bike rides are also an added bonus.

In this pandemic, like many people, I also faced some challenges. These include keeping myself sane and in the best of health.

STARTING A BUSINESS. Prior to my retirement, I have been thinking of what my retirement business will be, praying to God for signs, until a good friend named Andy Vitug gave me the idea of a transportation business. He is into it and is maintaining a fleet of PUJs in Mandaluyong.

Next thing I knew, I was driving to Mandaluyong to see Andy. The original plan was to start with two second-hand PUJ units. After sorting out how to run the operation and doing a little computation for the ROI, we were able to buy one unit. On our way to look for the second unit in Pasig, it was suggested that we secure the parking slot first as parking a vehicle on a street corner was not allowed. In short, the parking slot was secured not before we shelled out one month additional and a month deposit. Bam! That prompted me to do a quick computation based on the amount we shelled out for the parking slot.

Without hesitation, we cancelled our plan of buying another vehicle. Instead, we visited a former private property in which the house was gutted by fire. To make the story short, Andoy's Park for Rent was started in February. Then our first hurdle was the pandemic! Everything was put on hold. Investment money was already paid to the owner. I got depressed a bit, but the landlord was so considerate and allowed us not to pay anything until the bus operation normalized. Our landlord also gave in to our request to lower down the rent by 20%.

In business, what I really wanted is for me to have an income without the strenuous routine of waking up early every day to tend a business. I have retired from doing that and I wanted to do something else—like pursuing my almost neglected hobbies—with an income on the side to sustain our basic needs and pay bills. After all, I have retired. It is time to enjoy my retirement years. By looking back, I don't want to have regrets of not doing things that I love to do. Choosing this kind of business will give me enough time to do other things.

We hired one parking attendant and we're now on our fourth month of operation. Praise God and all praise and glory belong to Him!

AFTER RETIREMENT. Since retirement, I believe that this was the best decision I have ever made. To tell you honestly, I don't miss work. No more thought of a boss when I wake up in the morning, no more urgent reports to submit, no more preparing corporate clothes on weekends, no more pressures and tensions, and no more stress.

I believe that this is the time to do other things—to enjoy my remaining years while I can still ride my mountain bike and do my other hobbies like taking care of my bonsais—which has become not only a hobby but a source of passive income.

Despite this pandemic, praise God that we are still standing. I pray and hope that this pandemic will come to an end soon. In the near future, I am hopeful that I could set up my own bonsai garden with restobar at night. I have also been praying that we could all survive and withstand this pandemic.

With the two businesses that I invested in, they generate income for our day-to-day needs. We spend for our basic needs and not on wants only. My son Antoine is doing well in our finances; he does all the finance ideas and solutions. He is quite amazing at the age of 21 as finance officer and I believe that he is doing great. Hopefully, property management and the PUV business will carry us through. Right now, the economy is in a slow-motion pace, and I am praying that it would gain momentum soon. MS

Retirement Expectations

Augustus Manansala shares tips and pointers to those who would like to retire—and sets expectations for retirement.

Get out when you don't enjoy your job anymore. You will know the signs when you don't enjoy your job anymore—constant grumpiness and small things that irritate you.

Think about what you would like to do. Think about the personal things you want to do, most of which you cannot find time for because your time is preoccupied with reports and time constraints. Could you still do those things you love to do by the time you decide to retire? Time elements are essential.

Enjoy life. Talk with your friends more. Travel. Spend time with family and friends. Start a new hobby. Be online most of the time.

When Retirement Means Freedom

BY GRIZALDO MATA AS TOLD TO EXCEL V. DYQUIANGCO

For 10 years, I worked as a media manager at a Saudi media buying company called Integrated Communications Group (ICOM) in Jeddah, K.S.A. I was responsible for the preparation and execution of media plans and managing advertising campaigns for Saudi Arabian Airlines, Mazda Cars, Peugeot Cars, Geely Cars, and Samsung Mobile Phones and Appliances, among others.

At that time, my biggest challenge was the language as I didn't speak and understand Arabic. Sometimes during meetings, they broke into their language where a non-Arabic speaker like me just tended to keep quiet. This challenge carried over to the actual buying of spots on TV and print when there was a need to haggle for the client. Despite that, generally all advertising business were carried out in English which made my job easier and manageable.

Originally, I wanted to retire at age 45, but was delayed for a year because I had to train my successor first. When the CEO conducted the exit interview, he was surprised with how I accepted the fact that I will be losing my job. To him, it was new that someone was very accepting, happy, and even thankful. Well, that was me. I was so thankful, I was grateful because with God's mercy, I was able to fulfill my plans.

On the other hand, the very main reason why I planned to retire early was to be with my elderly mother, serve her the best I can, and give her everything that will make her happy. I was willing to give up everything just to be with her at a time where she can still appreciate the things I do for her. But lastly, I wanted to be able to enjoy life, the fruits of what I have worked for in over 25 years, and most of all, be with the people who matter most.

MANAGING A SMALL RESTAURANT. When I retired, it was a big sigh of relief! It was like I was breathing in fresh air. New life indeed! When I went home to the Philippines, a minor challenge was driving around as I was not used to Metro Manila traffic and unfamiliar routes made things more complicated. But thanks to Waze, the app has been my friend ever since. The whole family was very supportive with the decision I made. They commended me for my plan of staying for good here in the Philippines.

However, I couldn't while away my days without seeing "things to do" in my daily planner which I had become accustomed to. I had to write something and do them. I thought of starting my own businesses, so I scoured for locations but was eventually rejected by the franchising companies. Somehow, it dawned on me that maybe those possible opportunities were not meant to be.

Given that the businesses didn't work out, presently, I have a small and cozy resort in Tanay, Rizal. It is private and can be used only by friends and family for intimate gatherings. The resort was a pleasantly unplanned venture. This was originally meant to be a small building that can house children from Barangay Sta. Ines, Tanay, Rizal, where I was born and raised. Since the LGU built a new structure for that purpose, the building then became Manang Fely Private Resort, aptly named after my mother. I now busy myself in the management of our small farm and some property rental business. I am also involved in a company, as an associate, that cares for people, especially during this pandemic. When it comes to challenges during this time, honestly, challenges are really non-existent. It may seem very unbelievable, but it is really what it is. You see, when one has carefully planned and prepared ahead of

retirement, it will come with very minimal trials that are easily resolved or none at all.

But I have experienced on several occasions knocks on our door from people we did not know, asking for some help. It was really heartbreaking. I share whatever I can share. With this kind of situation, it made me realize more how blessed I am and I should be grateful all the time.

SIGH OF RELIEF. I am now 51 years old. For me, retirement is freedom and seeing and enjoying the fruit of your hard work, which is so fulfilling. You feel proud of yourself for what you have achieved and planned. I have also participated in special projects of a private equity company when it comes to investing my money. It gives me a much reasonable return compared to other options. Spending my money on something that is worthy has always been my way. Investing in one's health is also a crucial and primary priority.

As for my future plans, nothing comes to mind for now other than my ardent hope for this pandemic and suffering to come to an end so we can move on with our lives.

Retiring Early

For those who want to retire or have already retired, Grizaldo Mata gives tips and pointers.

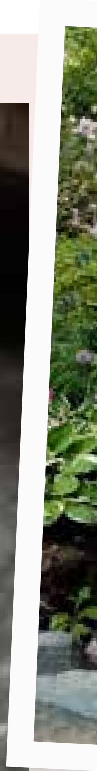
Know your purpose. Knowing your purpose is key. For those who are on the verge of retiring, envision yourself after leaving the corporate world.

Ask yourself questions. Ask yourself what you will be doing. Will you be able to sustain your lifestyle when you retire? What kind of life do you want to have when you retire? Setting a plan isn't enough. Every step you make should focus on achieving that goal.

Diversify your financial plan. Keep seeking for the finest facilities that will work for you as a retiree. When you retire, it is the time that you let your money work for you.

Having Vision During Retirement

BY MELBA BARTOLOME AS TOLD TO EXCEL V. DYQUIANGCO



For 23 years, I worked as a journalist. But when President Joseph Estrada took office in 1998, a big political upheaval took place in most media publications including my own, that I decided to go into early retirement. I was 45 years old, and suddenly, I had nothing to do. It felt like a rug had been pulled out from under my feet. I was used to living an active life and finding myself at loose ends was alien to me. I knew I had to do something to get my life back on track. I do recall telling myself that if ever I stopped working for the magazine, I would like to go into business for myself.

But first, I needed a break to refresh my soul after all the stress that I had been through. So I did a little travelling and went to the United States to meet up with my siblings. We had a good time, and I came home brimming with renewed confidence.

Once more, I seriously toyed with the idea of going into business. I knew the odds of finding good employment were stacked against me. I was middle-aged and over-qualified for most of the jobs that were available. Interestingly, it was at this time that one of the people I had worked with called me up about a magazine job that seemed right up my sleeve. I was ecstatic when I got it. I had often wondered in the past what it felt like to work in a swanky office in upscale Makati. It should have felt like a dream come true. But since day one, I wasn't happy. I didn't know what was wrong. And then one day it hit me, I was far too old for the company I worked for, and I hated working with computers. So I left.

CHALLENGES OF STARTING A BUSINESS. After spending a few days at home, I felt restless once more. To cheer me up, my husband often asked me to accompany him in his errands. I looked around the city wondering what business I could go into. All the while, I was really praying hard and asking God to show me the way. What was I to do with the rest of my life?

Find a need and fill it was the first business maxim that came to mind. Next, I realized I needed to offer something different. Finally, it occurred to me that a good business was one that would help customers to save money. But there were two hurdles I had to overcome. First, I didn't know what products or services to offer customers. Second, I had my apprehensions about managing a store on my own. I didn't know the first step to take, the documents needed, and the legalities of putting up one.

Oddly enough, it was around this time that I saw an ad on the paper about a seminar for would-be entrepreneurs. I figured this was God's way of answering my prayer, so I signed up. It was here I learned that once you have a business in mind, you need to go to DTI first, then to City Hall for a Mayor's Permit before heading to the BIR to secure your business registration. I used to think that it was the other way around.

Maximizing Retirement

Melba Bartolome shares tips and pointers to those who want to maximize their retirement years.

Don't stop working. Find something to do that's worthwhile, even if you have to volunteer your services. Sometimes this volunteer work may even lead to something important.

Don't stop learning. Learn something new. In my case, I think I will buckle down to learning how to operate a computer.

Give. Giving is not optional. This is an obligation, especially when you've had the chance in the past to secure your own needs.

So sometime in 2004, I opened a small business right in front of our home which we called 3 to 8 Trading because I had the odd idea of opening at three in the afternoon and closing at eight in the evening. I figured that this left me ample time to devote myself to other activities.

Our store was a discount store where we focused on selling detergents, soaps, and diapers. We offered alternative brands to those offered in the mainstream market. Some of them were even unbranded. But they were considerably less expensive and enabled our customers to stretch their budget. Because our store was strategically located, dealers and suppliers came offering their wares, and little by little, we began adding to our inventory.

I must admit that a few months into the business, I hardly made anything. But that didn't discourage me, because at the seminar I attended, they did warn the attendees that it was par for the course. No business actually made money from day one. By God's grace, sales gradually grew, and I was happy that once more, I had money to spend for simple pleasures like going to the theater and shopping.

It had been many years since I opened our business, and I felt like I just wanted to do something else. But even before this pandemic happened, I was already thinking of closing the store because we are planning to move out of the metro soon. I guess this pandemic just fast-tracked everything.

Now that I am 66 years old, I am looking forward to what the future may bring, especially as we are moving to our dream house. I am looking forward to the many things that we can do there. MS

BILL LUZ's ~~Second~~ ~~Third~~ ~~Fourth~~ Fifth Act

After retiring from the Makati Business Club, Guillermo "Bill" Luz pursued new challenges promoting corporate social responsibility, making the country more competitive, responding to disasters, and fighting an ongoing pandemic.

BY EXCEL V. DYQUIANGCO

Bill Luz doesn't do retirement.

He has a storied career that spans over three decades, working in the private, non-profit, and government sectors. He has been involved in a diverse range of domains from business, technology, politics, and education to arts and culture, global competitiveness, and disaster response.

"I've always wanted to remain busy doing something interesting, so I suppose I will keep to that pattern. There are a lot of interesting things do in life," Bill shares.

That pattern shows a career in stages, handling work for long stretches before retiring to do another set of projects or assignments.

This has taken Bill on a journey working for prestigious institutions, such as Makati Business Club (MBC), Ayala Foundation, and SGV & Co., as well as national organizations including NAMFREL, National Competitiveness Council (NCC), and Philippine Disaster Resilience Foundation (PDRF).

Career start

On hindsight, Bill's college education proved to be a solid foundation for the kind of career that deals with solving a wide range of issues, working with a variety of people, and navigating different environments.

Because he had wanted to focus on a strong Liberal Arts program, Bill took up Interdisciplinary Studies at Ateneo de Manila University. He eventually gravitated towards Social Sciences (sociology, anthropology, and political science) and graduated with a Bachelor of Arts degree in Social Sciences.

It was a tumultuous time to enter the workforce for the idealistic fresh graduate. "Coming out of college in 1983 when the country was still operating under an authoritarian government, I thought there were three large institutions which could do something for the country," Bill shares.

"One was the government, but I didn't see myself working for an authoritarian regime. The other two institutions were business and the church. I didn't see myself as priest material and decided that the business community would be a good place to work for the common good and national interest," he explains.

After a six-month stint as a researcher in the IT industry, Bill quickly joined the influential Makati Business Club (MBC) as Employee 004 to work as a researcher. "MBC represented a group of progressive-minded CEOs and top executives with the resources to play a role in national development."

There, he eventually became Editor-in-Chief before being appointed Executive Director, a role he held for over two decades. "Those years were focused on economic research, public policy, corporate social responsibility projects, and global competitiveness," he says.

Diverse roles

It was during his career at MBC that Bill found himself serving not just the interests of the business community but also being involved with the government and civil society.

For instance, Bill had the chance to work on a number of joint projects with the government. One of them was to serve as the co-chair for one of the chapters or major sections of the Medium-Term Development Plan 1998—2004. He also served on DTI's Economic Mobilization Group around 1999—2000 with then-DTI USec. Ernesto Ordoñez.

"I also served as the Secretary-General of NAMFREL from 1992 to 2004 and worked with staff and volunteers across the country to guard against election fraud and keep elections clean," he shares. "It was like a crusade and a mission composed of people with a very strong sense of purpose."

It was also during this period when Bill became involved with the Corporate Network for Disaster Response. And as if all these weren't enough, Bill


HAPPY BIRTH
Jollibee & Friends

also held a concurrent role as Managing Director of Knowledge Institute of SGV & Co. for six years.

"I retired for the first time in 2006 after I completed 23 years at MBC," Bill says.

Ayala, APEC, and NCC

After MBC, Bill immediately started working at Ayala where he was first assigned to Ayala Foundation as Executive Vice President and Chief Operating Officer. "There, I focused my work on technology in public education, technology business incubation and startups, basic education, and arts and culture at the Ayala Museum."

He also began his second round of involvement with the APEC Business Advisory (the first was while at MBC) and also helped organize his second APEC CEO Summit (once in 1996 and then again in 2015).

After almost five years working in Ayala Foundation, Bill was appointed Private Sector Co-Chairman of the National Competitiveness Council in 2011, where he worked for several years. He was invited to run this Council on a full-time basis while keeping his private sector status (as the Executive Order for the NCC required). He was seconded by Ayala to do this job on a full-time basis and resigned from his post running Ayala Foundation to take on this assignment.

It was a major challenge for Bill. "Instead of researching on competitiveness, my task was to now figure out how to improve our global rankings," he explains.

"We had many challenges—low competitiveness rankings in the World Economic Forum, IFC-World Bank Ease of Doing Business report, and in 10 other competitiveness reports. The government had a lot of red tape and inefficiencies and some rules which made little sense to us in business," he says.

Fortunately, he had a great staff from DTI assigned to him. He started with six people headed by Malou Gesilva, who served as his chief of staff. "We focused on analyzing where we were competitive and where we were not and started creating projects to address the areas which needed fixing," he shares.

He adds, "We faced many challenges, including working across a broad range of agencies with people we initially did not know. Fortunately, people were very cooperative, so we were able to work well as teams once we all grew to know each other and focus on our common goals and objectives."

By the time Bill finished his term in 2018, his staff had grown to over 40 people running projects like the EODB Gameplan, Cities and Municipalities Competitiveness Index, Project Repeal, and Design Sprints. He says, "We were able to improve our world rankings in Ease of Doing Business from No. 148 to a peak of No. 95 but unfortunately also suffered a drop. Our World Economic Forum rankings also improved from No. 85 to a peak of No. 46 but also experienced a drop."

"I enjoyed working at NCC," he adds.

The importance of teams

Though he has been involved in many projects and jobs, all his work was done while he was connected to three organizations—MBC, SGV & Co./Ernst & Young, and Ayala Foundation. According to Bill, each job had its own challenges, whether it was working in a startup, building something from the ground up like SGV's Knowledge Institute, or joining a large conglomerate like Ayala to run its foundation.

"You have to meet new people, learn new systems, and adapt to different corporate cultures," he says. "But in the end, it was great teamwork at each company which enabled all of us to create and run projects."

As he moved from organization to organization or from project to project, Bill says the thing he missed the most were the teams and camaraderie. At every stage, he was privileged to be able to assemble some really great teams of people. While at MBC, he had a direct hand in hiring a lot of people over a long stretch of time. Most of them still keep in touch through Facebook and the occasional reunion.

Bill shares that his team at NCC was also another great team: "We formed many small work teams who worked hard but also got together to celebrate many birthdays and lunches out together. Some of us still keep in touch through our various projects."

He adds, "Our APEC CEO Summit team of 2015 was especially tight-knit because I was able to combine some old team members from MBC, Knowledge Institute, and Ayala Foundation with new team members to work together in a pressure-cooker situation. We had to plan, fund, and organize a major international business conference for APEC and its 21 member-economies as well as a series of Ministerial-CEO meetings with the government when the Philippines hosted APEC in 2015. We still keep in touch through WhatsApp and also have annual reunions."

Biggest challenge

While Bill has tackled such thorny problems like election fraud and low global competitiveness rankings, working on disaster response and resilience—where lives and livelihoods are at stake—has proven to be Bill's biggest challenge yet.

In 2009 following Typhoon Ondoy, the business community organized the Philippine Disaster Recovery Foundation (PDRF). Even if many companies were providing relief and emergency services in the flood-affected areas in the eastern portion of Metro Manila, the PDRF was organized to help with the recovery and the prevention of future flooding in the area. One of their projects was a reforestation and tree nursery project in the Marikina watershed where massive deforestation had contributed to the severity of the flood.

He says that every disaster leaves a mark in one's memory and the bigger ones leave bigger marks, especially during calamities like the Baguio earthquake, the Mt. Pinatubo eruption, Ondoy/Ketsana, Yolanda/Haiyan, the Bohol earthquake, and others.

Bill explains that the important thing is to draw lessons from them professionally and to apply those lessons so we prevent these disasters from happening again. "As they say, there are only natural calamities and hazards. Disasters happen when we aren't prepared or when we haven't learned our lessons."

He adds, "In the Philippines, natural calamities have the effect of driving many of our people back below the poverty line. The very act of helping people pull themselves up after a natural calamity or, better still, of helping people prepare for one is a fulfilling job. It's what PDRF was designed to do."

Building resilience

In 2013, after Supertyphoon Yolanda (Haiyan), a shift in PDRF was made from disaster relief and recovery to focus more on preparedness and prevention. Bill shares, "We reorganized PDRF into the Philippine Disaster Resilience Foundation. We turned our focus to resilience and shifted our strategy to preparedness, prevention, and mitigation."

PDRF decide to establish an Emergency Operations Center (EOC) to research and monitor natural hazards and disasters and to train more people in disaster preparedness and prevention and business continuity.

In 2016, Bill was appointed PDRF's Chief Resilience Officer to oversee the planning, design, and construction of the EOC as well as its systems, staffing, and programs.

PDRF started recruiting staff even before the EOC was built and setting up a prototype center in the same year in Makati to test all its protocols, IT systems, training, and people. "We used this time to also research more about other government-run


pdrf
MAGEN
DAVID
ADOM
IN ISRAEL
מגן דוד
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04 April 2018
Clark Pampanga

disaster operations centers in different parts of the world (e.g., Australia, Indonesia, U.S., Turkey) and to interview experts. This helped us refine our designs," he explains.

At the same time, the team also scoped several locations in Clark, as they felt the EOC should be outside Metro Manila, in case of the "Big One". Other factors they considered were proximity to an airport and seaport, being near a good highway system, and being flood-free. They found two old single-storey school buildings and converted one of them into the first phase of its EOC.

In 2018, PDRF inaugurated its EOC, capable of operating 24/7 during natural calamities like typhoons, earthquakes, and volcano eruptions.

Then in 2020, the pandemic hit.

Facing the pandemic

Bill says that at the outset of the pandemic, the biggest mistake was that of not having the testing and data infrastructure in place early enough. He adds that, for instance, the country had only one testing lab and results took too long to release in February. Even by April, the country had only 17 labs and a total testing capacity of around 4,000 tests per day.

"Early this year when COVID struck, the business community teamed up with the government to create Task Force T3 to focus on the response in terms of test, trace, and treat," Bill says.

Their initial work focused on improving PCR testing capacity across the country and PPE distribution and expanded into improvements in supply chain management for lab supplies, pooled testing, serosurveillance, new testing technologies, and data management.

The task force created sub-groups focused on each specific task or project and recruited people from both government and private sector into each sub-group and overall task force.

It was a very difficult time for Bill and his team back in the early months of the pandemic. He and the team had to work long days, seven days a week, because they had to respond to an emergency situation.

"The economy was in a lockdown situation and we had to attend to both public health and economic challenges," he explains. "People had no work, no livelihood, and therefore less ability to put food on the table for the families. Thus, we opted to work long hours every day to respond quickly. This went on for months."

Bill adds, "Another big challenge was that most of our work had to be done remotely and from home. Many of us worked with people whom we had never met personally but grew to know over time. As we got used to the technology and the dynamics of meeting virtually on a daily basis with different sub-groups, we all got used to a certain rhythm of work and became quite productive and effective."

When Task Force T3 was formed in April, their first job was to increase testing capacity to 30,000 per day by end of May. Bill shares, "Through coordination with government, we were able to harness private sector donations and investments in labs as well as speed up the accreditation of labs. We met that goal and have since increased the testing capacity in the country to almost 100,000 tests per day if needed."

"The country was also weak in using data analytics and contact tracing," he adds. "Data analytics has significantly improved since March and there are now better dashboards, data collection and processing systems in place which integrates all available data. This was accomplished by creating teams of government and private-sector IT professionals to work together to solve the challenges and issues. Contact tracing, unfortunately, remains a challenge. At the end of the day, it was a public-private partnership to respond to the pandemic which proved to be the most effective practice."

Non-stop work

Thankfully these days, the situation has somewhat stabilized. Even Bill has managed to slow down. "We all managed to carve out some time to rest and recharge," he shares. "Personally, I relax by watching movies, listening to music, reading, and trying to get enough sleep. Time for the family was never an issue because we all worked from home and therefore spent a lot of time together. Cooking was my hobby, so I went back to that whenever I wanted to take a much-needed break from virtual meetings."

The work, of course, never ends as the country experiences natural disaster after natural disaster. "When things are quiet, we work on programs such as training, business continuity for MSMEs, and service continuity training for government," Bill says. "When typhoons are about to strike, we issue regular advisories to our partners so they can prepare properly. These include weather forecasts and typhoon tracks. We also extend assistance immediately after typhoons hit."

For instance, the Philippines was recently hit by four typhoons in about three weeks in different parts of the country. PDRF mobilized to extend assistance such as water, food, shelter repair materials as well as assist in restoration and repair of telecom and power services through its partner companies.

But PRDF not only responds to disasters and helps in recovery, it also continues to build capabilities in new, exciting avenues to prevent or reduce disaster risk in the first place.

Bill says, "Our PDRF team is special because what binds us together is our humanitarian work. But what really sets this group apart is the ground-breaking work many of them do in disaster risk reduction. We designed, built, and operate the world's first private sector national emergency operations center. We developed a large network of corporations which are linked in clusters to respond to any emergency. We also started work on business continuity, service continuity, area continuity, and participatory 3D-mapping in barangays."

"It's a unique organization and an international model in the DRRM world," he adds. "One of my current teams is deeply engaged in the Liveable Cities Challenge and in ABAC, multi-tasking and building up partnerships in both these interesting areas. The Liveable Cities team has conducted virtual meetings called Labs and is currently building a Dashboard on Philippine cities."

A new hope

As for the ongoing pandemic, Bill is a cautiously optimistic.

"We are currently working on a national vaccine program with Secretary Carlito Galvez, Jr., with AC Health (a unit of Ayala), Unilab, Zuellig Pharma, Boston Consulting Group (BCG), and PDRF," Bill says. "More companies are joining this effort to help roll out vaccines across the country."

He adds, "I think COVID will be with us for a while, even with vaccines available. To begin with, it will take some time for vaccines to be available and distributed across the country, maybe a couple of years at least. There are still a lot of decisions to make and much planning to do. I think we will need to focus on this for several more years before we finally get COVID under better control."

For the general public, Bill gives this advice: "We are assuming this pandemic will be with us for a while. Thus, we will need to practice the basic minimum safety measures of wearing face masks and shield, maintain social distance, wash hands often, and disinfect places. We will also need to maintain our testing capacity and data management as well as isolation centers and hospital system. It is important that we protect our healthcare workers at all times. We'll need to get used to living with this virus and make the necessary adjustments with respect to our work, our social lives, our daily lives."

He continues, "I think the whole of 2020 will be unforgettable for many of us. Hard to believe but we actually started the year with a volcano eruption (Taal) before COVID-19 struck. We'd all like to forget 2020 but in truth, it's been such a life-changing experience for all of us. There's no doubt in my mind that the only way we can manage and contain this virus is to work together. There's also no doubt in my mind that we need to find that delicate balance between lives and livelihoods. While we watch a public health crisis unfold, we must be careful to guard against an economic crisis which may have consequences of its own—poverty, hunger, poor health, depression, and other challenges. We need to figure out a way to open up the economy to enable people to earn a living while at the same time keeping safe from the virus. This will require very close coordination between the government, the private sector, and the public."

If there's one person who has successfully straddled these different sectors for the benefit of the country, it's Bill Luz. And as he has no plans to retire, the Philippines is all the more better for it. MS


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New Rules for a Post-Pandemic Retirement

BY GENESIS KELLY S. LONTOC, RFP®

The New Normal is upon us. Whatever trend was existing prior to 2020 may have been broken. This is indeed a year of reset. With the New Normal, there is a heightened sense of health as more Filipinos are realizing the importance of staying healthy amid the spread of the pandemic. There is also a heightened sense of wealth. Money management becomes an essential concern. In this regard, there is a need to review retirement planning within the context of the New Normal since many conditions have changed.

Is retirement planning a relevant topic for Filipinos? Yes. According to the World Health Organization based on 2016 data, the average life expectancy for Filipinos would be 66 years while the average life expectancy for Filipinas would be higher at 73 years. On the average, Filipinos and Filipinas most likely will get to live beyond the traditional age of retirement. The high chance of living the retirement years makes it imperative for proper retirement planning to occur especially since a different future awaits all of us.

Retirement planning is all about defining how you will get to live retirement and ensuring that relevant actions are taken in order to ensure that the quality of living in the future will be satisfactory. Living in retirement should not be just about survival but more about sustenance. Just like many great structures and buildings, retirement planning is never an overnight process. It is a life-long process. Twists and turns happen like COVID-19 and therefore planning should strike a balance between focus and flexibility.

DETERMINE YOUR RETIREMENT GOAL. The first step in retirement planning is to determine your retirement goal. The goal must be smart, measurable, ambitious, realistic, and time-bound. If you expect to live on P30,000 per month and live for 20 years after retirement, then the retirement goal would be P7,200,000. Time is a great ally in planning. It is a misconception that retirement planning is not for the young. The earlier that you realize the importance of retirement, the higher will be the likelihood that you will take relevant action.

CHECK YOUR FINANCIAL HEALTH. Companies have balance sheets and these can be applied to personal finance. The next step in retirement planning is to take stock of the current level of finances. Identify your assets or what you own. Given restricted mobility brought about by COVID-19, you need to ensure that you have ample liquid assets. These assets are cash or are easily convertible to cash. Examples of liquid assets are money in the pocket and savings accounts. Having too much liquidity though can mean high opportunity costs of not earning more.

Other short-term assets should be listed. These can include short-term receivables and other short-term asset placements. Long-term assets must be listed and they can be earning or non-earning. Stock market investments, bonds, Treasury bills, pooled funds like mutual funds and unit investment trust funds, provident funds, cooperative funds are examples of long-term assets that have earning components. Non-earning long-term asset examples include houses, furniture, appliances, fixtures, vehicles, and jewelry.

The sum of short-term liquid assets and long-term illiquid assets will give the total picture of what you own.

BUILD YOUR EMERGENCY FUND. It is said that COVID-19 took humanity to a world characterized by volatility, uncertainty, change, and ambiguity. That's why it's important to have a special liquid asset, which is an emergency fund. This is the amount of special savings that can be used when economic conditions are tough. It can be computed by multiplying the average monthly lifestyle expenses with six months or 12 months. The emergency fund must be placed in a liquid instrument so it can be readily used when needed.

GET PROTECTED. To complement the emergency fund and to further ensure protection against adverse fortuitous events, health insurance, life insurance, and non-life insurance values provide big boost components in your assets. These ensure that cash inflows to the household are maintained even when bad things happen and when income streams are disrupted. Health insurance and life insurance come in handy when sickness or death in the family occur. Non-life insurance protects critical assets like property in the event of damage or loss.

CHECK YOUR LIABILITIES. The next step in retirement planning is to take account of what you owe. In the balance sheet, this would be the liabilities incurred. At the end of the day, these liabilities have to be settled to avoid legal implications and reputation problems. Liabilities will consume part of the total assets. Matching is imperative. Short-term assets must be able to cover short-term liabilities.

Short-term liabilities include examples like credit card loans, personal loans, SSS loans, PAG-IBIG loans, GSIS loans, advances from relatives and the current portion of long-term debt. Long-term liabilities include examples like vehicle loans, housing loans and insurance cash value loans. The sum of short-term liabilities and long-term liabilities would represent the total amount that an individual owes. Total assets minus the total liabilities will be the total net worth. This amount is therefore the real measure of what you own.

COMPUTE THE GAP. The next step in retirement planning is to compare your retirement goal with what you have based on net worth. The difference will be the retirement gap and appropriate actions have to be done in order to address the gap.

PLUG THE GAP. In this regard, you have to identify income streams within the context of the New Normal to help you achieve the retirement goal. The good news is that given the ability of mankind, there are various ways and means in the financial realm where income streams can be significantly generated.

In choosing the type of income streams to pursue, apart from the retirement goal, which is like the North Star, there are two other important considerations that matter. First, the time horizon involved should be considered. Starting early in terms of retirement planning is recommended. Time can work for or against you. Second, take into account your risk profile. Self-awareness is vital. Risk-loving, risk-averse, and risk-neutral individuals will have different income stream preferences.

One way to generate income streams is via active income. Working in a corporate setting is an example. During the

> “To complement the emergency fund and to further **ensure protection** against adverse fortuitous events, **health insurance**, life insurance, and non-life insurance values provide big boost **components** in your assets.”

pandemic, having a job is a big blessing and so jobs have to be valued. Good effort at work must be given especially when times are tough so that businesses continue to survive and hopefully thrive. Employees should make at attempt to always sharpen the saw by seeking various training opportunities to make them better professionals. By becoming more proficient, active income will be more sustainable.

Another way to get active income is through entrepreneurial activity. Anchored on right market research, the right business will be able to provide sustainable active income if it addresses strategic and driving needs of its target customers. A sustainable business has positive multiplier effects in the economy. It can provide jobs and livelihood to Filipino workers and so many families benefit. It can also provide sustainable business to many other businesses. A vibrant business community will help fund government projects.

INVEST YOUR MONEY. One way to generate income streams is passive income. In the Philippines, there are quite a number of options that can provide passive income. For more conservative individuals, putting money in Treasury bills, savings accounts, time deposits and other fixed instruments can be explored. Since the risk associated with these instruments would be low, in many cases, the returns will be low. While they provide good sources of liquidity, they may not be able to keep up with the rising inflation rates over time.

For more risk-taking individuals, there are a host of income stream alternatives. Tapping pooled funds like mutual funds and unit investment trust funds can be for busy individuals since these are managed by professional managers. In choosing the right fund, past performance, current performance in light of the pandemic and reputation should be considered. Direct stock market investing is an option although proper education and experience are needed in order to make one maximize potential stock market gains.

Investing in real estate can also generate passive income. There are two benefits. First, there is the possibility of price appreciation. Second, regular rental income will help augment cash inflows. Picking the right real estate vehicle will require sufficient due diligence. The location of the property, reputation of the developer, general economic environment, business sentiment and future government infrastructure projects ultimately determine the attractiveness and viability of every real estate investment.

Passive investments can also take the form of investing in business enterprises. Franchises of established brands provide the possibility of sustained cash inflow since there is a halo effect whenever these brands connect with the public. Investing in the Philippine countryside through promising agricultural, forestry and fishing opportunities with sound environmental techniques has a host of benefits like food security, export growth and democratization of prosperity especially among those who are poor and marginalized.

The world is changing. The New Normal will imply new rules for the post-pandemic retirement path. While the retirement goal is constant, one should be able to keep track of portfolio performance and initiate the necessary adjustments in terms of the plans and actions. Individuals should continue the goods habits of saving and investing. Individuals should stop bad habits related to financial neglect. Individuals should start exploring new techniques in making income streams more sustainable. A better future awaits. MS

"The world is changing. **The New Normal** will imply new rules for the post-pandemic retirement path. While the **retirement goal** is constant, one should be able to keep track of **portfolio performance** and initiate the necessary adjustments in terms of the plans and actions."

The COVID Crisis: A Unique Opportunity for Estate Planning

BY ATTY. EDGAR V. MENDOZA CPA, CMA, RFP®, CTEP

While none of us are promised tomorrow, the coronavirus pandemic has certainly made that reality more top-of-mind for most of us. Sadly, most of those people who died might not have made any estate plan. Thus, they might not have expressed their wishes, nor they might have anticipated that their surviving family members would squabble over who gets what on everything they have left.

Because of the uncertainties brought by COVID19, it is wise to communicate your intentions to ensure you have an estate plan that aligns with your wishes, most especially if you are part of the high-risk group vulnerable to the adverse outcomes of coronavirus infection.

The reality of the present situation has compelled a lot of people, who are worried about the potential seriousness of COVID-19, to rush in creating or revising their estate plan.

The rapid spread of the novel coronavirus and its sometimes quick progression from illness to death, occasionally within a matter of days or even hours, has resulted in an interesting realization. Many people, rich or poor, powerful or not, will agree that the coronavirus pandemic has brought all of us a lot closer to our impermanence.

Uncertain times like these present unique estate planning opportunities. Since there are potentially fatal complications associated with COVID19, people of all ages generally feel anxious about their safety, and this triggers them to get their estate planning in order.

Thus, lawyers have been inundated by client requests to provide them with estate planning instruments.

Before the pandemic, estate planning may be the last thing you would want to think about. But while planning for illness or death is not a pleasant topic, neglecting to plan for the inevitable, especially nowadays, puts your hard-earned and well-saved assets at risk. Even more, it can create unwanted stress for the people you love most who are left to pick up the pieces of an unplanned estate.

Perhaps this crisis is here to serve as a glaring reminder to those who have been putting off creating or updating their estate plan.

But there's more to estate planning than just the will. A trust can do what the will can do and much more. Insurance is another superstar of estate planning because it avoids probate, it avoids or reduces taxes, and more importantly, the proceeds go to the intended beneficiaries generally not subject to the laws of succession. We have other estate planning tools in our disposal such as but not limited to closely-held corporations, outright gifts, foundations, sales and leaseback, buy-sell agreement, installment sale, and many others.

As a practitioner in estate planning, we do not recommend a single estate planning device especially for a complicated estate. We should combine the various estate planning tools. Not only that the sophistication lies in the combination, more so, we will achieve more the objectives of the estate owner by combining the estate planning tools as Steve Jobs did.

Ideally, every person should take the time to put his or her estate affairs in order. Failure to address these concerns in a timely and expeditious manner can result in a myriad of legal complications including costly court intervention or probate.

ESTATE PLANNING DEFINED. Estate planning is defined as a systematic process of arranging or rearranging a person's properties, be it personal or real to accomplish the goals and objectives that he has set for himself and his family during his lifetime and even after death.

Contrary to popular misconception, estate planning is not just for the wealthy, although people who have built some wealth do often think more about how to preserve it. Good estate planning is equally needed by the very rich, the rich, the middle class, and the lower class. A young couple with minor children has more needs of estate planning than a rich person without any children.

BENEFITS OF ESTATE PLANNING. With proper estate planning, a person can benefit from the following: prevention of inheritance conflicts, protection of inheritance from potential problems, preservation of his/her estate (or creation of wealth), and reduction in estate taxes.

Prevention of inheritance conflicts. At the heart of every estate planning is the desire to provide a good life for your beloved children when death calls. After you are gone, your children are still your children, but they are also people dividing your money. And when money becomes involved, it is a whole new ball game.

Ever heard someone say: "All my children, including my children-in-law, get along well and would never fight or argue about the disposition of my wealth after I'm gone"? While we all hope that everybody will do the right thing to keep harmony in the family when we are gone, unfortunately, human nature is not always that way. The sad reality is, even close-knitted families, who would unlikely squabble over inheritance, could end up having conflicts that could later turn into lifetime resentments.

A well-thought-out estate plan minimizes the likelihood of conflicts, jealousies, bitterness, and after-death disputes between your children. Planning ahead can be one of the most invaluable gifts you can give to your children and your generations to come.

Protection of inheritance from potential problems. For most people, it is very important to protect their wealth from risk. You may have already taken steps to shield your assets from the human and economic problems that may arise in your life.

However, you may not realize that you should provide the same protection once your wealth is in the hands of your children. Indeed, once your children inherit, your money and property become subject to the winds of their fates. Without estate planning, your child's inheritance, which you worked long and hard to accumulate, can be lost very quickly in a lawsuit, bankruptcy, or to creditors.

Preservation of his/her estate (or creation of wealth). While accumulating wealth is already a difficult and challenging task, preserving it for generations to come is much harder. As Robert Kiyosaki puts it "It's not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for."

The continuation of wealth from generation to generation is a critical matter, especially for high net worth families. According to a 20-year study of 3,200 high-net-worth families, 70 percent of generational wealth is lost in the second generation, while 90 percent is already gone by the third generation.

> "It's not **how much** money you make, but how much **money you keep**, how hard it works for you, and how many **generations** you keep it for."

Families can better preserve and further create generational wealth through careful estate planning. That passes wealth or assets to your beneficiaries upon your death with the least tax impact that diminishes the value of your family wealth.

Reduction in estate taxes. When you die and your children inherit your assets, the Bureau of Internal Revenue (BIR) will require your children to pay a transfer tax known as the estate tax. This tax is not imposed because you died; it is a tax on the transfer of your wealth after your death.

Minimizing estate tax is one of the end goals of estate planning. Currently, the estate tax rate is 6% on the net estate under the TRAIN law which became effective on January 1, 2018. Prior deaths are governed by a graduated table depending on the estate's amount and time of death.

Estate planning is all about protecting your loved ones, which means in part giving them protection from the BIR. Essential to estate planning is transferring assets to heirs with an eye toward creating the smallest possible tax burden for them.

ESTATE PLAN OR NONE. While times of crisis can generate chaos and panic, amidst the panic lies a unique opportunity. The uncertainty of these times has resulted in many individuals realizing either of the following: the need to have an estate plan in place and the need to revise/update the estate plan.

IF YOU DO NOT HAVE AN ESTATE PLAN YET… Then it's time to make one. You don't want to regret missing the opportunity to be in total control of how your estate can provide for your loved ones' future just because you did not take this matter seriously when you still have time. If you will not decide now, the time will come that the government will make the decisions, that you've been putting off, for you.

Make a list of all your property and debts. Include anything of value and try to value each item at their current fair market value. Organize documents concerning property ownership, including deeds, mortgages, life insurance policies, and retirement programs.

Analyze your present state of affairs. Ponder who you wish to provide for (your beneficiaries) and how you wish to provide for them. Consider key people that you wish to assign as your executor, trustee, and guardian for your minor children, if any.

Contact your estate planner to discuss the next steps in creating and implementing a well-thought-out estate plan. Ever heard the phrase "You don't know what you don't know"? You probably have a concrete idea of how you want your assets to be disposed of when you die. However, it is highly possible that you may not be knowledgeable of all the applicable laws and legal strategies.

You may think you can save a lot by drafting the will or any estate plan all by yourself as compared to seeking professional help. But, in reality, it could cost you much more in the future if your will or estate plan is not written well enough to withstand objections. Also, non-compliance with legal formalities could result in serious legal implications. So, don't waste your efforts by doing it the wrong way.

IF YOU ALREADY HAVE AN ESTATE PLAN… Then it's time to review the major life changes since you last updated your estate planning documents. As you revisit your plan and wishes, ensure that you have given serious consideration on naming your beneficiaries and selecting people whom you have entrusted significant responsibilities with, like being the executor of your will, trustee of a trust, and guardian of your minor children.

So, what exactly should you be re-evaluating as you update your estate planning documents? What follows are some possible events and circumstances that may or should trigger major changes in your current estate plan:

- Marriage/Remarriage
- Birth or adoption of a child, grandchild, etc.
- Legal Separation/Annulment/Divorce
- Your child has reached the age of majority
- Death of a loved one or someone who has been named as your executor or trustee
- Diagnosis of terminal illness of a loved one or someone who has been named as your executor or trustee
- Changes in relationships with people, organizations, affiliations
- Purchase or sale of major assets
- Additional insurance policies or pension plans
- Change of your residence
- Amendments in tax laws or estate laws

Review your documents and ensure that they conform to your expectations and that you understand their implications. Let your loved ones know where they can find your important documents. Place these documents in a location known to and accessible by the appropriate parties, should the need arise. Keeping these documents in a safe deposit box, which only you have access to, can delay and complicate the retrieval of these documents and jeopardize the ability to act promptly.

Likewise, consult your estate planner to discuss any updates or revisions, specifically prior to or immediately after the occurrence of major life events (birth, annulment, death of a loved one, and receipt or pending receipt of new assets). Discuss strategies that can be implemented based on the current climate and your asset profile.

Whether you want to set up or revise your plan, it is wise to involve the following experts in estate planning to help you effectively fulfill your personal and financial objectives:

Lawyers. They ensure that your estate plan is legally feasible and binding. They help assess your estate, figure out what kind of documentation you need, and write a trust or will that dictates how you want the inheritance to be passed on to your family members. They can also help you choose a guardian for your dependents, establish a trust for your family members, and deal with other unique situations.

Accountants. They help compute potential estate taxes due and prepare estate tax returns. They can help in accounting for trust.

Bankers/Trust Officers. They are needed in the safekeeping of your assets. They can also offer you services like the Living Trust Account.

Financial Planners. Since your estate can have an investment portion, they are needed to make sure that you earn the most from investments.

Life Insurance Agents. They play a pivotal role in estate planning as they provide you a good insurance plan that can protect and increase the inheritance of your heirs.

Estate planning is fundamentally providing a legacy for the ones you will leave. Will you leave chaos? Or, will you leave peace through a well-conceived plan?

Unless your intentions are put into writing with the appropriate formalities, you cannot ensure that your plan will be executed as you intended.

If you and your loved ones are among the fortunate ones who are spared from the deadly infectious disease, seize the moment by planning ahead. Creating an estate plan, sharing your wishes with your loved ones, and re-evaluating your plan from time to time will give you peace of mind and one less thing to panic about in times of crisis.

Estate planning essentially protects everyone you love and everything you've built. It is ultimately love in action, because "love always protects". So, for your own peace of mind and for the benefit of your loved ones, it is important to stop procrastinating and start estate planning.

Take steps now to pandemic-proof your estate plan. MS

Making Key Medical & Financial Decisions in This Health Crisis

BY RIENZIE BIOLENA, RFP®, CWC, AIF

"Always plan for the worst, child, that way all your surprises are pleasant ones." – Verin Mathwin in Robert Jordan's Wheel of Time

We live in unprecedented times.

The COVID19 pandemic has brought to light a lot of vulnerabilities and risks on our lives – risk on health, risk on our livelihood, risk on our very lives. Though some people are at greater risk in terms of health, almost everybody can be infected by COVID19, and anybody can be affected directly or with its life-long side effects.

We can minimize the risk of infection through isolation, PPEs, and disinfection. But minimizing is not the same as eliminating, as there are cases wherein a person still gets infected even though they did not go out of their residences. Thus, COVID19 seems like a dark cloud that hovers on us all, with us not entirely knowing who will catch it and when.

Thus, the pandemic has heightened our vulnerabilities—physical and financial—and it is now more pressing to map them out and take the necessary steps to make things safer and easier not just for us, but for our families as well. Undertaking these would also prepare us and our relatives on the different scenarios that can arise should infection or worse, death happens.

Here are some key medical and financial decisions that you should work on in this time of the pandemic:

BE PHYSICALLY FIT. I cannot overemphasize this. COVID19 has highlighted the importance of being physically healthy and fit. According to the CDC, "people of any age with certain underlying medical conditions are at increased risk for severe illness," with such conditions as obesity, coronary artery disease, and type 2 diabetes mellitus. Coupled with hypertension that might increase the risk, these are lifestyle diseases that can be reasonably avoided by living healthy, eating right, and moving right. While we stay at home thinking that we are being protected from the virus, we might not be taking care of our bodies enough to minimize having said conditions. In fact, it might even deteriorate due to lack of physical activities because of isolation.

During this pandemic, it is therefore wise to be physically active and have a physical fitness program by starting your routine or continuing the ones you had. To the extent allowed and safe, you can jog around your vicinity or do brisk walking. Home workouts would also be good, as there are many resources online for routines at various fitness levels. It would be best, however, if you can have a fitness coach who can design a program that is custom-made for you. Having a fitness coach will also decrease the risk of injuries and increase the effectiveness of your workouts. Regular and moderate exercise can also contribute to boosting your immune system—one thing that you should not miss especially these times.

EAT RIGHT. But doing exercise is just part of being physically fit. Diet is also integral. As we stay in our homes, there is also the temptation to eat more than the usual. While our access to fast food has been reduced, factors such as stress and anxiety can lead to overeating, and easy access to the refrigerator or the pantry can pave the way for overeating.

Staying healthy by selecting and eating the right food will decrease the chances of gaining weight and the other lifestyle diseases that put our bodies at risk for severe COVID19. Eating probiotics and taking nutritional supplements such as vitamin C and zinc will also help our immune system.

Being physically fit in this pandemic is one way to reduce your risk of contracting severe COVID19, thus giving you less anxiety and more confidence in your dealings with the outside world.

TAKE CARE OF YOUR MENTAL HEALTH. The possibility of catching the virus unawares, being laid-off from work, or a business folding may bring stress and anxiety to any person. Those, in addition to the news that we listen to or the social media posts that we read, as well as the physical and social isolation that the quarantine brings, can further aggravate the situation.

Thus, it would not be surprising to hear stories of depression and even suicide during these times. Taking care of one's mental health is also paramount in surviving the pandemic, helping us stay productive, and being mentally stable.

Establish regular communication with people outside your home with whom you have a meaningful relationship. Do not just content yourself with browsing through their social media to catch up with them; call them and talk to them. You can also take advantage of today's technologies to have e-meetings with them. This is to bridge the social gap that the physical isolation creates, which can also be a venue to share emotional burdens and get social support. This can alleviate the anxiety that one feels during the pandemic.

Having a work routine, planning and executing those plans also help in maintaining a sense of control and that one is not just a helpless subject of the events that overturned society, helping ease the sense of helplessness that a lot of people feel these days.

CONSOLIDATE AND BACKUP FINANCIAL DOCUMENTS. As COVID19 may hit us anytime and with the worst possible outcome, it would be useful to consolidate your financial documents such as insurance policies, stock certificates, investment fund receipts and certifications, land titles, etc. into one receptacle and put them in a secure location. Having digital backup copies of these is also recommended, safely stored in the cloud is desirable as well.

By consolidating documents in one receptacle or folder, your nearest of kin will have ease of access in processing them, should the need arise. This would be relevant for processing of insurance (life or health) or preneed claims, or taking care of the estate in case of death. The location of these documents and how to access them should also be regularly communicated to trusted family members so in case of need, they know how and where to access it.

REVIEW YOUR INSURANCE COVERAGE. As you go about consolidating your financial documents, it would be good to review your current protection coverage as well, whether be it for health or life insurance. You can check with your agent on the current value of your death benefit, i.e., the amount that your beneficiaries will get in case of untimely death, in the case of life insurance, and your benefits for your health insurance.

As an estimate, divide your life insurance coverage with your family's monthly expenses and see how many months (or years) they will be financially supported by the proceeds. If you feel that this is insufficient, you can add to your insurance coverage. You can also boost your coverage by purchasing preneed memorial plans. But it would be best to do this with a professional financial planner to accurately determine if there is an insurance gap or surplus. In the case of a gap, they can help you scout for the best product in the market given your needs, goals, and budget; in case of a surplus, then you can take profit from your gains and add it to your liquid fund or reallocate to other financial goals.

As the reality of our health and mortality becomes heightened, it is all the more important to re-evaluate if we would be leaving our family with enough to support their needs. The economy is already battered and might take a significant time to normalize and for jobs to go back. Leaving your family with little or no resources to get you through this pandemic would be a great disservice, and thus, the need to add insurance coverage.

"Establish regular **communication** with people outside your home with whom you have a **meaningful relationship**. Do not just content yourself with browsing through their **social media** to catch up with them; call them and talk to them."

CONSTANTLY COMMUNICATE TO FAMILY AND TRUSTED INDIVIDUALS. While some individuals may be at higher risk of severe COVID19 disease that can result to death, it cannot be absolutely ruled out that the worst can also happen to our own person and family.

Thus, preferences should be communicated to your spouse, partner, relative or trusted individual on the following: life support termination in the event of your physical or mental incapacity to decide, treatment of your remains and where, manner of wake, priest/pastor/imam/etc. to lead the wake, etc. With this, there would be less stress and second-guessing on the treatment of your body and remains, and you have the peace of knowing that your wishes on your body would be carried as you preferred.

Still, there is the worst-case scenario for those with families—when parents would both die. This would leave the children without anyone to take care of them, with relatives left second-guessing how to deal with the problem.

To mitigate this, communicating your preferred setup and talking to your respective family and trusted individuals in the event that this happens is recommended. Take into consideration who will take custody of the children and their care, possible adoption or migration, administering the insurance proceeds for the benefit of the surviving children, etc. Communicating these to both sides of the family will lessen their stress in times of grief as well as minimize, if not eliminate, possible frictions and second-guesses on child custody and care.

Taking care of someone brings physical, emotional, and psychological stress to an individual. More so in the case of death, and worst, in the death of both parents. Preparing for these scenarios and communicating them to the persons involved will greatly reduce the stress of the grieving families in making decisions critical to taking care of the surviving children. With these in place, then all surviving relatives would be prepared in any type of scenario and will just execute the plans off the shelf—plans that all have been previously designed and properly communicated.

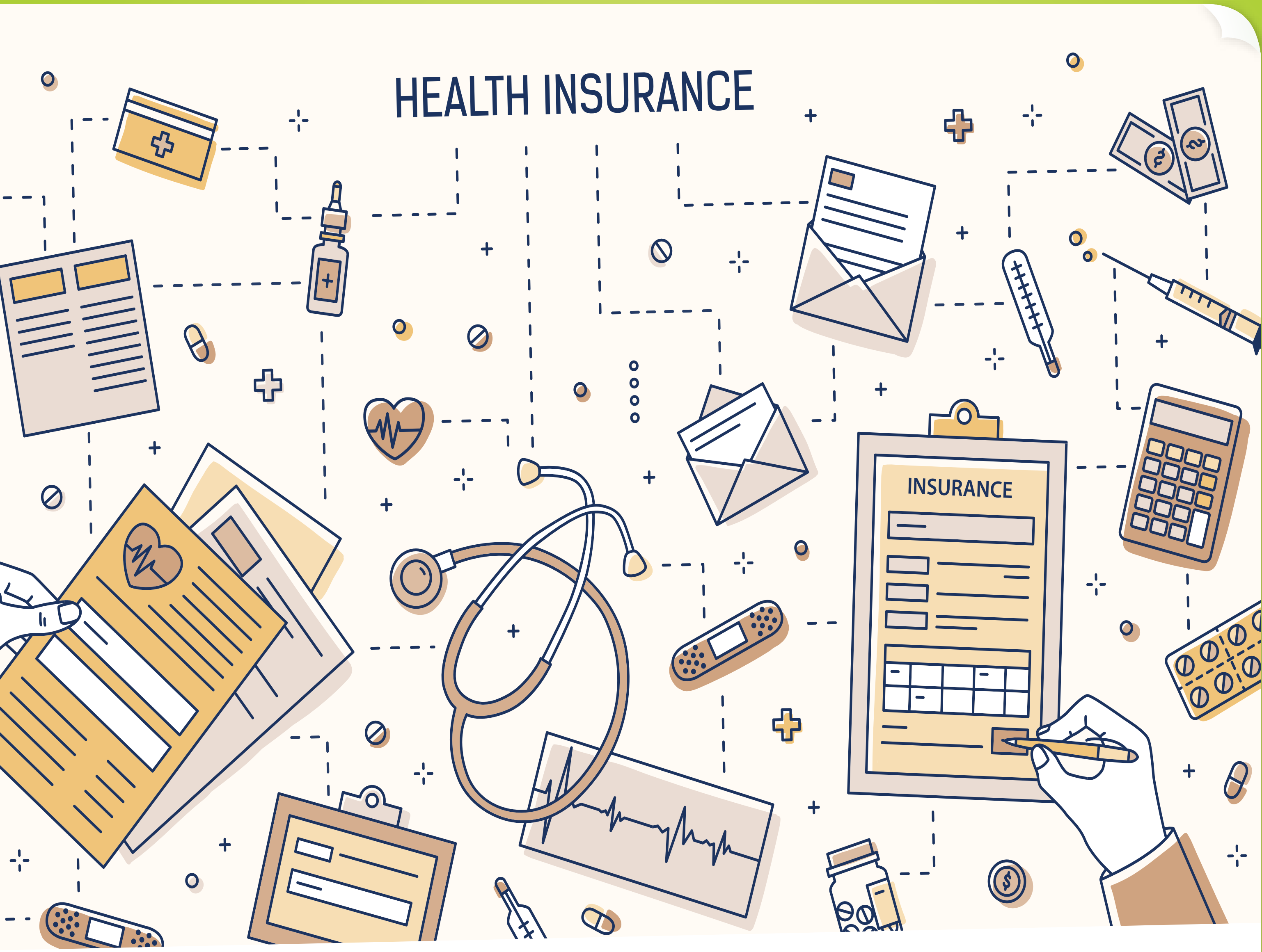
> "In these **unprecedented** times, deciding and acting on your **health**, **finances**, and **resources**, and communicating them to relevant and **important** persons are key."

PREPARE ADVANCED MEDICAL DIRECTIVES OR LIVING WILLS. COVID19 can render a person comatose and therefore unable to decide on his or her own person. Should the scenario of being brain-dead arise, what would the decision be—pull the plug, or continue and await a recovery, however slim? Remember, however, that continuing medical treatment has corresponding costs. These piling up to significant levels can already eat up current resources and those earmarked for future needs. So, the dilemma exists, and the emotional and psychological torment and stress that come with it.

With an advanced medical directive or living will, you can already put in writing your wishes on what should be done to your body in the event of psychological or physical incapacity to do so, and that would include terminating life support or continuing it. Having this will lift the emotional and psychological burden upon your kin to decide on your own body—and the eventual guilt that it can bring. Moreover, this shall ensure that your wishes are known and would be carried according to your own preferences, retaining control over your own body and person, even in the event that you are unable to do so.

BUILD YOUR BUFFER FUND. The pandemic has slashed a lot of expenses from our budget – eating out, movies, clothing, transportation, tolls, etc. With this, there is suddenly freed up cash flow—cash flow that can be reallocated to other financial goals. If you still have not built your emergency fund, this would be the perfect opportunity to do so.

Resist the temptation to shop online and patronize online sales. In these times where job security is at best tenuous, having a significant buffer of emergency fund will give you peace of mind and sound sleep, knowing that should unemployment happens, you are assured that you can



continue paying your bills and buying your family's food for the number of months that you have an emergency fund for.

Three to six months' worth of expenses is recommended in this regard—but during these uncertain times, going beyond that is not unwelcome. This must be put in conservative and liquid instruments so that anytime it is needed, capital is preserved to answer the needs of the family. A mix of savings and money market fund would be best: ATM for easy cash access and a money market fund to generate more returns while maintaining liquidity and fund stability.

DIVERSIFY YOUR INCOME. While this may seem peripheral, this would make sense twofold: one, it would provide additional money for your buffer/emergency fund. Second, in the event of furlough or job loss, this can minimize, if not offset, the lost income. While most would have a work-from-home setup, freed up time from traffic and commuting can be reallocated to the extra income stream. Weekends and off-office hours can also be utilized to this end.

Offering your talents, hunting for online work, or skills such as cooking and baking can now be used to generate additional income. Be part of online and community marketplaces where you can trade your products and services so you would also be at a lesser risk of infection.

In these unprecedented times, deciding and acting on your health, finances, and resources, and communicating them to relevant and important persons are key. As much as we would want to protect ourselves from the virus by wearing PPEs, we should also protect our bodies by making it strong and healthy; we should also protect our family and finances from shocks by building buffer funds, ensuring that we will leave them enough to fund their needs, and communicating our various preferences and desires should the worst happen.

While we may not know when this pandemic will end, how and where we will be at that time, the least that we can do is plan and prepare for every scenario—prepared for the worst, but always hoping for the best. MS

How to Fix Your Investment Portfolio After the Market Crash

BY JOSEFINO GOMEZ, RFP®

Is this your first market crash experience? Congratulations! You are closer to becoming better in managing your investment portfolio. If you've read and learned about financial history, then you would know that bubbles and crashes are part of investing and there's the boom-bust cycle. Of course, experiencing it firsthand is different from just reading about it.

Before we go and repair your portfolio, let's make sure you are in good condition to do it.

Investing is about supplementing your main income. If you've lost your main source of income such as a job or a business, then you might need to eat into your investment portfolio or, worse, be forced to sell your investments. Ensure you have enough emergency funds. You also have to make sure you have the usual protection such as health, medical, and disability insurance. If you have a family that you support, then a life insurance policy is necessary. Take these into consideration before going into fixing and growing your investments.

Psychologically it could be devastating to see your portfolio fall quickly. You might experience the five stages of grief postulated by Kubler-Ross. These stages are denial, anger, bargaining, depression, and finally acceptance. Denial happens when you stop checking your portfolio. You feel that if you don't look at your investments, they would simply get solved and that there's really nothing wrong about it. Anger happens when you find someone or something to blame. It could be the government, the virus, the economy, or even your cat. Bargaining happens when you hope, wait, and wish for your stock to come back to even so that you can finally exit and won't need to sell at a loss. You also promise not to gamble on speculative issues ever again just make your stock get back to even. Depression then leads to self-pity and a feeling that you don't have any control to what's happening to you. In reality you have control. You just have to accept it. The faster you go to through these stages, the better. Even better is to skip these stages and go straight to acceptance.

Once you have accepted your current situation, we can now revisit your goals and go through your portfolio to assess the damage and finally take action!

FOCUS ON YOUR LONG-TERM GOALS AND YOUR RISK TOLERANCE. Revisit your whys and hows. Why have you invested in the first place? Have your goals changed? If you are not getting a good night sleep, then your risk tolerance may be low and you might want to reduce your exposure in equity going forward. Is your situation the same? Do you still have enough emergency funds or a reliable source of income? Maybe you need more cash right now due to the uncertainty and your retirement plan need to be delayed by a few years. As your financial situation changes, so might your goals. Update your short-, medium-, and long-term goals as well as your plans.

> "Investing is about supplementing your main income. If you've lost your main source of income such as a job or a business, then you might need to eat into your investment portfolio or, worse, be forced to sell your investments."

KNOW THE CURRENT MARKET CONDITIONS. In case of a financial crisis similar to 2008, where mostly prices went down faster than company fundamentals, then we know most stocks are bargains. In case of a pandemic such as the current one we're experiencing, ask what industry will boom and which ones will take time to recover. The effects of a pandemic on behavior and sentiment would be different from a more common stock market crash. You can also update your earnings estimates and industry outlook for each stock. Once you have conservative updated estimates, you can compare it with your holdings.

LOOK AT YOUR CURRENT INVESTMENT HOLDINGS. Do you have enough liquidity? Is your portfolio heavily focused on equities or even on one stock? The less certain you are with an investment, the less allocation you should give it. Are you diversified enough? The less you know, the more diversified you need to be. Check the reasons you bought the investment in the first place. Is your reason still valid? What does the facts say? Dig deeper. Do the companies you invest in have strong balance sheets? In times of uncertainty, strong balance sheets ensure the company's survival. Does the company have enough cash to see it through? Don't be afraid to cut some losses if you realized you were wrong or the business environment changed. Has the stock price gone down enough to justify a buy? Or did the price even go up more than the value so that you can take advantage of Mr. Market and reduce your position? Aside from a scheduled quarterly or semiannual rebalancing, you also need to rebalance your portfolio when there's a major change in the business environment.

HAVE A CONSISTENTLY GOOD INVESTMENT PROCESS AND SYSTEM. If you have a good investment process, then situations such as crashes and crises won't bother you as much. You will simply follow your investment process. A good investment process should produce good investment returns over the long haul. Having a process such as doing due diligence, setting allocation limits, continuously learning about an industry and company, and changing your mind when facts change helps.

NOT EVERYTHING NEEDS TO CHANGE THOUGH. If your situation is still the same and you are investing regularly in an index fund, then the best thing to do might be nothing. Just continue your investment plan.

I hope this helps you hold on to what you have and rebuild on what you've lost. Whenever we're in dire economic straits it's easy to believe that nothing can be done to make things better and that we're at the mercy of external forces beyond our control. But there's really no reason to give up and not try. As Robert Schuller said: "Tough times don't last, tough people do." Recognize that you're one tough investor and you can definitely fix your investment portfolio! MS

The Impact of Coronavirus on Real Estate Investing

BY RICHARD THADDEUS CARVAJAL, RFP®

Roughly 11 months ago, the world as we know it changed. What began as an isolated COVID-19 case in Wuhan has since then spread across the globe, sending a lot of individuals and businesses into panic as the global market fluctuated in the face of a raging pandemic.

Regular activities came to a grinding halt as the coronavirus upended economies on a global scale. Major activities had to either be postponed or canceled, resulting in staggering losses for organizers and businesses who stood to make a substantial profit from these events. In fact, to say that the current health crisis has impacted businesses all around the world is an understatement.

With the global economy suffering from the ongoing crisis, you're probably wondering: 'Is it safe to make investments at this time?'

> "With the **global economy** suffering from the **ongoing** crisis, you're probably wondering: '**Is it safe** to make **investments** at this time?'"

The answer, of course, depends on the type of investments you're planning to make. Investing in the stock market at this point might not be the best idea, particularly because the stock market is a highly volatile one. How about real estate investments? Real estate investments are generally considered a hedge against inflation, simply because when inflation rates go up, property prices go up as well. Plus, real estate is not as susceptible to economic changes as the stock market is. But is investing in real estate still a great idea given these uncertain times?

As an investor, the best way for you to determine whether this is a good time to invest in properties is to consider the four main factors that drive the real estate market.

WHAT DRIVES THE REAL ESTATE MARKET? The first factor that you should be considering is the demographics of the population. We're talking about the age, income, migration patterns, and buying behaviors of your target market. Demographics are often overlooked by real estate investors, but it is actually one of the most crucial determining factors that dictate which properties are in demand and which are not. In fact, major shifts in the demographics of a population can have a long-term effect on real estate market trends.

The pandemic, most especially, has led to major changes in demographics. With the majority of the population transitioning to remote work setups, the need for office space has been drastically affected. And with the number of unemployed individuals going up by 4.57 million this year compared to just 2.13 thousand recorded in the same quarter of 2019, investors are more likely going to have bigger chances of acquiring premium properties from distressed sellers looking for additional cash flow to cope with the sudden crisis.

The second factor that affects the market is interest rates. The lower the interest rates, the more opportunities there are for real estate investors. Low interest rates mean lower mortgage, which in turn increases individual purchasing powers. So if you're looking to purchase a property for your investment portfolio, it's good to consider the interest rates first to make sure that you are making the purchase at an ideal time.

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At present, the Bangko Sentral ng Pilipinas has retained it's 2.25% interest rate, down from 3.75% in the first quarter of the year. This rate cut is the fourth in a series of cuts implemented by the country's central bank in response to the severe economic disruption brought about by the pandemic. With lower interest rates in place, well-funded investors can therefore proceed with property acquisition at lower costs.

The third factor to consider would be the health of the economy. Although real estate properties are considered immune to inflation, the demand and supply of real estate properties are still affected by major changes in the economy. For example, the GDP and unemployment rates are good indicators of how the market is doing. It can also indicate opportunities for investors who have solid financing.

A brief look at the current state of the Philippine economy shows that the economy has been declining since the first quarter of this year. The latest report from the Asian Development Bank forecasts that the economy will contract even further by 7.3% towards the final quarter of 2020 before it starts to recover in 2021. This downtrend can lead to more real estate opportunities for investors, especially because market recessions typically result in more properties listed on the market.

The final factor that affects the real estate market is government policies. For example, tax credits and government subsidies that are put in place by the government to boost the economy can result in an increase in the market demand for real estate. However, it is important for investors to take note that the results of these legislations can be temporary, as in the case of incentives given during this pandemic.

Now that we have considered the four major factors that drive the real estate market in the Philippine context, let's discuss the big question.

IS THIS A GOOD TIME TO INVEST IN REAL ESTATE?

The brief answer is yes. A decline in the economy presents a lot of opportunities for investors and creates very motivated home sellers. So this is definitely the perfect time to go looking for properties.

But before you go out there to look for leads, you need to make sure that you have reliable financing. Real estate investing is all about knowing when to act and acting quickly. Good property deals can be gone in a flash so you need to make sure that you already have a good relationship with a hard money lender so you can swoop in immediately once you spot a good deal before other investors beat you to it.

The pandemic is certainly a good time to grow your portfolio, but only if you as an investor know what you are doing. Remember, the right opportunities in the wrong hands can easily lead to costly mistakes, so make sure that you know enough about real estate investing before you start acquiring assets during this time. MS

HOW DO WE BEST MANAGE OUR FINANCES?

With the current situation we are all in now, it's a good idea to evaluate. We have rounded up 5 personal insights as shared by our very own FVP, Head of Special Markets and Training Unit Dr. Edwin Valeroso on what we should be doing and how we should do it:

1. This is a good time to check our finances by looking at our personal or household assets and liabilities. We do it by enumerating all our assets and liabilities, putting numbers on them (as accurately as we can), and deducting our total liabilities from our total assets. With the resulting figures, we can answer the question: "Do we own or do we owe?".

2. Next, we can also review our budget to check if we are overspending. We are told to spend only on necessary or essential things. This is a good time to honestly examine ourselves; which among our expenses are "needs" and "wants".

3. The importance of emergency funds cannot be over-emphasized these days. For those who have already set this up, should have relatively more peace of mind. As we all know, and as others have advised, the size of this fund should be equivalent to three (up to six months) of our monthly expenses. A number of people I know built this fund by regularly setting aside a portion of their income in savings accounts and other liquid instruments like money market funds.

4. Almost all markets are down including the Philippines. In my opinion, for those who are already invested–I suggest that they don't sell; but should stick to their investment objective. I would take this very rare opportunity to invest in any of our equity laced funds, which are very cheap where it stands right now. These funds are expertly managed by our professional fund managers which is very critical during times of volatility and uncertainty. For those who have no expertise and experience choosing direct stocks, I would seriously advise investing in our index funds - **Save and Learn Philippine Index Fund (SALPHIN)**, **First Metro Consumer Fund (FMCF)** and the **First Metro Philippine Equity Exchange Traded Fund (FMETF)**. I admire those who have been doing this on a regular basis-- like a monthly investment program for employees (an application of peso-cost averaging) because they are able to buy more shares of the Fund due to low prices (NAVPS or net asset value per share). These three (3) FAMI managed funds invest in the top 30 companies in the Philippine Stock Exchange Index (PSEi) so when the market recovers these stocks will certainly recover hence showing better returns for the fund.

5. We also have a great opportunity to average down. This is similar to peso-cost-averaging since it's not done on a regular basis. If you look at our FAMI managed funds right now many of them have low NAVPS. For a medium to long term investment time horizon, you will never go wrong coming in at these price levels, even if prices still go down some more. In the end, you will come out a winner because you achieve your investment goal/s. I also advise people to maintain their insurance, especially medical insurance which are very important these days. This is a good time to 'sharpen the saw'. We have ample time these days to take those short courses that we purchased, read those books and other materials that we bought (like improving our skills set), how to have other sources of income, doing household and personal budgeting.

The above financial pieces of advice reflect my personal view and opinion, but more importantly, this is a good time to share and offer our help (financially or otherwise), to connect or reconnect to our loved ones--relatives and friends- who are also at home with us or through social media. On top of these all, this time is the best time to connect, to re-connect or strengthen our connection with God.

All the best to everyone! STAY HOME and STAY SAFE!

ABOUT FIRST METRO ASSET MANAGEMENT INC. First Metro Asset is a multi-awarded asset management company that currently manages the seven Save & Learn mutual funds, the country's first ETF: the First Metro Philippine Equity Exchange-Traded Fund, and the First Metro Consumer Fund. The company is a partnership among First Metro Investment Corporation, the Catholic Educational Association of the Philippines and the Marist Brothers Congregation.

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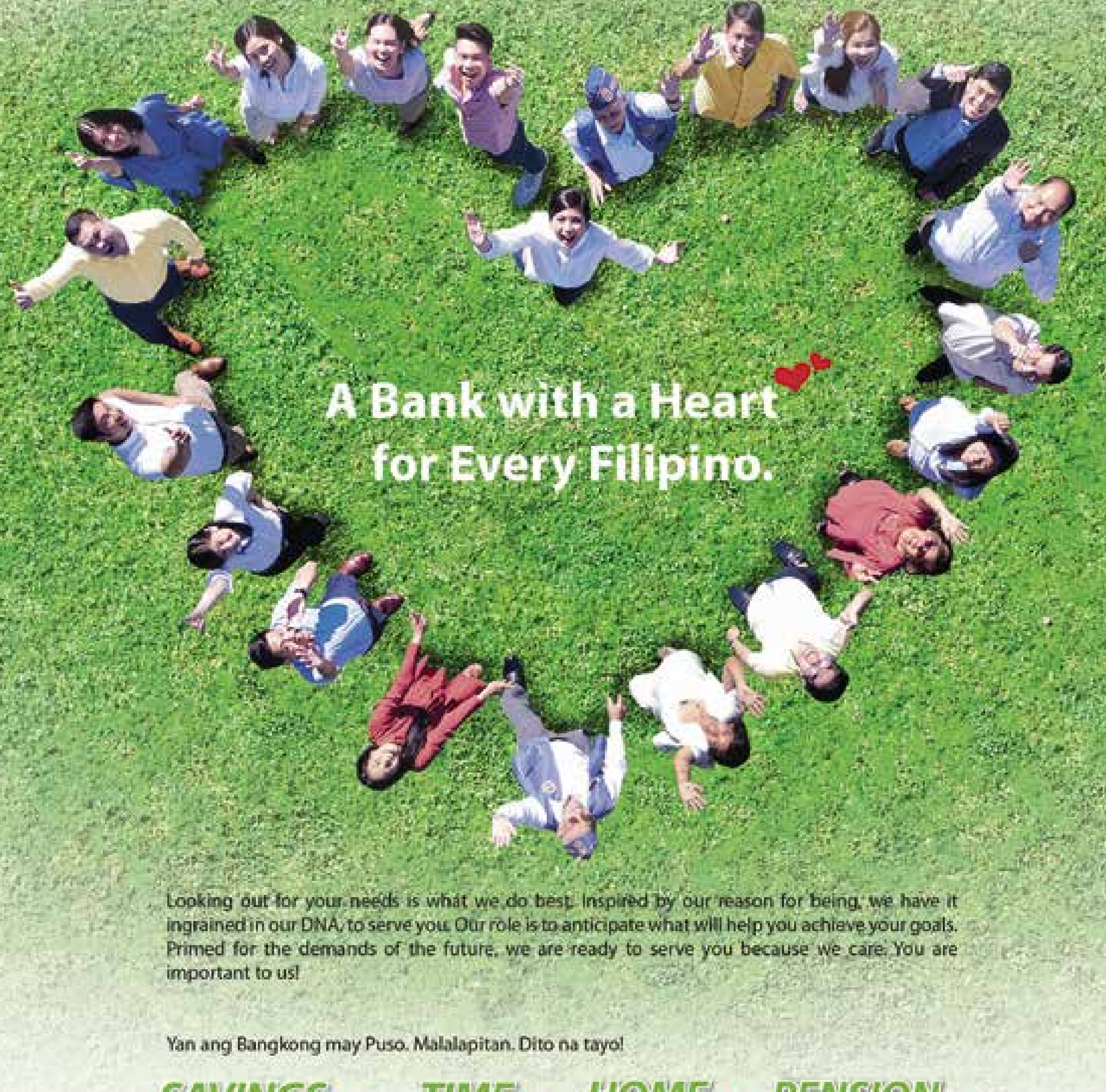

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