

SPONSORED FEATURE

Health matters loom larger as you get older

LAURA DU PREEZ

A campaign to expose three younger South Africans to the realities of retirement has made them alive to the very real threats to good health in later life.

In a social media campaign under the tag #FutureFWD, Glacier by Sanlam has paired three young South Africans with three retirees for six weeks so that they can share the realities of everyday life in retirement.

Within days of meeting retired tourism business owner Sarah Ravenhill, 56, television and radio personality Bailey Schneider, 32, relates in her blog how Ravenhill realised that she had macular degeneration, causing a loss of central vision, in one of her eyes.

Age-related macular degeneration is a common cause of vision loss in people over 50.

According to Schneider's blog, Ravenhill had noticed the lines on the road looping and waving and was struggling with her golf game.

After being diagnosed, Ravenhill had treatment that involved injections into the eye, but she had a bad reaction to the first injection and feared she might go blind.

She sold her car and contemplated life using public transport after years of being independent.

She also worried about how her impaired vision would affect her ability to see her grandchildren or lead her otherwise active life.

"Not being independent was very traumatic," Ravenhill told Schneider.

Ravenhill says her condition has stabilised, but regular monitoring is now part of her life. She is optimistic that current research into stem cell treatments and retinal degeneration in the United Kingdom will provide a medical solution in the future.

Ravenhill says South Africa has a sunny climate and people are generally active and sporty. This means that skin cancer, macular degeneration and retinal problems, and hip and knee replacements are conditions that many retirees deal with. We need to ensure that our savings or medical plans cover them, she says.

Thoban Jappie, 42, who runs his own social media business, is paired with retired physician, Tommy Blake, 65. He relates in his blog that how, soon after he met Blake, a routine medical check uncovered a high



Sarah Ravenhill has her eyes checked regularly after discovering that she has macular degeneration in one eye.

STAYING HEALTHY KEEPS COSTS DOWN

Retirees often face health issues, as these typically increase with age, but staying healthy for longer means you can save money on your medical scheme cover for longer.

Bailey Schneider, Thoban Jappie and Candice Bresler are in good health, but have all reflected in their blogs their retirees' physical activity, or lack of it, and the impact of that on their health.

Jappie says "until recently ... I've been of the opinion that I'm young, and indestructible! But the reality is that I'm getting old, fast – and that I'm overweight, and very unfit! As such, I'm going to try to implement and stick to a regular exercise routine. Plus a more healthy, well-balanced diet.

"Tommy has opened my eyes to the fact that I need to make exercise a priority, to ensure that in my

#FutureFWD I'm healthy and active."

Aware that he has "cancer issues" in both his paternal and his maternal side of the family, Jappie says, Tommy Blake's health scare made him book a check-up for himself.

Commenting on Michael Olivier's diabetes, Bresler says she hopes to avoid such lifestyle diseases and will try to keep fit, as this will reduce her medical expenses later in life.

level of cancer antigens in Blake's blood. He had to undergo biopsies for prostate cancer.

According to Jappie, a tense few days passed until the biopsies were declared largely clear, but the doctor wants to repeat the tests in three months' time.

And in her blog, Candice Bresler, 29, says she was unable to spend time with Michael Olivier, 69, this week, because he has a chest infection. She also reveals that he has type-two diabetes, which is his biggest medical expense, and he is not particularly fit.

MEDICAL SCHEME COVER

Schneider, Ravenhill, Jappie, Blake, Bresler and Olivier are fortunate that they belong to medical schemes, which means claims for any serious health issues, such as surgery or cancer, will be covered.

As healthcare issues loom large in retirement, however, retirees often need to upgrade their cover to a more comprehensive option, have gap cover and/or dread disease insurance, or have savings set aside for medical expenses not covered by a medical scheme.

But comprehensive medical scheme options cost a lot more than the cheaper options you can afford to belong to in your younger years.

Contribution rates on open medical schemes indicate that you need to pay around R4 000 a month for the main member for

comprehensive medical scheme cover. By comparison, a cheaper option offering hospital cover and some day-to-day cover, largely through a medical savings account, costs around R1 700 a month for the main member.

This is based on 2015 rates, which are due to increase next year. Most schemes have announced increases ranging from 8.5 percent to 11 percent.

To fund comprehensive medical scheme cover in retirement at about R4 000 a month, you will need to save about R4 800 a month from the age of 30 in an investment that earns nine percent a year.

This would provide for your medical scheme contributions from age 65 for an average life expectancy of 20 years and assumes contributions increase at four percentage points above the inflation rate.

If medical inflation was lower, at only two percentage points above the inflation rate, the monthly investment required would be R2 150.

If you start saving only when you are 40 years old, you will need to save R5 500 a month to fund comprehensive medical scheme cover in your retirement, using the same assumptions. At the lower medical inflation rate of two percentage points above inflation, you would need R2 900 a month.

None of the retirees currently receive any subsidies from a former employer for their post-retirement

medical scheme contributions, and younger generations, such as those that Schneider, Jappie and Bresler represent, are less likely to receive employer assistance for their medical costs. For one thing, Schneider and Jappie are both self-employed.

The latest Benchmark survey of retirement fund members and pensioners shows that, among the more than 250 pensioners interviewed, more than 80 percent belonged to a medical scheme before retirement, but only 48 percent did so after retirement.

Of those who received a medical scheme subsidy from an employer while they were employed, less than 64 percent continued to receive a subsidy after retirement.

The survey showed a marked decline over the past three years in the number of pensioners who receive a post-retirement subsidy of their contributions.

Only about 40 percent of pensioners surveyed in the Benchmark survey reported that their medical schemes covered their expenses in full and among those who said their expenses were not covered in full, most were turning to state healthcare facilities or drawing on their savings to pay the shortfall.

◆ Go to www.glacier.co.za/personal/retirement for more on the #FutureFWD campaign and for links to the participants' blog sites.



As a retired physician, Tommy Blake is very aware of health issues, and stays fit through regular exercise.

Keep your medical scheme cover no matter what your age

Candice Bresler wondered in her blog this week if she should cancel her medical scheme cover because it is a substantial expense and put the money aside for retirement.

She belongs to an option that mainly provides hospital cover, and says she never uses it.

Part of the answer to Bresler's question lies in Bailey Schneider's response to the question about whether she has medical scheme cover:

"When I was younger, I was involved in a car accident and had to be rushed by ambulance to the hospital. My family had just stopped our medical scheme membership because we hardly ever got sick and felt it was unnecessary

money going off each month.

"It was an expensive lesson, and now I personally have a medical scheme that has decent coverage."

Patrick Sheehy, head of product management at Glacier, agrees that having no medical cover is a big risk to take. "With insurance on physical assets, say your cellphone, the replacement cost is well known. Medical expenses, however, can easily be a few hundred thousand rands, or even millions of rands, so it is crucial to have sufficient funds that can easily be accessed in the case of such emergencies. For many younger individuals like Candice, such a pot of savings is not available and medical scheme cover is the only responsible option."

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