

A Financial Guide to Looking After Your Parents as a Single Woman



Single women face many challenges in maintaining their financial security - and it can get even harder when they have to provide financial support to their dependent parents.

Here are some tips to help you balance your personal goals and still support your ageing parents:

1



KEEP YOUR RETIREMENT PLANS ON TRACK: Your golden years are still ahead of you, so plan carefully for your retirement such that you can continue to lead a quality life.

It's important to consider inflation and real interest rates when setting your retirement goals.

EXPERT TIP: If you're starting late, you have a shorter timeframe in which to build your portfolio. You must put in more funds towards investment and/or or assume higher risk.

2



HEDGE YOUR FAMILY'S RISK: If you are employed by a company that offers group insurance, you will be covered under these plans.

There are two types of risks to hedge against - the risk of illness, and the risk of premature death.

EXPERT TIP: Check if you are allowed to add your dependent parents to the plan. This way, they, too, will be covered, and at lower premiums than if they were to avail of a separate plan.

3



LIFE INSURANCE: Get life insurance for yourself so that your parents will be provided for even in the event of your untimely demise.

If your parents are still in their earning years, see if you can avail a life cover for them, too.

EXPERT TIP: Getting a life cover for yourself will ensure that your parents are not left to pay your debts and bills in the event of your demise.

4



HEALTH INSURANCE: Both you and your parents need protection from health risks, as even one serious medical event could jeopardise your financial plans.

EXPERT TIP: Opt for a comprehensive indemnity health plan for yourself and a separate senior citizens' plan for your parents.

5



EMERGENCY FUNDS: As your parents age, they may have medical complications and need to dip into funds to pay off medical bills.

You should create an emergency fund to tide you over such situations.

EXPERT TIP: These funds also come in handy in case there are unforeseen events such as loss of a job or temporary disruption inflow of income.

6



AVAIL OF ALL POSSIBLE TAX BENEFITS: Many people miss tax breaks available to them due to ignorance or apathy. These can help you save a substantial amount of money in the long run.

There are specific sections such as 80D which allows tax deductions for medical insurance premiums for yourself to the tune of Rs. 25,000, and an additional Rs. 50,000 for premiums for your dependent senior citizen parents.

EXPERT TIP: The only tax benefit you can avail for your parents is under section 80D. Make sure you use it not only to save tax but to cover their health risks adequately.

Sources: 1. <https://economictimes.indiatimes.com/wealth/plan/how-women-can-optimize-finances-when-looking-after-parents-and-kids/articleshow/52160897.cms?from=mdr>

2. <https://www.thetimes.co.uk/money-mentor/guide/care-ageing-parents-financial-guide/>

This is an investor education and awareness initiative by PGIM India Mutual Fund. Mutual Fund investments are subject to market risks, read all scheme related documents carefully.