

## Covid19 Crisis : How Can You Plan Health & Wealth ?

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### How Can You Plan to Receive Guaranteed Income in Life?



In the current pace of life we live with, our financial strength does count for almost everything. A significant proportion of our activities is directed towards meeting financial needs and support the life of those who depend on us. This is exactly where the [best saving plans](#) play a critical role.

Many of us think that having a secure job that brings in a certain amount every month is enough for a good life. But it is not entirely true, and you would agree on that amidst the current [COVID-19 pandemic](#). Layoffs, pay cuts, and losses to businesses during the lockdown phase have made us realize the importance of a guaranteed income.

While market-linked investments or small savings may not guarantee a specific income, it is possible with the best saving plans. If the pandemic period has made you worry about losing an income, it's time to start saving money for uncertain times with the best savings plan.

Let's start with the basics of guaranteed income plans and how they work.

### What are Savings Plans for Guaranteed Income?

A guaranteed income savings plan is a unique type of life insurance plan that provides both life cover and guaranteed earnings in the form of monthly income. The terms of the best saving plans, including the payout period and life insurance

coverage, may differ from one another. You can consider them as life insurance saving plans that encourage disciplined savings and provide guaranteed returns.

When you invest in the best saving plan, you get multi-fold benefits, including financial protection for the family, guaranteed payouts, and tax-savings. They are best suited for all individuals, especially those with low-risk appetite. Depending on your eligibility for a specific savings plan, you can start saving money for long-term needs.

### **How Do Guaranteed Income Plans Work?**

When the worst pandemic hit the world, he was worried about managing his finances while facing pay cuts and risk to job security. In such a situation, his decision to choose the best saving plan earlier helped him a lot. He started receiving a guaranteed income per month as chosen while buying the plan, which provided him the much-needed financial support.

In case Mr. Dubey did not survive the plan tenure, the nominee would have received a death benefit immediately on claim approval.

### **Common Features of the Best Saving Plans**

- **Easy to Understand for Young Investors**

The basic definition of savings is to keep a certain aside regularly for rainy days. However, when you choose the best saving plan for such savings, you get several rewards in the long run. Unlike many complex investment products, savings plans are easy to understand –

*You pay a certain amount every month or year as the saving plan premium and will get guaranteed returns in the form of a secondary income. Alongside this, you get life insurance coverage during the policy tenure.*

Based on the minimum age criterion related to the best saving plan, you can personalise the savings as per your financial profile. In most cases, this minimum age is around 25 years. If you are in your 20s and have started earning a substantial salary, now is the right time to choose a savings plan.

- **Availability of Riders to Strengthen the Plan Further**

Being a type of life insurance, the best saving plans also come with the facility to add riders to the base plan. These riders or add-ons are meant to make the plan more comprehensive in terms of its benefits.

Take the case of Max Life Guaranteed Income Plan – one of the best saving plans in India, which provides guaranteed income for ten years. When you buy this plan, you can include Max Life Critical Illness and Disability rider to get coverage for up to 64 critical illnesses and total and permanent disability.

## **Financial Planning for the Tough Times**

Only having a six-figure income does not imply a bright future. To live a life free from financial stress, you need to make smart financial planning decisions. Saving money under the best saving plan is just one aspect of financial planning. It is about making a comprehensive plan for all your short-term and long-term goals with the right investment instruments. Hence, it is important that you gather useful information about various instruments that can help accomplish your goals.

For instance, if you want both life cover and returns from your investment, research [what is ULIP](#) and how you should invest in it. Keep in mind that having adequate knowledge about the right way to invest money is highly advantageous.

To understand the functioning of the best saving plan, consider the following illustration:

Mr. Dubey, a 30-year-old salaried individual, chose the best savings plan with a policy period of 10 years in 2009. He decided to save Rs.1,00,000 per year to plan for a guaranteed income source later. The ten-year period ended in March 2019, and he expected to start receiving guaranteed payouts from March 2020.