

"A man is
great by
deeds, not by
birth"

-Chanakya

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INDIAN INSTITUTE OF MANAGEMENT KOZHIKODE



Case Study

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A Prospective Retiree's Dilemma

SSS Kumar¹

Sony Thomas²

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¹Professor, Finance, Accounting & Control, Indian Institute of Management, Kozhikode, IIMK Campus PO, Kunnamangalam, Kozhikode, Kerala 673570, India; Email: ssskumar@iimk.ac.in, Phone Number (+91) 495 – 2809245

²Associate Professor, Finance, Accounting & Control, Indian Institute of Management, Kozhikode, IIMK Campus PO, Kunnamangalam, Kozhikode, Kerala 673570, India; Email: sony@iimk.ac.in, Phone Number (+91) 495 – 2809249

A Prospective Retiree's Dilemma

Abstract

This case highlights an important problem faced by many working executives, although they do not pay the required attention the problem deserves. The problem faced by the prospective retiree Nirjala is to decide between two alternatives – whether to continue with the existing Retirement plan or to shift to the new plan. It goes without saying that shifting to the new plan will be beneficial given the increased contribution from the employer side, however the retiree may be concerned about any unknown strings attached to the alternative that may compel her to give up some flexibilities. Hence, the job of the financial advisor involves not only quantifying the incremental benefit but also provide her guidance on the trade-offs involved.

Research Office

Indian Institute of Management Kozhikode

IIMK Campus P. O.,

Kozhikode, Kerala, India,

PIN - 673 570

Phone: +91-495-2809237/ 238

Email: research@iimk.ac.in

Web: <https://iimk.ac.in/faculty/publicationmenu.php>

