		Monthly investment needed	78,550	credits:- This calculator is adapted from an earlier free version in freefincal. Thanks to Pattu.
		Equity	54985	
		Debt	23565	

Early Retirement Tracker

Use only green cells to enter data

Monthly expenses including Tax (annual/12)	33,967	Suggested to include atleast 15% Tax
Inflation before retirement	8.0%	Not less than 8%.
Age at the end of the current year	25.00	
Age you wish to retire	40.00	
No of years you expect to live!	85	That is, your life expectancy. Do not underestimate!
Years **to** retirement	15.00	0 <-- Early retirment input. Set to zero for normal retirement
Monthly expenses in first year of retirement	107,750	Yes that is huge! Hang in there!
Years **in** retirement (maximum 45)	45.00	This is how long you need to be financially independent
Inflation during retirement	8.00%	Again not less than 8%. Nothing will change in India in the future!
Post-tax **average** return expected from retirement corpus	9.00%	This is the return expected when you invest your retirement corpus
Check out my posts on post-retirement investment strategies to optimise this. For now set it to a low number. **Not** more than the inflation expected		
Total Corpus required with constant post retirement return	47,847,122	This is the output of conventional retirement calculators
Total Corpus required if the bucket strategy is used	**44,871,628**	In this case the money will grow in buckets of varying risk-reward profiles.
The corpus has reduced by	6%	
Post-tax Rate of return (to be used for current and future investments)		
Post-tax Rate of return expected from equity investments	10%	Recommend 10%. Set this higher and your stess will increase!
Post-rax Rate of return expected from current taxable debt holdings	6.00%	Recommended 6% (post-tax FD return for highest tax slab)
Rate of return expected from current tax-free debt holdings	8.00%	Recommended 8%
Present Value of investments		**Estimated Value at the time of retirement**
Value of current equity invesments	100,000	417,725
Value of current taxable debt investments (FD, debt fund etc.)	50,000	119,828
Value of current tax-free debt investments (EPF+PPF)	100,000	317,217
Lump sum expected at the time of retirement (gratuity, benefits, insurance maturity etc.)		
Current monthly mandatory EPF contribution	12,000	
Annual increase in this contribution (be realistic)	5%	**Future EPF contributions will grow to**
Expected rate of return for EPF or NPS	5%	4490485
Net Corpus to be accumulated with constant post-retirement return	42,501,867	Notice the reduction.
Net Corpus to be accumulated with bucket strategy	**39,526,374**	
You will need to invest some amount each month to attain this corpus		

		Monthly investment needed	78,550		credits:- This calculator is adapted from an earlier free version in freefincal. Thanks to Pattu.
		Equity	54985		
		Debt	23565		

Early Retirement Tracker

Use only green cells to enter data

Monthly expenses including Tax (annual/12)	33,967	Suggested to include atleast 15% Tax	
What percentage of this monthly investment would you:			
1) allocate to equity	70%	Max. recommended 70% no matter how far retirement is	
2) allocate to taxable debt instruments	30%		
3) allocate to tax-free debt instruments	0%		
Annual increase in total monthly investment	5%	Decide depending on future annual income excluding bonuses	
Net rate of return (this is an approximation)	9%	Future investments are assumed to begin simultaneously	
Monthly investment required with constant post-retirement return	84,463		
Monthly investment required with bucket strategy	**78,550**		
Stress reduction =	7%		
With Bucket strategy Initial Monthly investment in		**Future value if invested as per investment schedule**	
Equity	54985	30459378	
Taxable Debt	23565	9520883	
Tax-free Debt	0	0	
Total		39980262	
The total future value will be a little more than the corpus required (B36). Ignore this!			
Corpus back calculation from total monthly investments (for excel enthusiasts only!)	42,501,867	This is only for the constant post-retirement return	

In this sheet you can divide a given period over which you need inflation protected income into 7 buckets. For a give rate of return of each bucket you can determine the total corpus required to set up the bucket. Within each bucket, it is assumed you follow a ladder strategy as outlined in the the other sheet. Contact me if you have any questions: freefincal@gmail.com

Income Ladder Calculation (fill only the green cells)

Current annual expenses (in current cost)	407,676
Time to goal (retirement or others)*	15.00

Income needed in first year of goal: **1292995**

* Choose zero if requirement is immediate

inflation prior goal due date	8.0%	Total corpus required to create buckets: **44871628**
inflation after retirement	8.0%	
Total period (years) for which you want to plan or the total duration over which you seek inflation-protected income	45.00	Observe cash flow in the individual buckets

Suggest you do not change the values in yellow cells

Please ensure total bucket tenure is = 45 years

Bucket	Tenure (years)	Bucket ladder return	Total corpus reqd for creating bucket	Return required to achieve corpus	Investment required
0	5	7.00%	6586951	Not applicable	6586951
1	5	7.00%	9678392	7.00%	6900559
2	5	7.00%	14220733	7.00%	7229099
3	5	7.00%	20894922	10.00%	5002078
4	5	7.00%	30701495	10.00%	4565582
5	5	7.00%	45110569	10.00%	4163525
6	5	7.00%	66282225	10.00%	3798538
7	5	7.00%	97390334	10.00%	3465548
8	5	7.00%		10.00%	3161748
Total	45				44871628
Actual total	45				

This is the return that will be used within each bucket. This will have to be in a risk-free financial instrument

This is the return that is needed to get the corpus reqd to create a bucket with the invest. Reqd. See NOTE below

NOTE: The return required to achieve the corpuses for each bucket must be chosen after careful holistic consideration. Choosing too high a return will entail risk which may might wipe our the lump sum. So caution is advised

	BUCKET 0		BUCKET 1		BUCKET 2		BUCKET 3		BUCKET 4		BUCKET 5		BUCKET 6		BUCKET 7		BUCKET 8	
Tenure of bucket		5		5		5		5		5		5		5		5		5
Return for bucket ladder		7.00%		7.00%		7.00%		7.00%		7.00%		7.00%		7.00%		7.00%		7.00%
Total corpus reqd for bucket		6586951		9678392		14220733		20894922		30701495		45110569		66282225		97390334		143098352
Investment required		6586951		6900559		6900559		5002078		4565582		4163525		3798538		3465548		3161748
Return reqd. to achieve corpus	Not applicable		7.0%		7.0%		10.0%		10.0%		10.0%		10.0%		10.0%		10.0%	

Years	Annual Expenses	Investment	Years	Annual Expenses	Investment	Years	Annual Expenses	Investment	Years	Annual Expenses	Investment	Years	Annual Expenses	Investment	Years	Annual Expenses	Investment	Years	Annual Expenses	Investment	Years	Annual Expenses	Investment	Years	Annual Expenses	Investment
1	1,292,995	1,292,995	6	1,899,834	1,899,834	11	2,791,479	2,791,479	16	4,101,599	4,101,599	0	21	6,026,595	6,026,595	26	8,855,045	8,855,045	31	13,010,966	13,010,966	36	19,117,377	19,117,377	41	28,089,699	28,089,699
2	1,396,435	1,305,079	7	2,051,821	1,917,589	12	3,014,798	2,817,568	17	4,429,727	4,139,932	1	22	6,508,722	6,082,918	27	9,563,448	8,937,802	32	14,051,843	13,132,564	37	20,646,768	19,296,041	42	30,336,875	28,352,220
3	1,508,149	1,317,276	8	2,215,966	1,935,511	13	3,255,982	2,843,900	18	4,784,105	4,178,623	2	23	7,029,420	6,139,768	28	10,328,524	9,021,333	33	15,175,991	13,255,296	38	22,298,509	19,476,381	43	32,763,825	28,617,194
4	1,628,801	1,329,587	9	2,393,244	1,953,600	14	3,516,460	2,870,479	19	5,166,834	4,217,675	3	24	7,591,776	6,197,169	29	11,154,806	9,105,645	34	16,390,070	13,379,179	39	24,082,390	19,658,604	44	35,384,931	28,884,644
5	1,759,106	1,342,013	10	2,584,703	1,971,858	15	3,797,777	2,897,306	20	5,580,180	4,257,063	4	25	8,199,116	6,255,066	30	12,047,191	9,190,744	35	17,701,275	13,504,218	40	26,008,981	19,842,527	45	38,215,726	29,154,594