

# Planning your retirement

## STEP-BY-STEP GUIDE

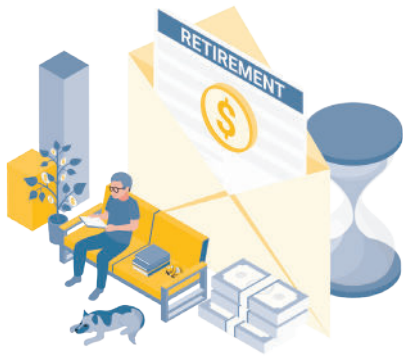
Although your retirement may still be quite a few years away, it's important to start readying your finances and plan what you want your retirement to look like.

Having enough money put away in your retirement nest-egg is a key part of planning a successful retirement. But it's just as important to plan what you want to achieve in your retirement and how you'd like to spend your time.



You may not be able to do everything in one go, but make sure you check off each step after you complete it so you know you're making real progress.

# STEP 1



## Create a financial overview for your retirement

(9-12 minutes)

- ☐ Set a rough date for when you would like to retire.

**i** Learn about [the age you should retire](#).

- ☐ Review how much you currently have in your super account. Check out SuperGuide's ***Super to income reckoner*** tool.

- ☐ Investigate when you can access your super and the tax implications of retiring at different ages.

**i** Learn about [tax and accessing your super under 60](#).

- ☐ Estimate how much you have in financial assets outside super that could help create income in retirement.

- ☐ Consider whether you'll own your home outright when you retire, or if you will still have a mortgage you need to pay off.

- ☐ Add up your other debts and think about whether you plan to pay them off so you can retire debt-free.

- ☐ Consider whether you'll still be financially supporting your children or your parents when you retire.

- ☐ Think about any major one-off expenses in retirement (family weddings, overseas holidays, major home renovations).

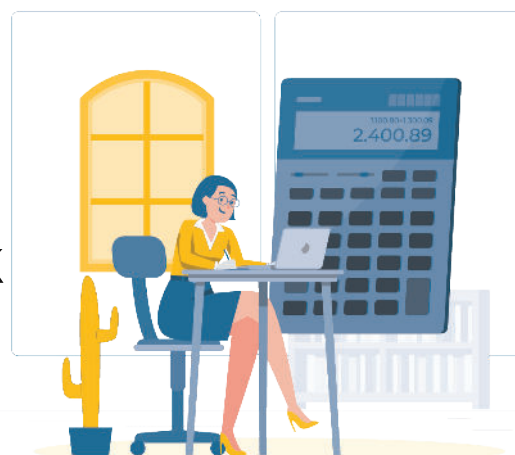
- ☐ Investigate whether you (and your partner) will qualify for the Age Pension or other government benefits in retirement.

**i** Learn about [eligibility for the Age Pension](#).

## STEP 2

# Work out if your retirement is on track

(8-10 minutes)



- ☐ Check if your super fund has an online calculator to help estimate your account balance at your intended retirement date. Or use the ASIC MoneySmart online [retirement planner tool](#) to create an estimate.

**i** Learn about [retirement income calculators](#).

- ☐ Establish how much you are likely to have at retirement based on your current super contributions. You should deduct from this balance any outstanding debts that you might repay from this super balance, for example paying off your mortgage. Use the calculator to work out how much you could have at retirement if you increase your regular contributions by different amounts.

- ☐ Check the annual cost of your preferred lifestyle in retirement lifestyle.

**i** Learn about [the cost of living in retirement](#).

☐ Write a simple outline of your likely retirement income and your likely retirement expenses (regular and one-off).

☐ Compare how the retirement income you are currently on track to receive compares with your likely retirement expenses.

**i** Learn more about [how to plan for your retirement](#).

☐ Work out if need to add more contributions to boost your super account and eventual retirement income.

☐ Set a goal for how much you would like in your super account on your intended retirement date.

☐ Consider whether you have sufficient time and interest to manage your own self-managed super fund (SMSF) now, or in retirement.

**i** Learn about [how SMSFs work](#) and the [steps to set one up](#).

## STEP 3

# Consider strategies to boost your super balance before retirement

(9-12 minutes)



☐ Take a detailed look at your current household budget and regular expenses to work out how much (if any) spare money you have left each week or month that could be contributed to super.

- ☐ Think of ways to reduce the gap between how much you want to live on in retirement and your likely nest-egg (save more, spend less, stay at work longer).

- ☐ Investigate the type of super contributions that would be best for your situation. Consider whether additional super contributions should be from your before-tax or after-tax money.

**i** Learn more about [concessional and non-concessional contributions](#).

- ☐ Review your current financial assets to ensure they are all performing. Consider whether any of them should be sold and reinvested to generate a higher return.

**i** Learn about [saving for retirement outside super](#).

- ☐ Think about whether you're prepared to accept more investment risk to earn a higher return on your super account and potentially create more comfortable retirement.

**i** Learn about your [risk profile](#).

- ☐ Consider changing your super account's investment option.

**i** Learn whether it's time to [switch your option](#) and check out [how to change it](#).

- ☐ Consider speaking to a financial adviser for personal advice on how to boost your finances in retirement. Your super fund may be able to offer you retirement planning services, or you can seek independent financial advice.

**i** Learn more about [independent financial advice](#) and [how to find an independent adviser](#).

## STEP 4

# Explore ways to improve your financial position prior to retirement

(4-6 minutes)



☐ Consider if you can trim your current expenses to save a little more and boost your finances.

☐ Start paying extra on any existing debts to reduce your living expenses in retirement.

☐ Explore whether you can gift any assets or property to family to help with the Age Pension assets test. Gifting is not possible close to retirement, so this needs to be planned well ahead.

**i** Learn [strategies to maximise your Age Pension](#).

☐ Investigate potential government sources of income in retirement.

**i** Learn about the [Home Equity Access Scheme](#) and [rent assistance](#).

☐ Check if you will qualify for Australian Government concession cards and schemes in retirement.

**i** Learn about the [concession cards](#), including the [Commonwealth Seniors Health Card](#) and the [Medicare Safety Net](#).

## STEP 5

# Plan your lifestyle in retirement

(6-8 minutes)



☐ Talk to your partner about retirement and ensure you are both on the same page about when you want to retire.

☐ Discuss how you want to spend your time in retirement with your partner.

☐ Think about your family circumstances and if they will affect your retirement plans (such as a second family with young children).

☐ Consider what your retirement goals are as a couple and individually.

**i** Learn about [target retirement income](#).

☐ Think about what – if any – travel you would like to undertake and how often.

☐ Review your hobbies and consider how much time you would like to devote to them in retirement.

☐ Think about any sports you want to pursue in retirement.

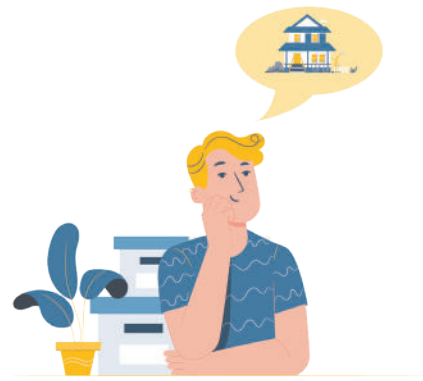
☐ Consider any community activities (volunteering or charity work) you want to undertake.

☐ Identify any new skills you could learn as part of your current employment that could be useful in retirement.

## STEP 6

# Decide on your housing in retirement

(5-7 minutes)



☐ Discuss where you would both like to live in retirement.

**i** Learn about the [impact of location on retirement spending](#).

☐ Consider whether your current town or state is where you would like to spend your retirement.

☐ Review whether your current home is suitable for retirement or if you need to look for something different or smaller.

☐ Investigate whether your current home will need improving or renovating prior to, or in, retirement.

☐ Check the potential life expectancy for both you and your partner, as this will have an impact on your retirement finances and accommodation needs.

**i** Learn about [life expectancy and retirement](#).



## STEP 7

# Get the paperwork in place

(6-8 minutes)



- ☐ Ensure you have a valid Will in place matching your current family circumstances (divorce, second family or dependent children).
- ☐ Select an executor to manage your estate.
- ☐ Review your insurance cover through super and ensure it's still appropriate for you and any dependents.
- ☐ Check you have a current death benefit nomination in place for your super account.

**i** Learn about [death benefit nominations](#).

- ☐ Organise an enduring power of attorney (EPOA) and advance health directive.

**i** Learn about [advance care plans](#).