



Getting retirement ready

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 **Super**

Part of Australian Retirement Trust

Whether you are close to retirement or just starting to think about what your post-work future might look like, having a plan in place as early as possible will support the lifestyle you would like in retirement.



We can help you get started. Here are some important things to think about for your journey to retirement:

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Your specific goals

Take the time to think about both your short-term goals and long-term goals for retirement. Setting goals could help give you an indication of how you are tracking and help with your decision making as you get ready for retirement. While it's important to do this, be prepared to alter your plans when/if your circumstances change.

Some of your short-term goals could include:



Paying off debt
(credit cards/personal loans etc.)



Home renovations, minor home repairs
and improvements



Family holiday

Your long-term goals could include:



Moving to a new location



Paying off a mortgage



Retirement travel



Super projection calculator



Budget Planner calculator

qsuper.qld.gov.au/calculators



Your retirement lifestyle

You might already have an idea of exactly what retirement is going to be like for you. It could be filled with recreational activities, regular travel, spending time with family and some much-needed relaxation time.



Tip

To keep active, there are various activities you can take part in such as volunteering locally, library events and exercise or educational classes. You can find some of these on your local city council or state government websites.

What's your ideal retirement lifestyle?¹

A comfortable retirement lifestyle enables an older, healthy retiree to be involved in a broad range of leisure and recreational activities and to have a good standard of living through the purchase of things such as:

- Household goods
- Top level private health insurance
- Domestic travel
- Occasional international holiday travel.

A modest retirement lifestyle is defined as a lifestyle that allows you to afford basic activities above what the Commonwealth Government Age Pension would allow including:

- Basic private health insurance
- Limited leisure activities
- Relatively low spending on items such as clothing and household repairs
- Owning a cheaper more basic car.

Your desired retirement lifestyle may be similar to those above or quite different. Whatever your goals may be, careful planning can help you to live the lifestyle you desire in retirement.

¹ Source: ASFA Retirement Standard www.superannuation.asn.au



Your retirement timeline

Deciding exactly when to retire is a big decision. The timing of your retirement will have an impact on the kind of lifestyle you'll have and how long your income will last.



1 in 5 men

and



1 in 10 women

retire due to their own illness, injury or disability.¹

You may already have an idea of when the ideal time to retire is and what you would like to do in retirement. Many people retire when they reach the age where they can access their superannuation or the Commonwealth Government Age Pension. For some, retirement can happen earlier than planned for reasons such as caring for a family member or a deterioration of health.

Careful planning can help to make sure that if you have to retire unexpectedly, you'll be prepared.

Here are a few things to consider and to potentially discuss with a financial adviser as you put your retirement plans into place.

<p>Retirement timeframe When do you want to retire?</p>	<ul style="list-style-type: none"> • When can you access your super, and what other savings do you have? • Will you be accessing the Age Pension and what age are you eligible? • Will your health allow you to work longer? • Do you want to ease into retirement via part time work? • What if you need to retire unexpectedly?
<p>Income amount How much regular income will you need?</p>	<ul style="list-style-type: none"> • Are you aiming for a modest or comfortable retirement? • Will you have any dependants in retirement? • Will you have any outstanding debts? • What would you like to do in retirement? • Where do you want to live in retirement?
<p>Savings How long will your savings last?</p>	<ul style="list-style-type: none"> • How long will your funds last in retirement? • In addition to superannuation, what other income sources will you have? • Do you have any assets you plan to sell? • Are you likely to access government benefits? • How might your ongoing expenses change throughout your retirement?



QSuper's **Retirement Preparation** seminars can provide a complete checklist of what you can do now, to make sure you'll be better off later.

qsuper.qld.gov.au/seminars



¹ Source(s): Retirement and Retirement Intention, Australia, 2016-17, Australian Bureau of Statistics.



Income and work flexibility

As you get closer to retirement, you may decide to ease into it gradually with part-time work, or use your last few years in the workforce to build your super balance. You can do this through a transition to retirement (TTR) strategy.

A TTR strategy is where you start receiving payments from your super while you're still working – giving you flexibility, without necessarily reducing your income. You can do this by opening an account-based pension, such as QSuper's Transition to Retirement Income account.

You could reduce your working hours

As you approach retirement, you may want to reduce your working hours so you can spend less time at work and more time doing the things you love. Drawing an income from a TTR Income account can help supplement your salary and maintain your current lifestyle while you work less.

While there are annual limits set by the Commonwealth Government on how much you can withdraw as an income stream, you can choose the amount of your payment and how often you want to receive it within these limits. It's important to consider the effect that working less hours has on your super in the future.

You may be able to use a TTR strategy if you are still working and have reached your preservation age and are under age 65. Your preservation age depends on your date of birth and is shown in the table below.

Your date of birth	Your preservation age
Before 01/07/60	55
01/07/60 – 30/06/61	56
01/07/61 – 30/06/62	57
01/07/62 – 30/06/63	58
01/07/63 – 30/06/64	59
01/07/64 or after	60

Alternatively, you could boost your super savings

Rather than reducing your working hours (and employment income) you could instead use a TTR strategy to grow your super by receiving income payments while you make before-tax contributions to super.

These contributions are generally taxed at 15% when paid to super, meaning you may be able to boost your super in a tax-effective way. Any payments you receive after age 60 from your super are tax-free. Under age 60, you could benefit from a tax offset – this is a reduction of the amount of tax you pay on income stream payments.

Refer to the **QSuper Tax Explanation factsheet** for further information.

Before setting up a Transition to Retirement Income account, there are a few important things to consider and discuss:

- You'll be using some of your superannuation before you retire so it's important to think about how that will affect your final retirement benefit.
- The strategy to use the account to reduce tax and boost your super can be complex, it's a good idea to seek financial advice.
- Balancing how much to move to this account to access your super and how much to maintain in your Accumulation account to cover the cost of any insurance you may hold.
- If you have a Defined Benefit account, how your account will be impacted if you use some of the funds to set up your Transition to Retirement Income account.

There are annual limits to how much you can contribute before and after-tax. Further information about contribution caps can be found in **QSuper Personal Contributions Guide**.



Ken's story¹

Ken is 60 years old and works full time. He's starting to think about how his lifestyle will change when he stops work completely and how he'll adapt to this. To help him ease into retirement, he reduces the number of days he works from five days to three days a week.

As his salary will reduce, Ken sets up a Transition to Retirement Income Account (TTR) and receives regular fortnightly payments from his super to his bank account. This means that Ken is able to reduce his working hours and continue to potentially receive a similar level of income to what he earned working full time.

¹ This case study is provided for illustrative and educational purposes only and the members shown are not real. Additionally, figures may be rounded for ease of understanding. Members should seek advice from a qualified licensed professional, regarding their own circumstances.



How QSuper can help

With the right information, you can feel empowered to make informed decisions.

Take advantage of these QSuper member benefits



Make a plan with us today

If you're thinking about retirement or planning for it, we can talk you through your options.

1300 360 750

Mon – Fri 8.00am to 6.00pm AEST.



Member seminars, webinars, and livestream events

Register online for one of our seminars created exclusively for our members to help you prepare for retirement and understand the options available.

qsuper.qld.gov.au/seminars



Guidance and support

You may want to seek personal financial advice to get the most from your superannuation.

You can find out more about financial advice options at

qsuper.qld.gov.au/financial-advice



Online calculators

From retirement planning, to budgeting and saving, QSuper's financial calculators can help you plan your future.

qsuper.qld.gov.au/calculators



WealthiQ

WealthiQ aims to improve the financial wellbeing of users by asking a number of questions about financial behaviour in a Financial Health Check.

qsuper.qld.gov.au/wealth-iq



News and insights

Via our monthly newsletter and our website, we keep you updated on the things that can make a difference for you.

qsuper.qld.gov.au/news-hub



Part of Australian Retirement Trust

Phone

1300 360 750 (+61 7 3239 1004 if overseas)

Monday to Friday: 8.00am – 6.00pm (AEST)

Email

qsuper@qsuper.qld.gov.au

Postal address

GPO Box 200, Brisbane QLD 4001

Fax

1300 241 602 (+61 7 3239 1111 if overseas)

Member Centres

70 Eagle Street, Brisbane

63 George Street, Brisbane

Sunshine Coast University Hospital, Ground Floor,
Main Hospital Building, 6 Doherty Street, Birtinya

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