

CONSIDERING RETIREMENT

This info sheet will help you explore your options and decide how your super could support you in the years ahead.

Are you considering retirement?

People retire at different ages for different reasons. Some leave the paid workforce early due to ill health or because they have the money to do so, while others continue to work long after they can access their super.

When can I access my super?

Under superannuation law your money must remain 'preserved' in a super fund until you meet a condition of release. You can access your super as a lump sum, pension or combination of these methods when you permanently retire after reaching your preservation age. Your preservation age is set by the Australian Government and is based on your date of birth.

Date of birth	Preservation age
Before July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From July 1964 on	60

Regardless of your preservation age, you can access your super when you reach age 60 and stop work or change jobs, or when you turn 65 (whether you are working or not). For information about other conditions of release see our *Accessing your super info sheet*.

Are you ready to retire?

Retirement is a major lifestyle change. Wherever you are in life now, chances are your super will play a major role in supporting you financially in the future. Being financially ready is a key factor that will influence your decision to stop working. However, your health, wellbeing and social interactions will also impact the lifestyle you lead.

Make an informed decision

Before making a decision about your future in or out of the workforce, think about the changes you might encounter. Ask yourself these questions:

- How much income do I need and for how long will I need that income?
- Where will my income come from?
- Who else will be relying on this income and for how long?
- How am I going to live the rest of my life?
- Am I ready for full-time retirement?
- Am I in good health?
- Can I use annual or long/service leave to take an extended holiday and 'trial' retirement?
- Is working part-time or exploring other flexible working arrangements an option?
- Are my friends still working?
- Is my family ready for me to stop working?

How much money is enough?

As you approach retirement the question 'How much money is enough?' becomes more pressing. Financial security means different things to different people. A modest lifestyle might be adequate for some while others may prefer to live life after work more comfortably.

The lifestyle you lead in retirement will depend on the assets you've accumulated over time including your super and other investments and savings, whether you are eligible to receive the Age Pension or other Centrelink and government entitlements, as well as your health and life expectancy.

What ASFA says

According to the Association of Superannuation Funds Australia (ASFA) [Retirement Standard](#) (March quarter 2018), the amount of income required for those around age 65 is:

	Modest lifestyle*	Comfortable lifestyle*
Single	\$27,368 p.a.	\$42,764 p.a.
Couple	\$39,353 p.a.	\$60,264 p.a.

*These amounts relate to expenditure by the household and assume that the retiree(s) own their own home.

Understand your spending habits

To understand how much you need, it's important to understand your spending habits. Budgeting plays a big part in the lead up to and during retirement. Setting up a budget will help you monitor your actual spending against your expected spending and determine how much you need to fund your lifestyle.

The Australian Securities and Investments Commission's (ASIC) [MoneySmart](#) website has a comprehensive suite of tools, apps and other resources to help you to track your spending and better manage your savings for life events including retirement.

Calculate your needs

It's likely your super will play a major role in supporting you financially in the future. Our [Retirement income calculator](#) can help you work out how much you'll need for the lifestyle you want in retirement, the income your super balance will generate and any shortfall.

By using our [Salary sacrifice calculator](#) you can also find ways to close any gaps and maximise your super by making extra contributions. You can start working out your future needs now at lgiasuper.com.au.

Plan ahead

In the lead up to and during retirement it's important to have strategies in place that will maintain or strengthen your financial position over the long-term. Planning now will give you greater certainty over your income and your future lifestyle. To help you start this process, try:

- **Putting money away** for emergencies and unexpected events. Make sure these funds are easy to access and consider a conservative investment approach.
- **Accounting for future expenses**, such as major repairs or maintenance for your home, a new car, travel costs as well as expenses to help you fully participate in your planned retirement activities.
- **Setting financial goals** and make sure you're on track to achieve them. Review your financial situation regularly and take a suitable investment approach that protects your short-term income needs against risk and inflation over time.
- **Considering the way your finances are structured** and make sure you receive your Centrelink entitlements such as the Age Pension and health care cards. Take advantage of government concessions and the discounts available through your Seniors Card. Explore the dedicated 'seniors' sections on your local, state and federal government websites.

How do I manage and access my super?

What do you want from your super in the lead up to, and during, retirement? The choice you make will depend on your personal situation and preference. Whether you prefer a regular income stream or lump-sum payments, LGIASuper has three simple options for managing, investing and accessing your superannuation.

1. Accumulation account

This is the account you contribute to while you work to grow your super. If you leave work, your superannuation can remain in an Accumulation account until you are able or ready to access it or start a pension.

Features of this account:

- You can contribute to it (subject to a work test if between age 65 and 74) and transfer your other super into it to grow your retirement savings.
- Any employer can pay super for you into this account.
- Gives you access to lump-sum payments once a condition of release is met.
- No obligation to withdraw funds and a minimum withdrawal amount of \$1,000 if you do.
- Competitively priced insurance cover (conditions apply, see our [Insurance guide](#) for details).

Refer to our [Accumulation account Product Disclosure Statement](#) for more details.

2. Transition to Retirement Pension account

Thinking about working part-time? Do you need more income? Are you approaching and planning for retirement? Our Transition to Retirement Pension account allows you to access your preserved super before retirement

Features of this account:

- You can open this account with a minimum investment of \$50,000.

Info sheet | Considering retirement

July 2018

- Receive between 4% and 10% of the account balance as a regular income stream.
- Take at least one pension payment each financial year and choose from fortnightly, monthly, quarterly, half yearly or annual payments.
- Unable to contribute to this account or take lump-sum payments.
- Option of lump sum or reversionary pension to be paid to dependants upon your death.

Refer to our *Pension account Product Disclosure Statement* for more details

3. Pension account

Need regular income and want access to lump sums? Want an investment that provides tax-free investment earnings? LGIAsuper's Pension account gives you the flexibility to choose how much income you want and how often you want to receive it. Features of this account:

- You can open this account with a minimum investment of \$50,000.
- Minimum age-based pension and account balance e.g. 4% of the account balance if under age 65 (no maximum applies).
- Take at least one pension payment each financial year and choose from fortnightly, monthly, quarterly, half yearly or annual payments.
- Option to withdraw unlimited lump sums at a minimum of \$1,000 each.
- Unable to contribute to this account.
- Option of reversionary pension to be paid to dependants upon your death.

Refer to our *Pension account Product Disclosure Statement* for more details.

Other benefits

Whatever account you choose, you'll benefit from:

- Fees that are lower than most other major funds and around half the industry average, a view supported by Australia's top ratings agencies.
- Free withdrawals and daily investment switching that you can do online as often as you like.
- A wide range of flexible investment options including single asset options that give you greater control over the way your money is invested.

Members with a defined benefit

Special conditions apply for members with a defined benefit (closed to new members). You can access your

superannuation as a regular income stream via a Transition to Retirement pension when you reach your preservation age, but do not retire. Once you permanently retire after reaching your preservation age you can access your super as a lump sum, pension or combination of both. Read the defined benefit guide that applies to you or contact us to discuss your options.

How much tax will I pay?

Super is taxed at various stages of its lifecycle. The type and amount of tax that applies will vary depending on your age, the contributions you make, your benefit amount and whether you take it as a lump-sum or pension. Our *Superannuation tax info sheet* explains each different type of tax applicable in detail. For a copy visit our website or contact us.

Government help

If you're planning for retirement or considering working past the Age Pension age, we encourage you to contact the Department of Human Services to find out about the Australian Government payments and services available to you. Visit www.humanservices.gov.au for information including contact details and a service centre locator.

Could you benefit from financial advice?

LGIAsuper's trusted and reliable team of qualified financial advisers can work with you to plan a strong financial future. Our personalised advice service takes into account your individual circumstances, and will help you:

- understand our products and options
- learn about the potential tax implications of your decisions
- protect you and your family in the event of death, illness or disability
- discover if you're on track to reach your retirement goals
- improve your understanding of the Centrelink benefits you could receive and the potential impact these could have on your super.

Contact us for more information or to make an appointment. Fees may apply. Read our *Financial services guide* for details.

Any questions?

We're always here to help. Our trusted and reliable team can work with you to grow your savings and plan a strong financial future.

Call us on **1800 444 396** or visit our website at lgiasuper.com.au.

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