

## Major financial considerations

- Lifestyle choices
- Grandchildren
- Exploring new interests or volunteering in your community
- Aged care
- Travel
- Health

## How we can help

- Savings and investment strategies to fund your retirement
- Budgeting and maximising cash flow
- Debt management
- Centrelink benefits
- Estate planning
- Aged care options
- Superannuation
- Insurance

## Getting started

### How these strategies can work for you

We can help you work out the best way to invest your money for a long and comfortable retirement.

To find out more, contact us today.

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## Enjoying your retirement



# Enjoying your retirement

Retirement is the time to reap the rewards of your working life. For some, it may be time to enjoy favourite hobbies or spend time with your grandchildren. For others, it may be time to explore the world, follow your passions or take on new challenges.

Many people develop a financial plan at the time of retirement. But once they reduce or stop work, the plan soon becomes dated.

You'll need to keep making choices about your income and investments, government benefits, your super, tax and estate planning strategy.

The last thing most retired people want is to spend their time worrying about these issues, yet many do. Ongoing management of your financial strategy keeps you on track and helps make the most of your retirement.

# Account-based pensions

## How can you generate a tax-effective regular income?

Using your superannuation account balance to start an account-based pension is a tax-effective way to generate regular income. Pension payments received after 60 are completely tax free. Pension payments received prior to age 60 may be partially or completely taxable, but the taxable amounts attract a 15 per cent tax offset to help reduce any tax liability.

An account-based pension has underlying investments that produce income and capital growth. These earnings are exempt from tax which can help to improve investment returns. Any amount of income can be drawn down from the pension, as long as at least a minimum amount is paid each year. The minimum is determined using a percentage factor that is based on your age.

## Jeremy's story

Jeremy is 63 and retiring. Prior to retirement, Jeremy earned \$60,000 a year, which left him with \$47,850 in after-tax income.

Jeremy wants to retain this same level of after-tax income, at least for the first couple of years of his retirement. He uses his superannuation, valued at \$420,000, to commence an account-based pension.

Because Jeremy is over 60, he does not pay tax on his pension income. He therefore only needs to draw \$47,850 of income to meet his income objectives.

Cash flow	Before strategy	After strategy
Gross salary	\$60,000	\$0
Account-based pension income	\$0	\$47,850
Tax on taxable income	\$12,150	\$0
After tax income	\$47,850	\$47,850

\*2010/11 income tax rates. Includes low income tax offset and the 1.5% Medicare levy.