

TODAY'S TOPIC

# Are you retirement ready?

Thank you for joining us.  
We will commence shortly



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# Important Notice

This presentation contains factual information and general advice only. It has been prepared without taking into account your objectives, financial situation and needs. You should consider whether it is appropriate having regard to your personal circumstances before making any financial decisions.

If you are considering acquiring a financial product you should obtain the relevant product disclosure statement before making any decision.

The taxation information in the presentation is factual information only. If you require taxation advice you should consult your accountant or tax adviser.



PLAN FOR YOUR  
RETIREMENT



HOW MUCH DO  
YOU NEED?



WHEN CAN YOU  
ACCESS YOUR SUPER?



AGE PENSION  
ELIBIBILITY



HOW TELSTRASUPER  
CAN ASSIST



QUESTIONS



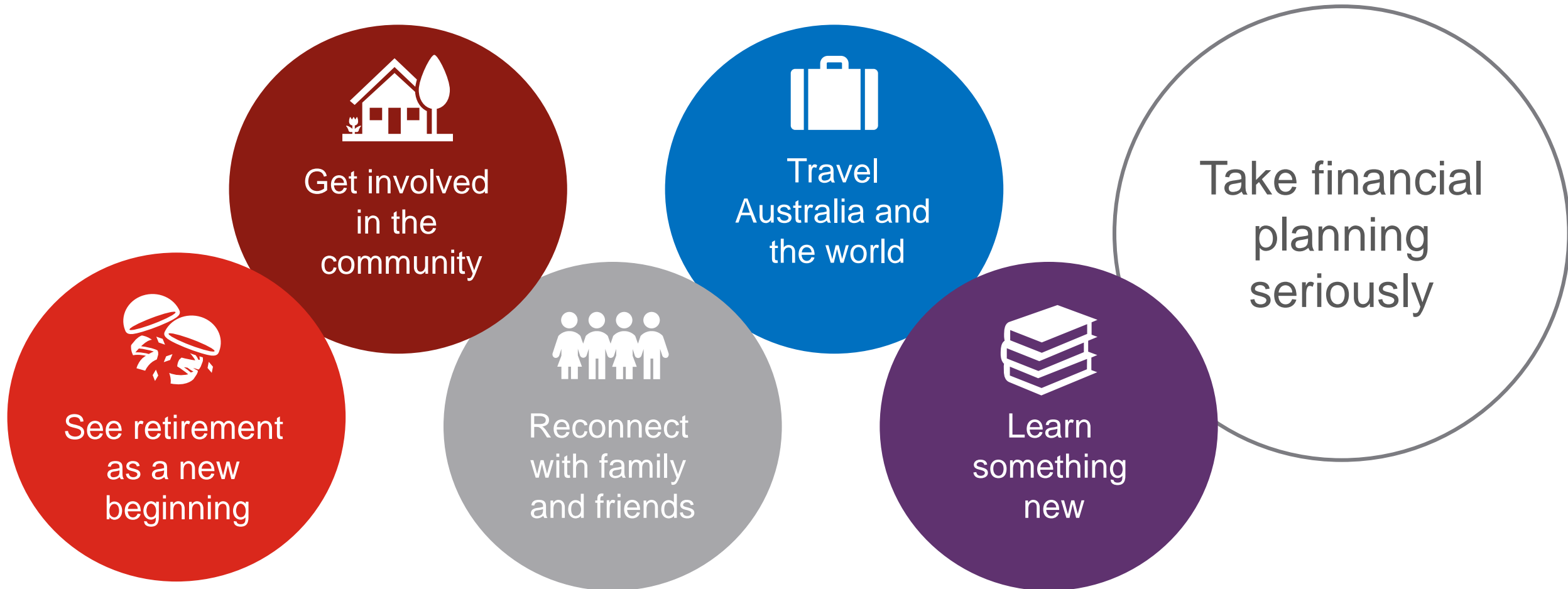
# Plan for your retirement

# Transitioning into retirement

- ✓ Do I have to retire at a certain age?
- ✓ What activities are on my to-do list?
- ✓ How much money will I need for my retirement lifestyle?
- ✓ When and how can I access my super?
- ✓ Will I be eligible for government entitlements?
- ✓ Will I require any lump sum withdrawals?
- ✓ Do I want to make any final super contributions?



# Transitioning into retirement



# Retirement goals: the 4 L's



**Lifestyle**

maintain spending power

**Liquidity**



for unexpected contingencies



**Longevity**

consistent and sustainable  
income

**Legacy**









estate planning and bequests



**How much do  
you need?**



# ASFA retirement standard

	<b>Age Pension</b> <b>\$24,770.20 p.a. Single</b> <b>\$37,341.20 p.a. Couple</b>	<b>Modest Lifestyle</b> <b>\$28,179 p.a. Single</b> <b>\$40,739 p.a. Couple</b>	<b>Comfortable Lifestyle</b> <b>\$44,224 p.a. Single</b> <b>\$62,562 p.a. Couple</b>
	Only club special meals or inexpensive takeaway	Take out and occasional cheap restaurants	Restaurant dining, good range and quality of food
	No car or, if you have a car, it will be a struggle to afford repairs	Owing a cheaper more basic car	Owning a reasonable car
	No private health insurance	Basic private health insurance, limited gap cover	Top level private health insurance
	Even shorter breaks or day trips in your own city	One holiday in Australia or a few short breaks	Domestic and occasional overseas holidays
	Only taking part in no cost or very low-cost leisure activities. Rare trips to the cinema	One leisure activity infrequently, some trips to the cinema or the like	Taking part in a range of regular leisure activities
	Less air conditioning in summer and heating in winter	Need to watch utility costs	Can run air conditioning and heating

The figures in each case assume that the retiree(s) own their own home outright and are relatively healthy. Figures relate to expenditure by the household. All figures in today's dollars using 2.75% AWE as a deflator and an assumed investment earning rate of 6 per cent.

Source: ASFA Retirement Standard December quarter 2020 for individuals aged around 65 - <https://www.superannuation.asn.au/resources/retirement-standard>

<https://www.servicesaustralia.gov.au/individuals/services/centrelink/age-pension/how-much-you-can-get> ; <https://www.superquru.com.au/retiring/how-much-super-will-i-need>

# ASFA retirement standard for a comfortable lifestyle



**Annual income for a  
single \$44,224**

**\$545,000 +  
part Age Pension**

**Lump sum required to  
fund retirement lifestyle**



**Annual income for a  
couple \$62,562**

**\$640,000 +  
part Age Pension**

**Lump sum required to  
fund retirement lifestyle**

Source: ASFA Retirement Standard December quarter 2020.

This assumes part Age Pension and the figures in each case assume that the retiree(s) own their own home outright and are relatively healthy. Figures relate to expenditure by the household. All figures in today's dollars using 2.75% AWE as a deflator and an assumed investment earning rate of 6 per cent. The lump sums required for a comfortable retirement assume that the retiree/s will draw down all their capital and receive a part Age Pension.

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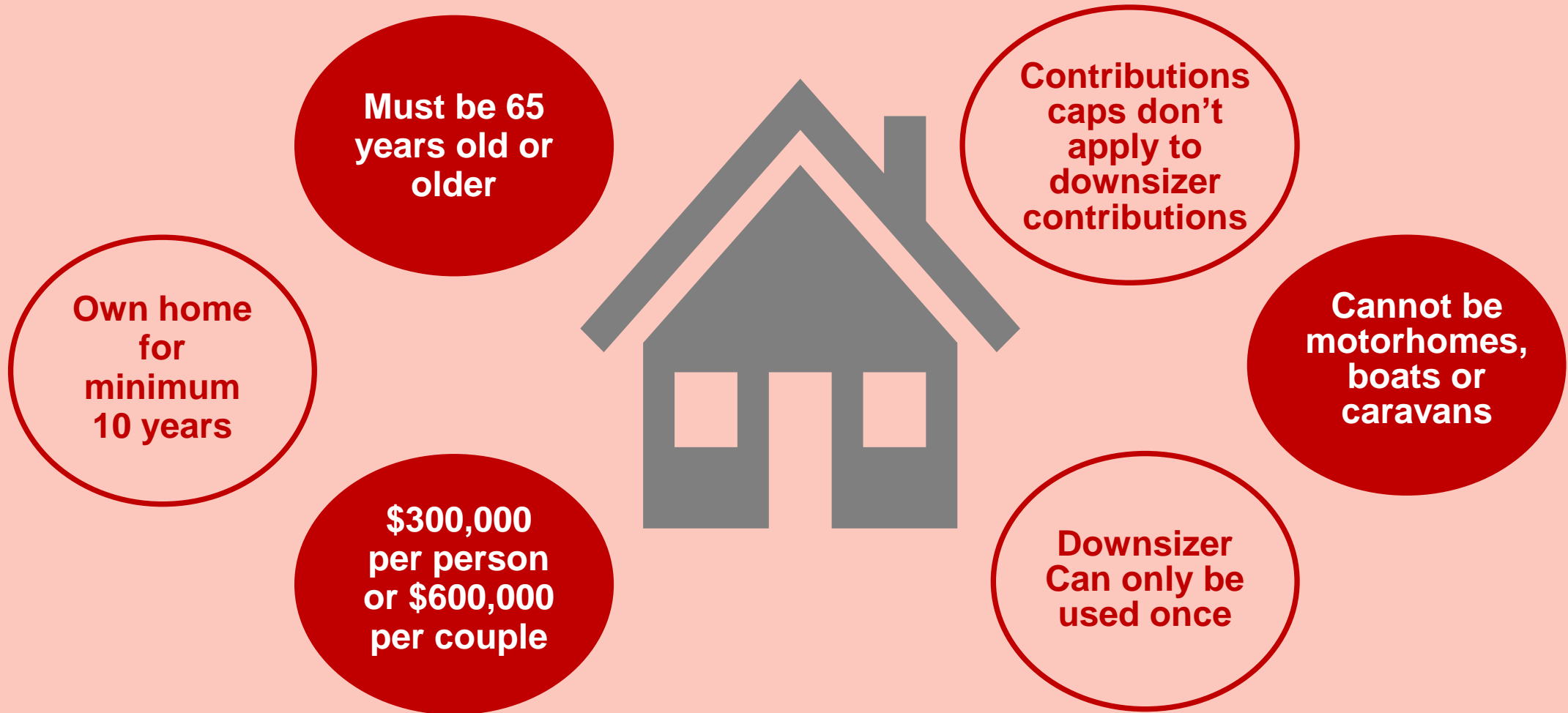
Retirement income (p.a.)	Estimated lump sum required
\$50,000	For 20 years: \$800,814
	For 30 years: \$1,042,841
\$65,000	For 20 years: \$1,041,058
	For 30 years: \$1,355,694
\$85,000	For 20 years: \$1,361,383
	For 30 years: \$1,772,830

These figures assume that the retiree(s) own their own home outright and are relatively healthy, retiring at age 65, super invested in a balanced option with an Investment return of 6.5% per annum. All amounts are in today's dollars and are adjusted for an assumed annual inflation rate of 2%. In addition, a further annual increase of 1% is included to take into account the cost of meeting increases in community living standards. This means a total assumed inflation rate of 3% is allowed for. This is a model, not a projection and these assumptions are based on objective evidence on long-term net returns, fees, relevant economic forecasts any analysis on wages, prices and productivity.

Source: <https://www.industrysuper.com/retirement-info/retirement-calculators/retirement-needs-calculator> - calculations dated 11 March 2021

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# Downsizer contributions



# Contribution splitting

You can split up to 85% of your employer and salary sacrifice contributions and transfer it to your spouse's super account, as long your spouse is:

- under their preservation age
- between their preservation age and 65 years old and still working

Some of the benefits of contribution splitting include:

- increasing your partner's super
- having earlier access to your super if your spouse is older than you
- if your spouse is younger than you, you may qualify for a higher Age Pension under the assets test.

Split contributions can't be accessed until the receiving spouse has reached their preservation age.

Taxed splittable contributions are generally any employer contributions (including salary-sacrifice contributions) and any personal super contributions you wish to claim a tax deduction for in your income tax return. Splitting your concessional (before-tax) contributions with your spouse does not reduce the amount counted towards your concessional contributions cap. Split super contributions remain preserved until the receiving spouse reaches their preservation age. Applications to split your super contributions with your spouse can be made immediately after the financial year in which the contributions were made.

Source: <https://www.superguide.com.au/how-super-works/super-contribution-splitting-spouse>



# Summary of contribution caps



## Pre-tax (concessional contributions)

Employer contributions, salary sacrifice, personal deductible contributions, insurance premiums paid by your employer

**15% tax rate**

Annual contribution cap \$25,000 +

### Rolling 5-year catch up

If your **total super balance** is less than \$500,000 as at end of the previous financial year, any unused concessional contributions cap amounts can be carried forward for up to five years before they expire



## Post-tax (non-concessional contributions)

Contribution made from after-tax income and spouse contributions

**0% tax on the way in**

Annual contribution cap \$100,000 \*^ +

### Bring forward rule ^#

If your **total super balance** is less than \$1.6 million individuals aged under 65 may be able to make up to three years' worth of post-tax contributions (up to \$300,000) to their super in a single year.

+ The concessional and non-concessional contributions cap will be indexed from 1 July 2021

\* For the 2020-21 financial year, you must meet the work test if aged 67 to 74 or satisfy the work test exemption criteria. To satisfy the work test you must complete at least 40 hours of paid work in a period of not more than 30 consecutive days in the financial year in which you plan to make non-concessional contributions. The work test exemption means you can also make personal contributions during the first financial year you don't meet the work test if your total superannuation balance at the end of the previous financial year is less than \$300,000.

^ Subject to \$1.6 million total superannuation balance cap. Individuals with a total superannuation balance of \$1.4 million or more are not able to utilise the full bring forward rule.

# Must be under 65 at the start of the financial year and meet other eligibility criteria.

Source: <https://www.ato.gov.au/Rates/Key-superannuation-rates-and-thresholds/?page=3> ; <https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-contributions---too-much-can-mean-extra-tax/?page=3>

# Summary of contribution caps

 **Total super balance \***  
**\$1.6 million**

**Transfer balance cap \***   
**\$1.6 million**

Includes all superannuation fund and retirement income streams

Maximum amount that can be transferred from superannuation accumulation funds into the tax-free retirement phase

### **No further post-tax (non-concessional) Contributions**

If the total superannuation balance across all your superannuation and retirement income streams (not just your TelstraSuper account) is equal to or greater than \$1.6 million at the end of the previous financial year.

### **Example**

John retires at age 62 with a total super balance of \$2 million. He is able to commence a retirement income stream with up to \$1.6 million. John can leave the remaining \$400,000 in his superannuation accumulation account and access this money when needed tax-free as he has retired and reached his superannuation preservation age.

TelstraSuper Financial Planning has a team of phone-based Advisers who can provide you with simple advice in relation to your contributions. There's no additional cost for our phone-based advice as this is included in your TelstraSuper membership.

You can contact us on 1300 033 166 or request an appointment with our online contact form.

Telstra Super Financial Planning Pty Ltd (TSFP) AFSL 218705– which is wholly owned by Telstra Super Pty Ltd (TSPL).

\* The total super balance and transfer balance cap will be indexed from 1 July 2021

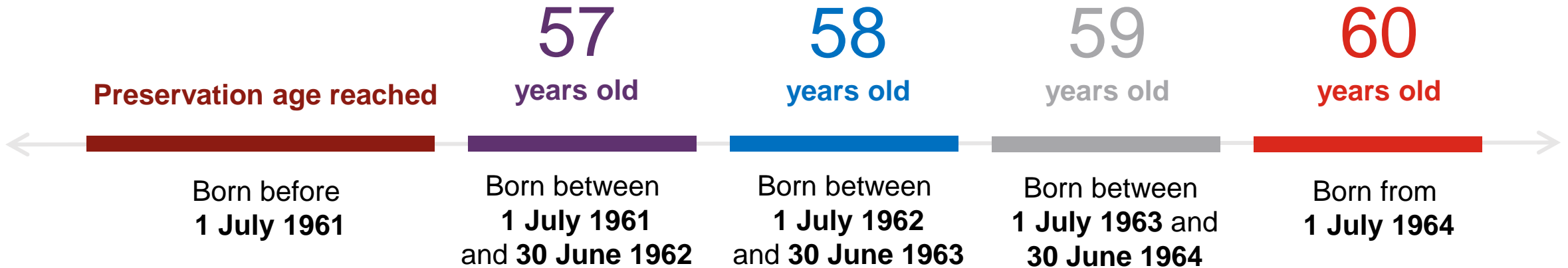
Source : <https://www.ato.gov.au/Individuals/Super/In-detail/Growing-your-super/Super-contributions---too-much-can-mean-extra-tax/?page=5> ;  
<https://www.ato.gov.au/individuals/super/withdrawing-and-using-your-super/transfer-balance-cap/>



**When can you  
access your super?**



# When can I access my super?



# When can I access my super?

	Lump Sum	Income stream
<b>Access</b> (from preservation age)		
Working	✗	✓
Retired	✓	✓
Age 65	✓	✓
<b>Tax</b> (from preservation age)		
Age 57-59	The first <b>\$215,000 is tax free</b> And <b>15%*</b> for any amount above the low rate cap	Income payments from an income stream are <b>taxable</b> #
Age 60	<b>Tax-free</b>	<b>Tax-free</b>

\*based on 2020/21 financial year and not including Medicare Levy.

# Taxed at marginal tax rates – tax offset of 15% is available

Source: [https://www.ato.gov.au/Individuals/Super/In-detail/Withdrawing-and-using-your-super/Withdrawing-your-super-and-paying-tax/?page=4#If\\_you\\_are\\_between\\_your\\_preservation\\_age\\_and\\_60\\_\\_160\\_years\\_old](https://www.ato.gov.au/Individuals/Super/In-detail/Withdrawing-and-using-your-super/Withdrawing-your-super-and-paying-tax/?page=4#If_you_are_between_your_preservation_age_and_60__160_years_old)

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## Transition to retirement (TTR)

- A transition to retirement strategy enables you to access your super while you continue working
- Is available when you reach your preservation age
- If you are under age 65, minimum income is 4% and the maximum is 10%. For the 2020/21 financial year the minimum has been reduced to 2%
- While you are under age 60, withdrawals are taxable
- Up to 15% tax on investment earnings
- No lump sum withdrawals available



## Retirement Income Stream

- A retirement income stream enables you to receive an ongoing income from your super when you retire
- Is available when you reach your preservation age
- Must receive a minimum income payment amount each financial year between 4%-14% based on your age. For the 2020/21 financial year the minimum has been reduced by 50%
- No tax payable on withdrawals after age 60 when retired
- No tax on investment earnings
- Strategy is flexible, you can alter your income payments and lump sum withdrawals are available.
- Cannot make additional contributions once the retirement income stream has commenced

For information on transition to retirement or retirement income stream, refer to TelstraSuper RetireAccess PSD dated 1 March 2021. TelstraSuper Financial Planning can provide comprehensive personal advice on income streams. Telstra Super Financial Planning Pty Ltd (TSFP) AFSL 218705– which is wholly owned by Telstra Super Pty Ltd (TSPL)

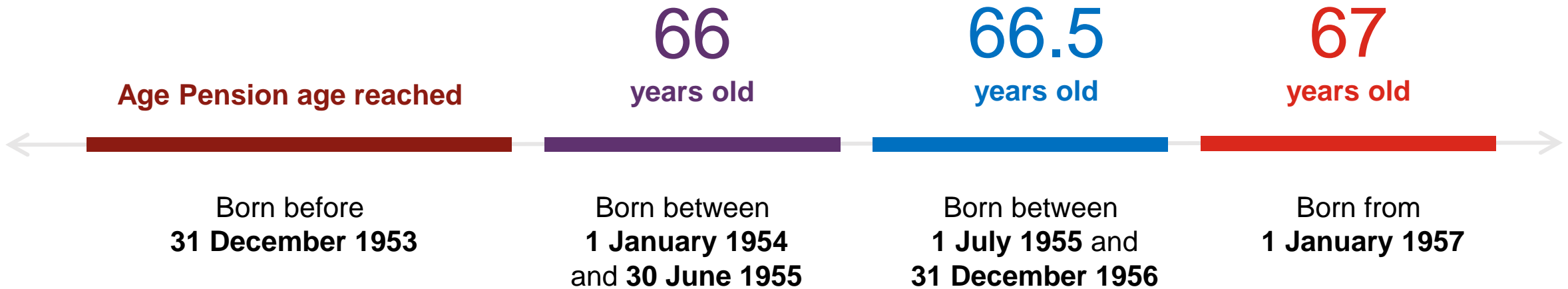
You're eligible for the Retirement Bonus if:

- You commence a retirement income stream by:
  - ✓ fully transferring your current accumulation account into a retirement income stream; or
  - ✓ transferring part of your current accumulation account; or
  - ✓ rolling new money into your current accumulation account and using that to open a Retirement income stream
  
- Before you commence a retirement income stream, your super is invested in the Growth, Balanced, Diversified Income, Defensive Growth, Conservative, Australian Shares, International Shares, Property, MySuper Growth, MySuper Balanced and MySuper Conservative investment options prior to being transferred to a Retirement income stream



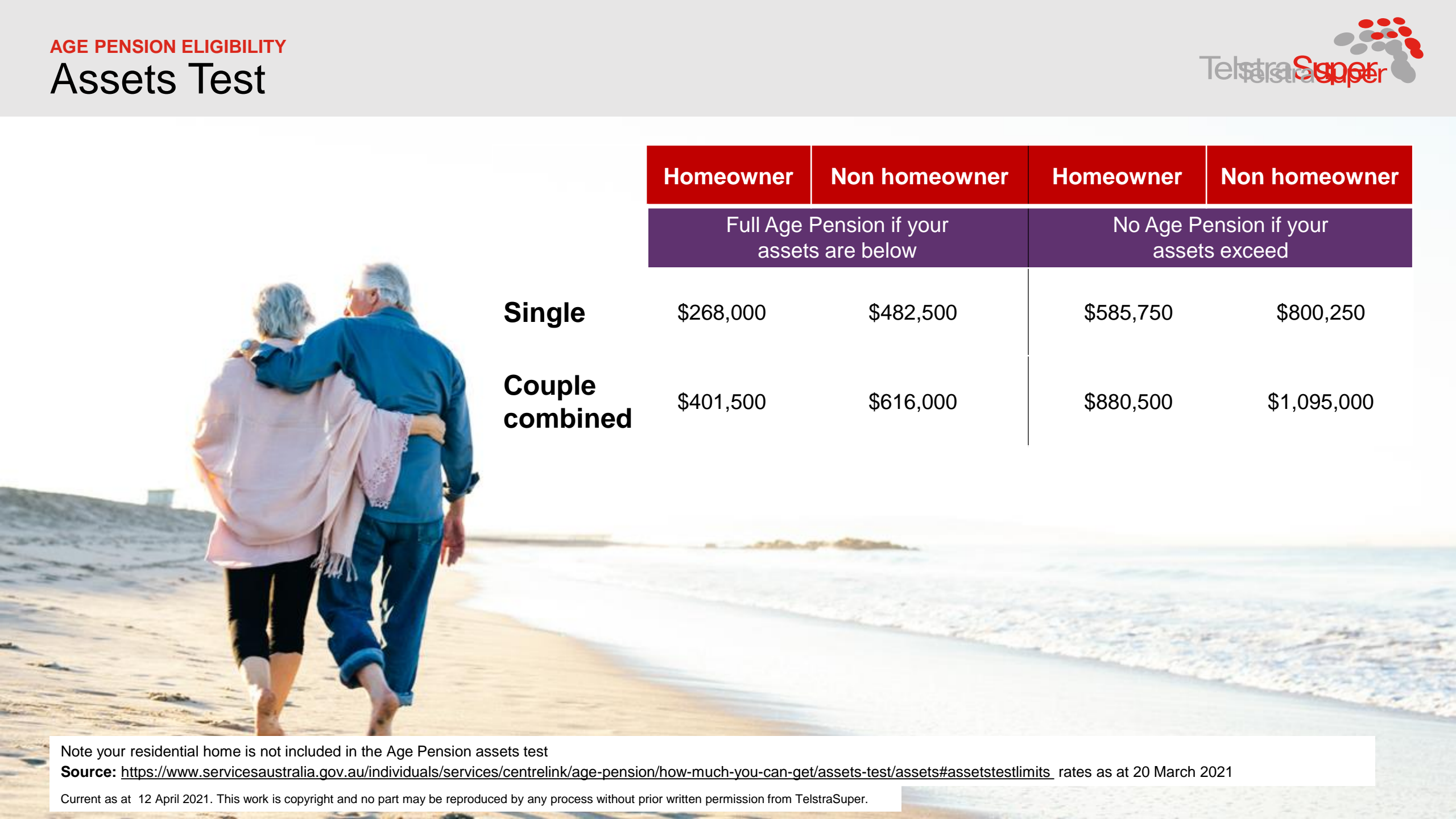
# Age Pension eligibility

# When can I access Age Pension?



Age Pension age has increased from 65 to 67 years. It will increase by 6 months every 2 years until Age Pension age is 67 on 1 July 2023.

# Assets Test



	Homeowner	Non homeowner	Homeowner	Non homeowner
	Full Age Pension if your assets are below		No Age Pension if your assets exceed	
<b>Single</b>	\$268,000	\$482,500	\$585,750	\$800,250
<b>Couple combined</b>	\$401,500	\$616,000	\$880,500	\$1,095,000

Note your residential home is not included in the Age Pension assets test

**Source:** <https://www.servicesaustralia.gov.au/individuals/services/centrelink/age-pension/how-much-you-can-get/assets-test/assets#assetstestlimits> rates as at 20 March 2021

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## For singles

**Max pension if your income is below**  
\$178 per fortnight  
\$4,628 per year

**No pension if your income is above**  
\$2,083.40 per fortnight  
\$54,168.40 per year

## For couples living together

**Max pension if your income is below**  
\$316 per fortnight combined  
\$8,216 per year

**No pension if your income is above**  
\$3,188.40 per fortnight combined  
\$82,898.40 per year

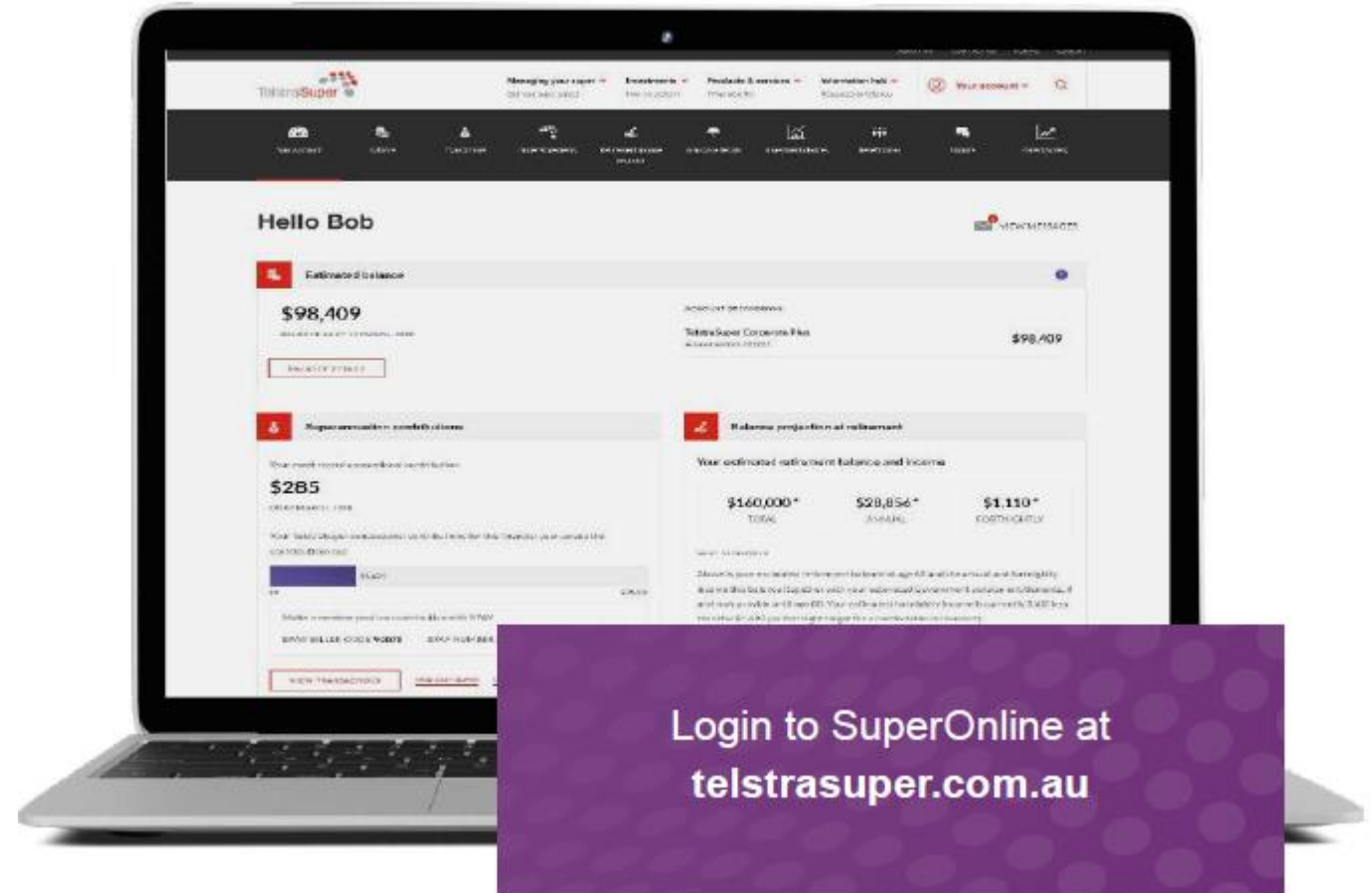




**How  
TelstraSuper  
can assist**

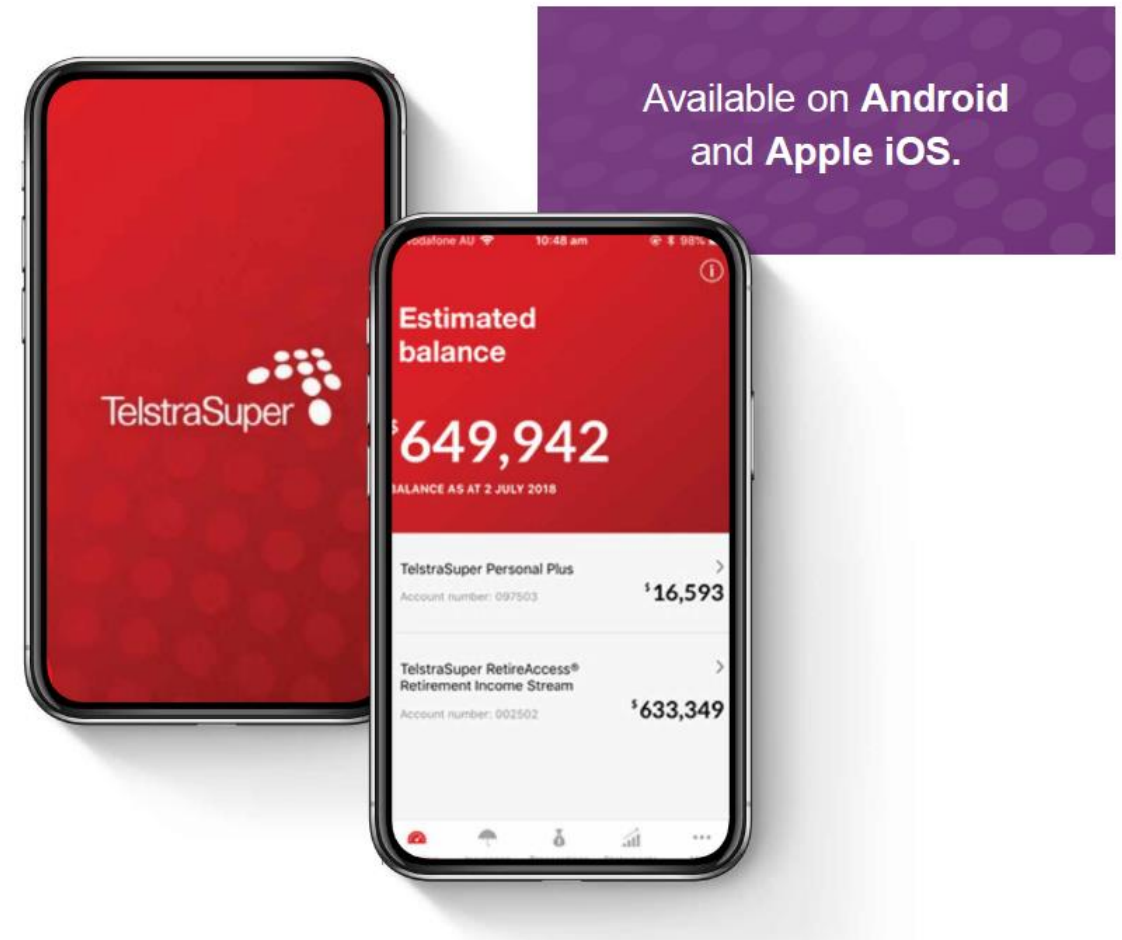
# Super online

- ✓ Update your email address and personal details
- ✓ Check your account balance
- ✓ Review your insurance cover
- ✓ View your nominated beneficiaries
- ✓ Make a non-binding nomination
- ✓ Review your investment options
- ✓ Pre-tax contributions against the concessional contributions cap
- ✓ Benefit statements
- ✓ Latest contributions

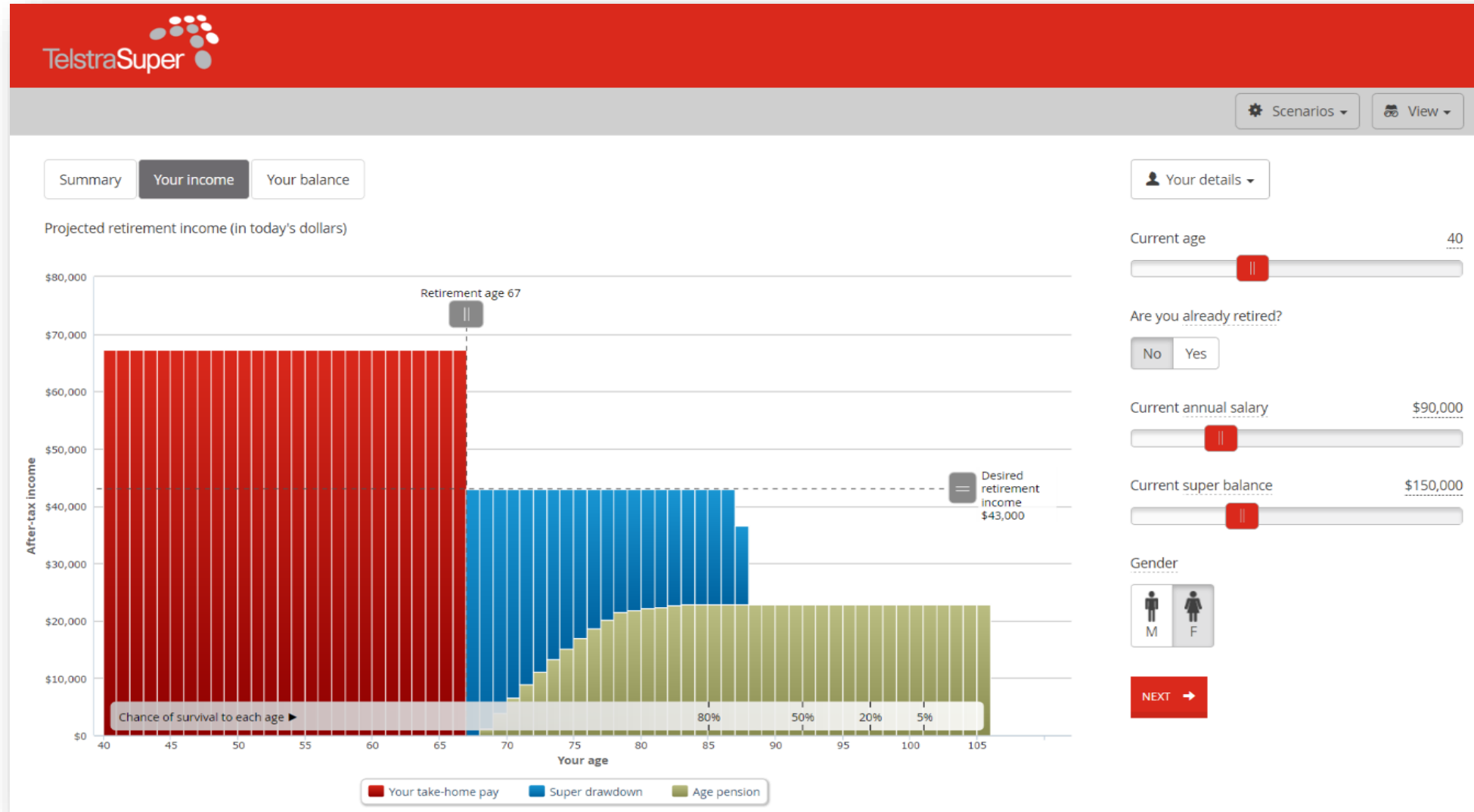


## Easy access to:

- ✓ Estimated account balance
- ✓ Investment options, allocation of units and investment returns
- ✓ Latest contributions
- ✓ Pre-tax contributions against the concessional contributions cap
- ✓ Benefit statements
- ✓ Insurance cover
- ✓ Transactions
- ✓ Digital Member Card
- ✓ Contact TelstraSuper



# Retirement projector



# Financial advice

## General and simple advice

- ✓ General and simple personal advice over the phone about your TelstraSuper account including contributions, investment options and insurance cover through TelstraSuper
- ✓ Provided at no additional cost as part of your membership

## Comprehensive financial advice

- ✓ Comprehensive personal advice available on a one-off or on-going basis. An advice fee applies.
- ✓ Ongoing advice service is available at a competitive price.
- ✓ Video meetings available

General, simple and comprehensive advice are provided by Telstra Super Financial Planning Pty Ltd (TSFP) AFSL 218705– which is wholly owned by Telstra Super Pty Ltd (TSPL).

Refer to TSFP Financial Services Guide (FSG), dated 1 December 2020 for important information about the services.

# Comprehensive advice

TelstraSuper Financial Planning Advisers can provide comprehensive personal advice on a range of super and non-super topics, including TelstraSuper's products.

<p>Ensure your assets are distributed according to your wishes, so that they go to the right people in the most tax-effective way.</p>	<p>Estate Planning</p>	<p>Build wealth outside of super</p>	<p>Help you understand your options for investing outside super such as through managed funds, annuities or investment bonds.</p>
<p>Ways to maximise your super savings as you approach retirement. Put plans in place now to help you meet your long-term retirement savings needs and goals.</p>	<p>Get ready for retirement</p>	<p>Protect your family and your finances</p>	<p>Put the right insurance in place to protect you and your family in times of financial need.</p>
<p>Strategies to ensure your money works hard for you in retirement, including eligibility to social security benefits and tailored investment portfolios.</p>	<p>Plan and manage your retirement income</p>	<p>Budget cash flow and tax</p>	<p>Tailor your wealth and investment strategies to cater for your budget, cash flow needs and personal tax implications.</p>

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**The fund you trust  
with your super, is now  
there for your friends.**

**Invite a friend.  
We'll do the rest.**

[telstrasuper.com.au/refer](https://telstrasuper.com.au/refer)



**Competitive  
fees**



**Profits back  
to you**



**Strong long-term  
performance**



**Simple advice  
on you super**



**When we win,  
you win!**



**Responsible  
investors**

# Happy to answer your questions.



1300 033 166



[talkingsense@telstrasuper.com.au](mailto:talkingsense@telstrasuper.com.au)



[telstrasuper.com.au](https://telstrasuper.com.au)



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**As a current TelstraSuper member, you are able to refer friends and family members to join TelstraSuper**

