

Planning for retirement



TelstraSuper














Important notice

Any advice in this presentation 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.

Any information about taxation in this presentation is factual information or general advice only and does not consider the application or interpretation of any taxation laws to your personal circumstances. If you require taxation advice you should seek advice from a registered tax agent or a registered tax (financial) adviser.

Agenda

-  How much is enough?
-  Why Superannuation
-  Planning for retirement
-  Investing for retirement
-  Age pension
-  Superannuation and estate planning
-  Telstra Super assistance
-  Summary
-  Questions

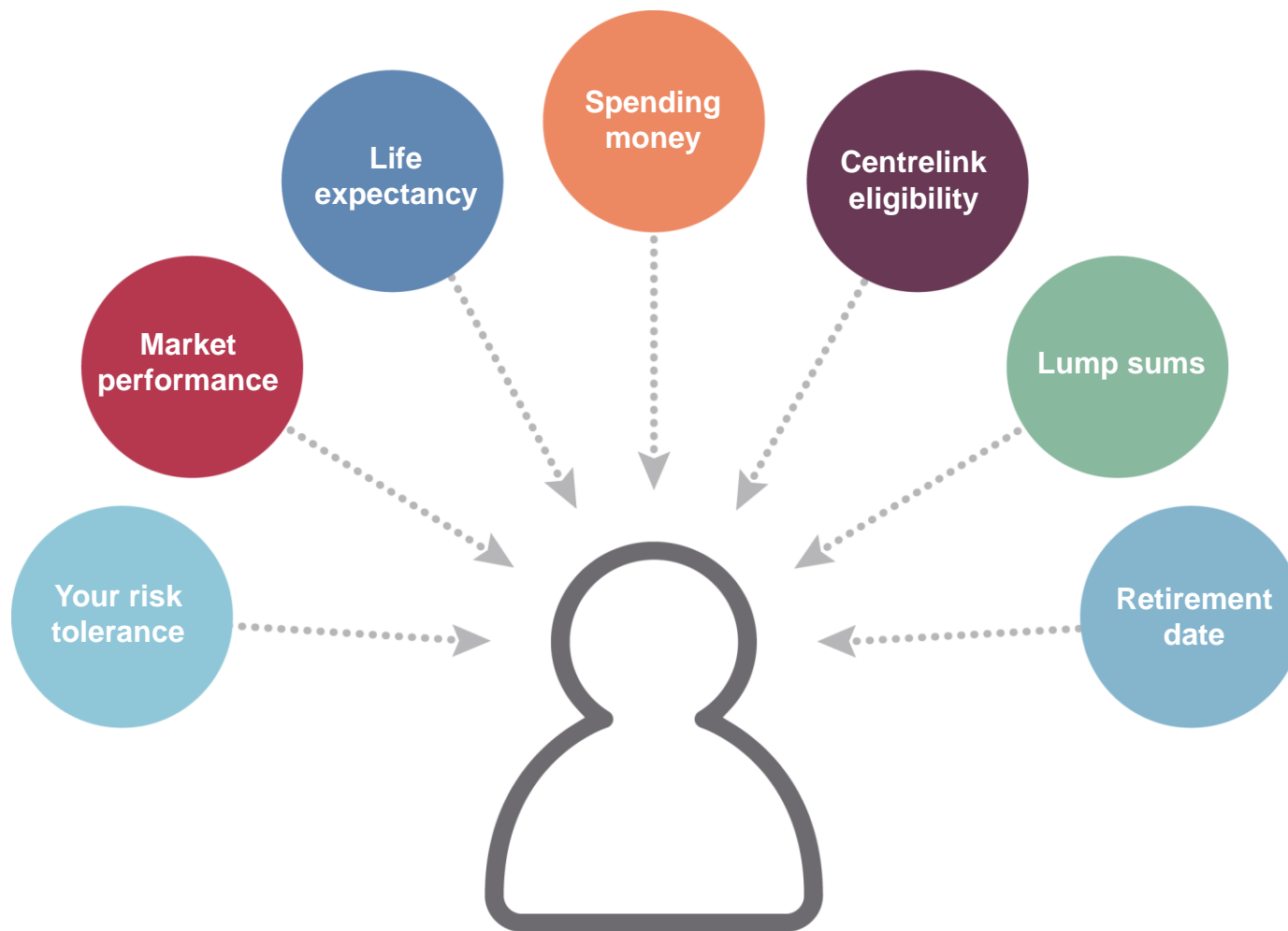


How much is enough?





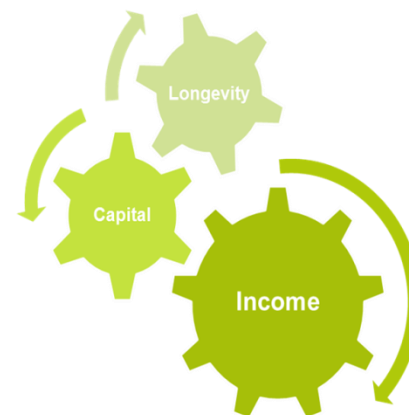
Considerations of retirement





Retirement: A time of change and uncertainty

- No more employer funded income
- May need to rely on a number of income sources
- Be realistic about your preferred retirement lifestyle
- Some unknowns that need to be considered:
 - Your long term health
 - Your life expectancy
 - Your future accommodation needs
 - Your Age Care requirements
 - Your family
 - Estate Planning





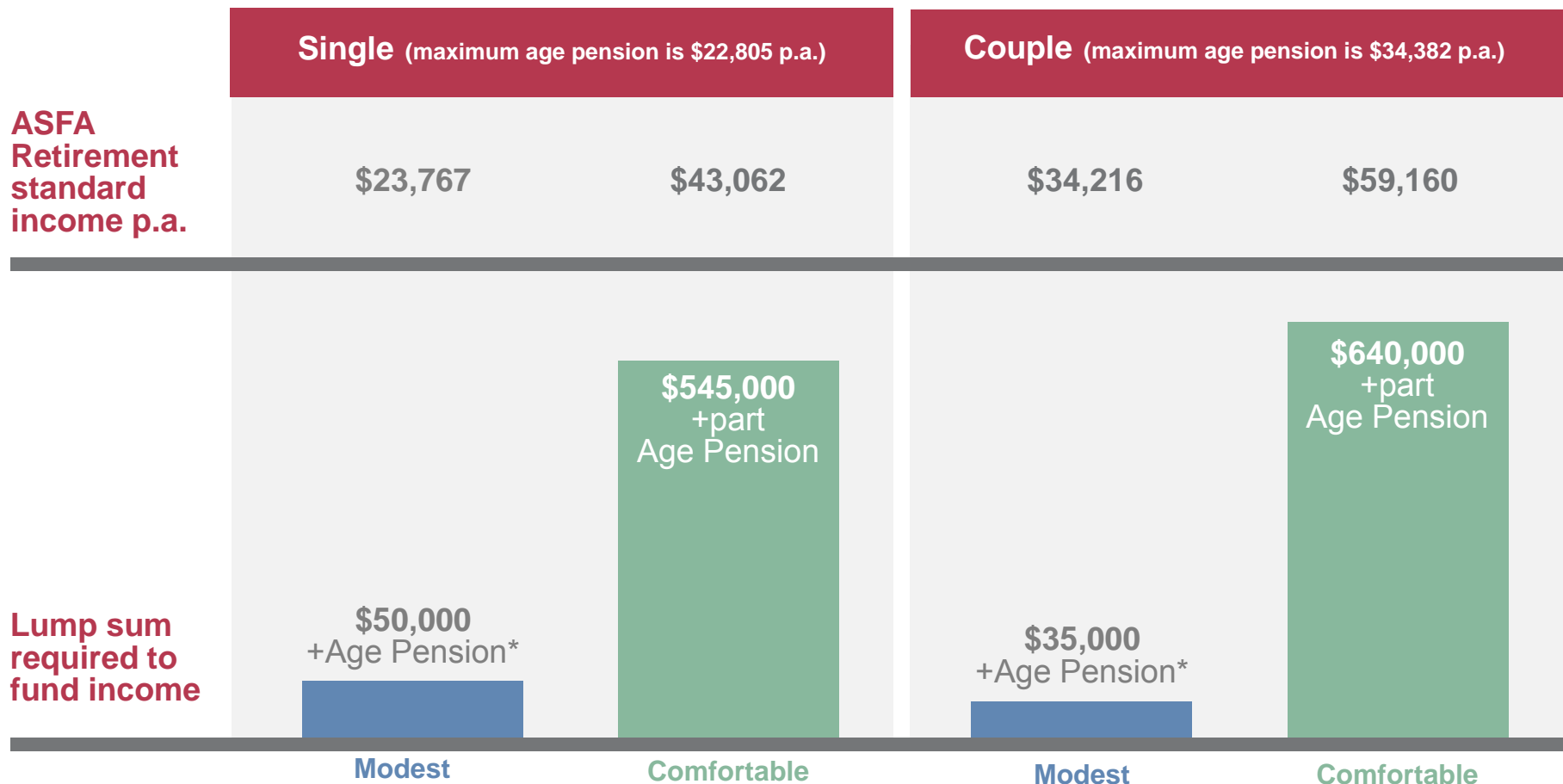
Retirement: Goals – the 4 L's

Goals for Retirement Income	
Lifestyle (maximise spending power)	Liquidity (for unexpected contingencies)
Longevity (consistent and sustainable income through retirement)	Legacy (estate planning and bequests)

Evaluating Investments versus Insurance in Retirement, June 30, 2015, by Wade Pfau



How much is enough?



Source: ASFA Retirement Standard June 2016. Capital required assumes a net investment return of 7% p.a. www.humanservices.gov.au 20 September 2016. Includes the pension supplement and clean energy supplement. All figures in today's dollars. *assumes maximum Age Pension.



Why superannuation?



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Why Super?

The two main tax benefits:



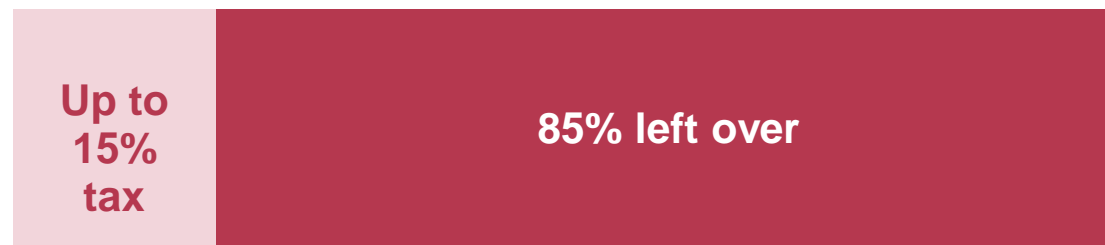


Tax benefit #1 – investment earnings

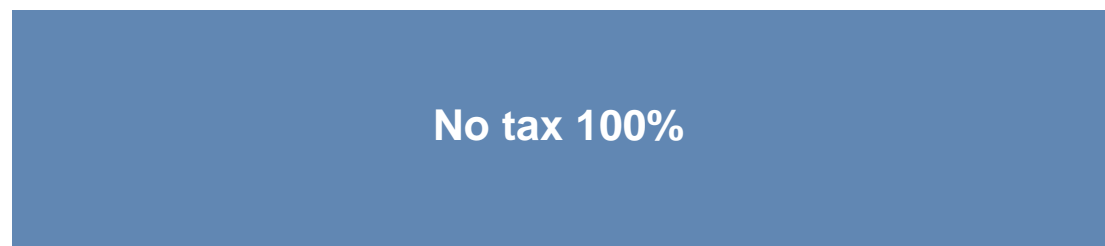
Money
outside
super



Super



Retirement
income
stream



*excluding Medicare Levy & Temporary Budget Repair Levy



Tax benefit #2 - contributions

Before tax salary

Up to 45% tax*

55% in your hand*

Salary sacrifice

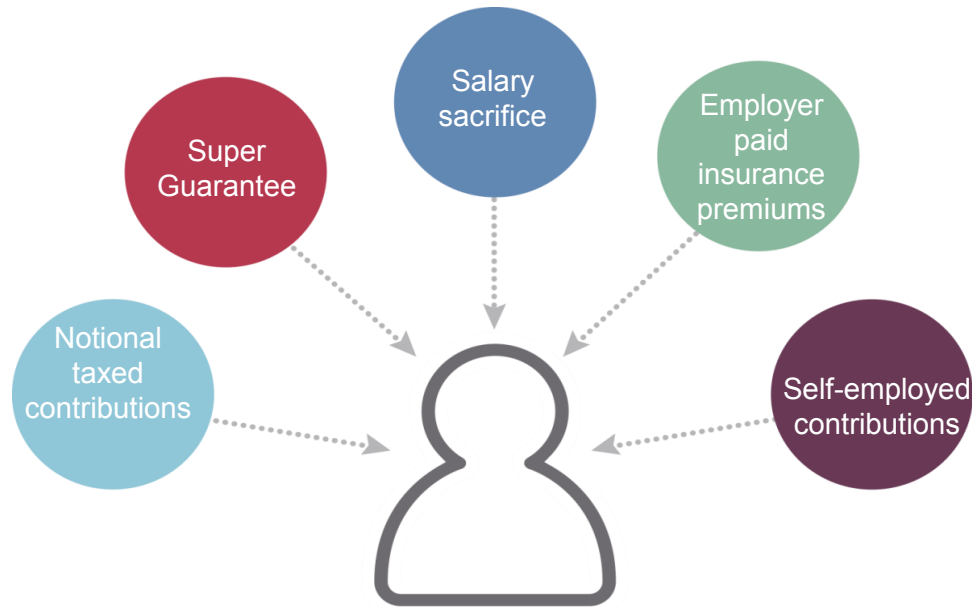
15% tax

85% stays in super

*excluding Medicare Levy & Temporary Budget Repair Levy



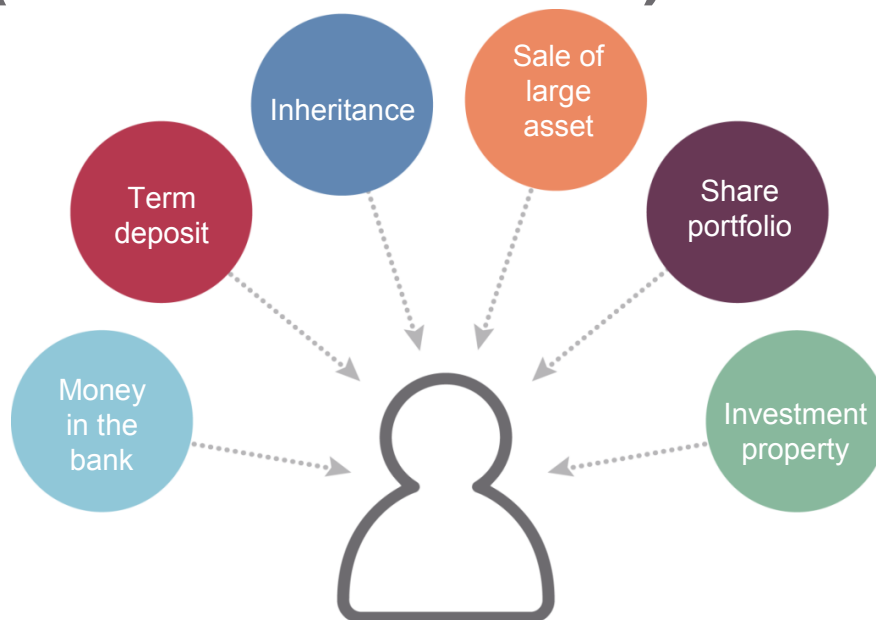
Pre-tax (concessional) contributions



Current	
49 years or over at 30 June 2016	All others
\$35,000 cap	\$30,000 cap
Proposed	
All – effective from 1 July 2017	
\$25,000 p.a.	
Rolling 5 year catch-up provision (<\$500k balance from 1 July 2018)	



Post-tax (non-concessional) contributions



Current
\$180,000 p.a. cap
\$540,000 (over 3 year period)
\$180,000 p.a. cap 65 and over*
Effective 1 July 2017
\$100,000 p.a. cap (\$300,000 over 3 year period)**

*Must satisfy work test if aged 65 and over

** Subject to \$1.6 Million transfer balance

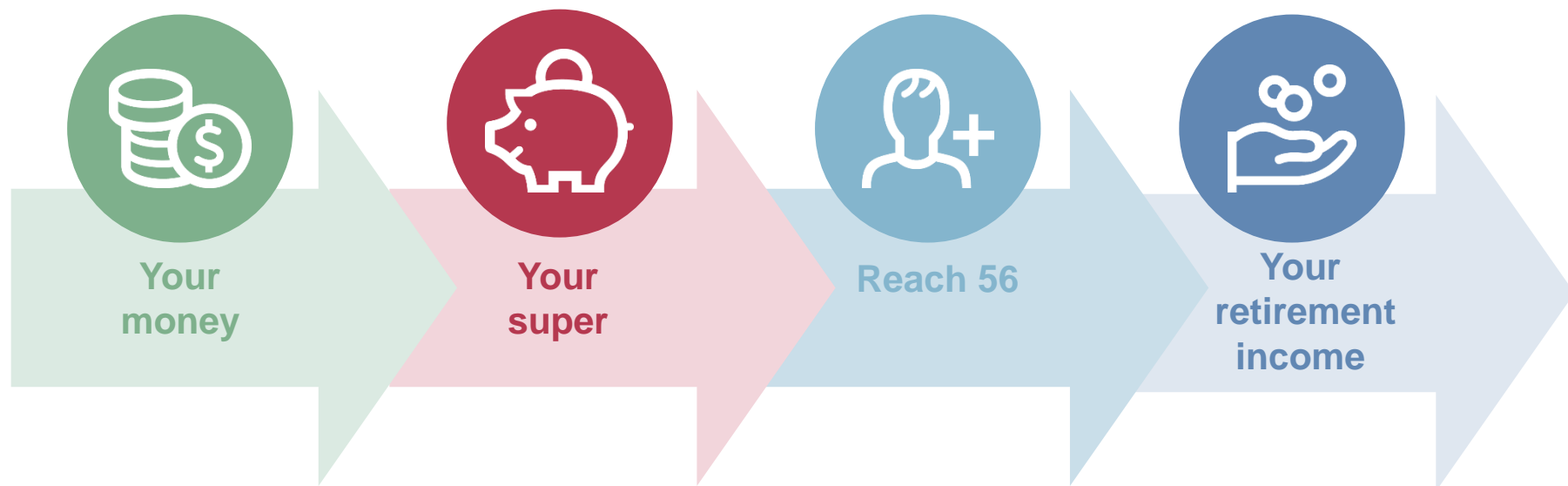


Planning for retirement





Funding your retirement





When can I access my super?

Date of birth from	to	Preservation age
	30th June 1960	55
1st July 1960	30th June 1961	56
1st July 1961	30th June 1962	57
1st July 1962	30th June 1963	58
1st July 1963	30th June 1964	59
1st July 1964		60

Source: www.ato.gov.au



Accessing super – Preservation

From preservation age	Lump Sum	Retirement Income
Working	x	✓
Retired	✓	✓
Age 65	✓	✓



Accessing super - Taxation

Preservation age	Lump sum	Retirement income
Aged 56 – 59	\$195,000 tax free Above taxed at 15%*	Retirement income stream is taxable
Aged 60+	Tax-free	Tax-free

* Plus Medicare Levy



Transition to retirement strategy



Transition to
Retirement for

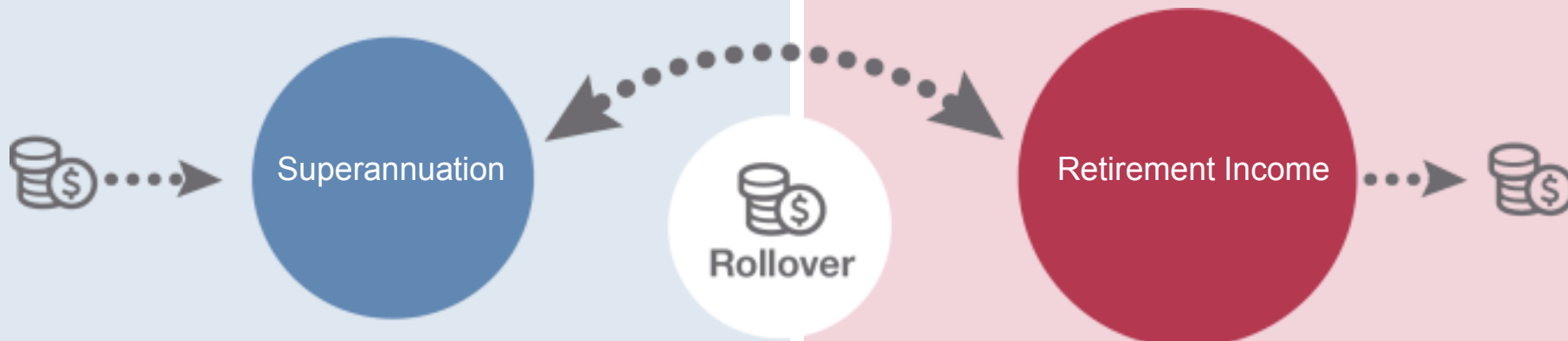
**Building
wealth**



Transition to
Retirement for

**Lifestyle
balance**

Funding your retirement



- can retain monies in super
- withdraw **lump sums**
- tax still paid on investment earnings
- can contribute (subject to eligibility)

- **no tax** paid on investment earnings
- must draw a pension
- withdraw lump sums
- cannot contribute
- can roll back at any stage



Investing for retirement



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Your investment considerations





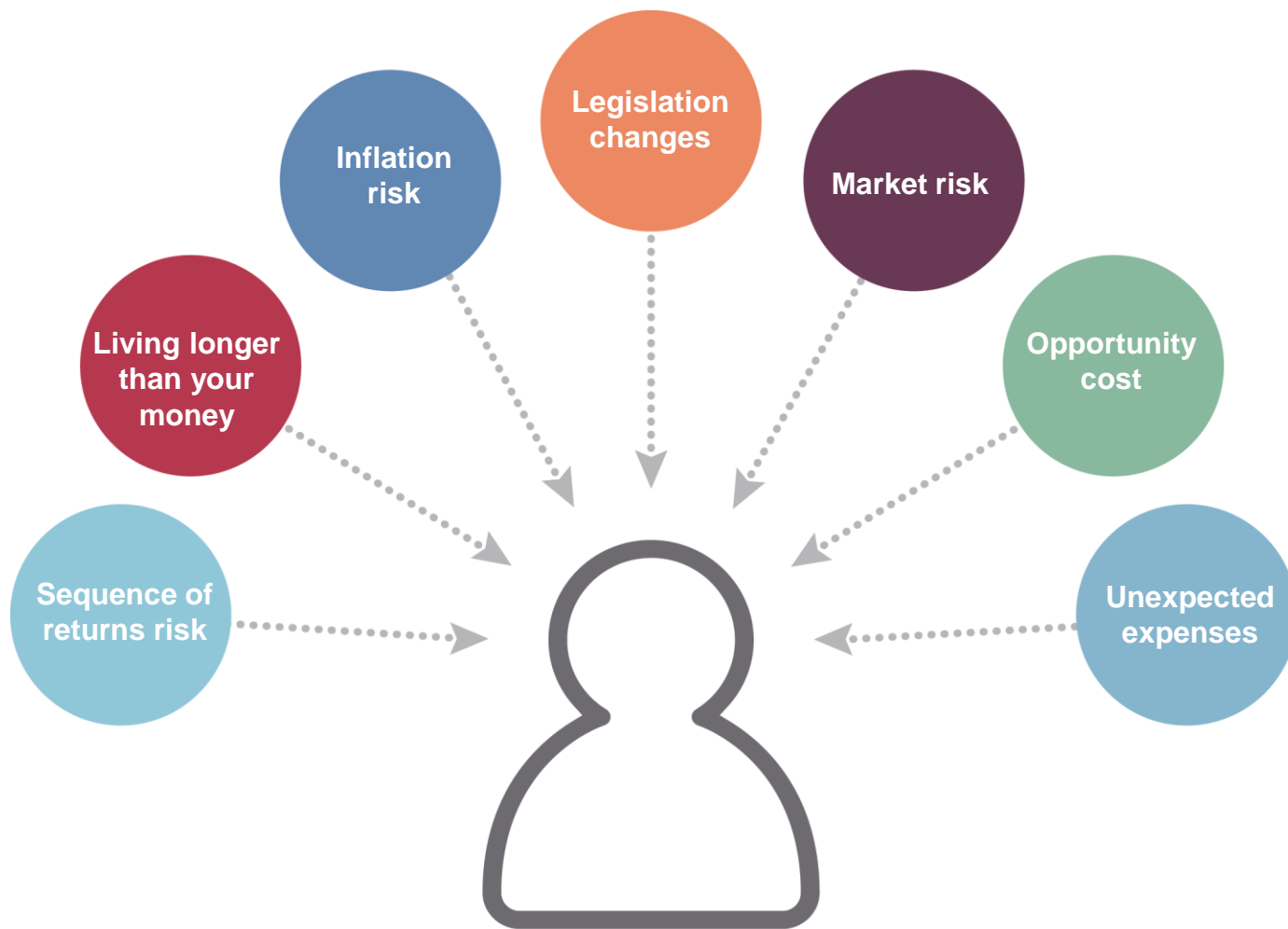
Investment options

Options	Growth/ Defensive	Return Objective CPI+	Investment Timeframe (years)
Growth	89 / 11	3.5%	7 - 10
Balanced	73.5 / 26.5	3%	5 - 10
Diversified Income	55 / 45	2%	4 - 6
Defensive Growth	55 / 45	2%	2 - 6
Conservative	38.5 / 61.5	1.5%	3 - 10
Australian Shares	100	4%	8 - 10
International Shares	100	4%	8 - 10
Property	100	3%	5 - 7
Fixed Interest	100	CPI+	2 - 4
Cash	100	CPI+	0 - 2
Telstra Super Direct Access (currently only available in accumulation)			
Direct Shares	100	n/a	8 - 10
Term Deposits	100	n/a	0 - 2

Source: Telstra Super Investment Guide, 1 September 2016



Risks to achieving your retirement goals





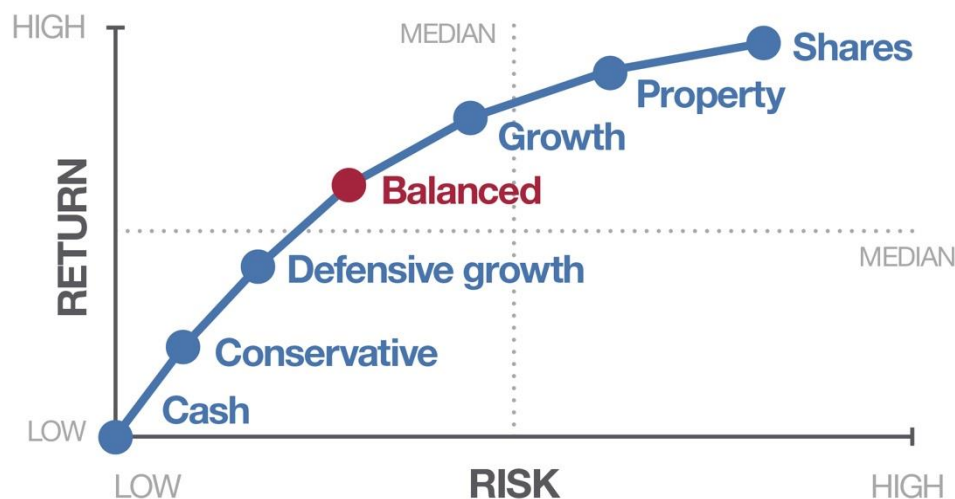
Which Investment Approach?

- Single investment option
- Bucket strategy
- Income layering



Retirement: Which Investment Approach?

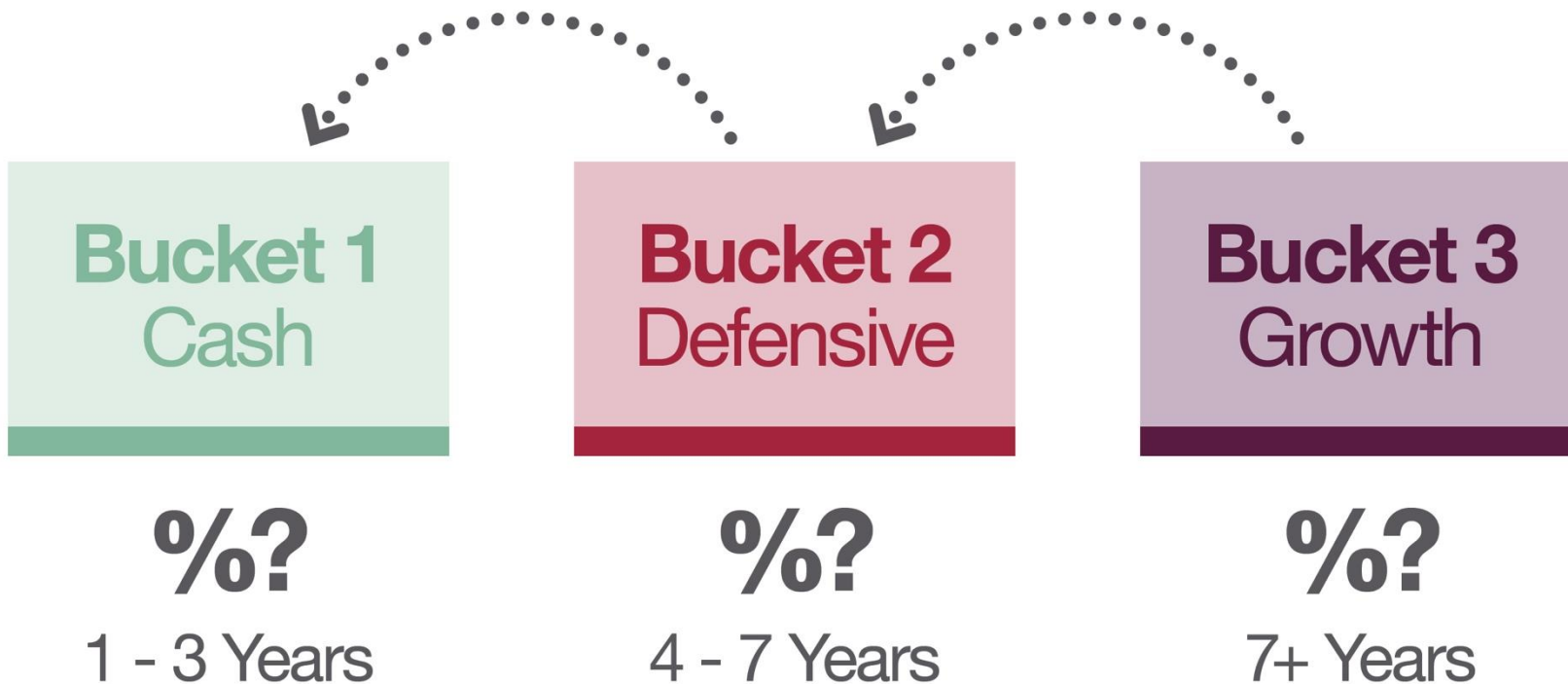
- Single investment option
 - Based on your risk profile at the time you get advice
 - Often the same fund as your TTR strategy – just switch to Retirement income stream
 - Sequencing risk is the unknown
 - Provides variable internal income ie. you are drawing down capital
 - You remain in control of your investment capital



Source: Challenger

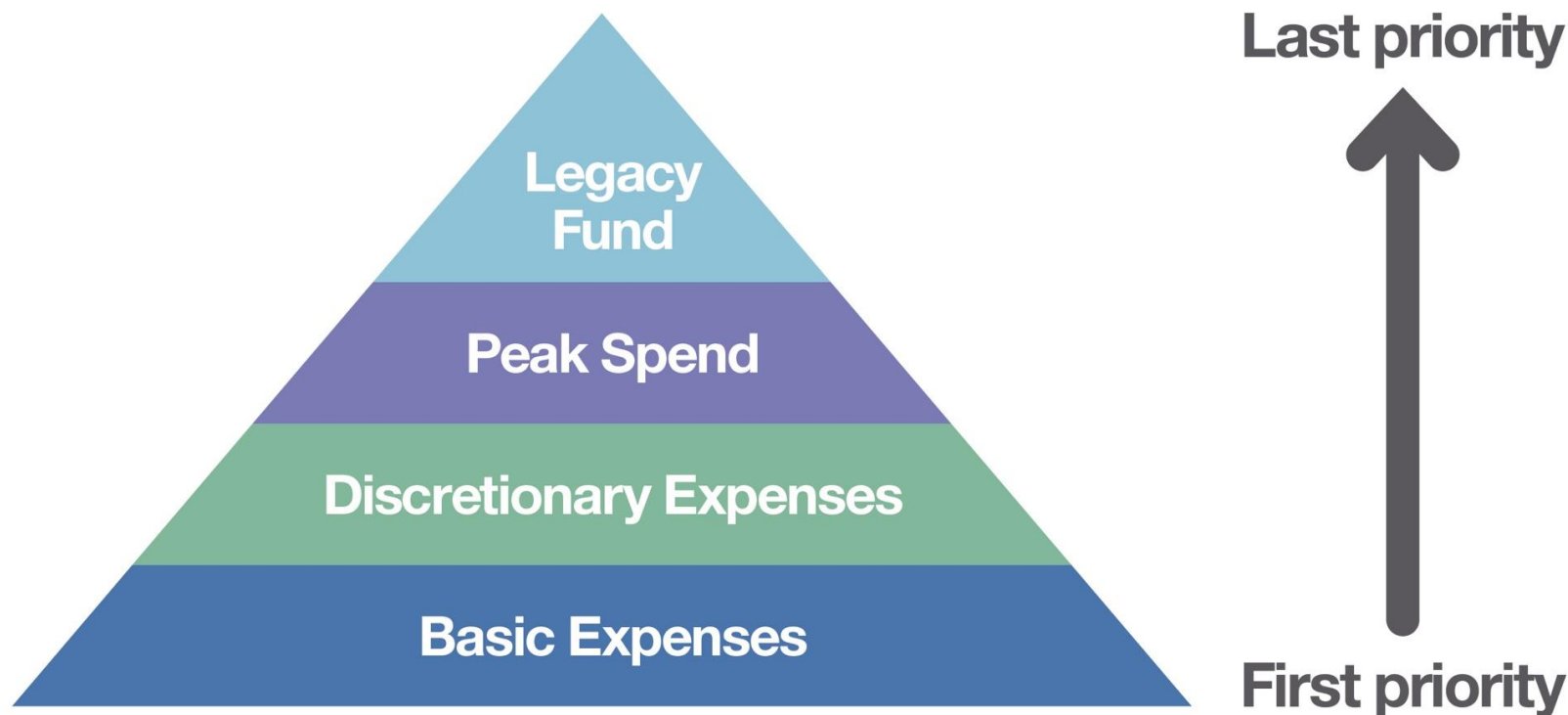


Retirement #2: The Bucket Strategy





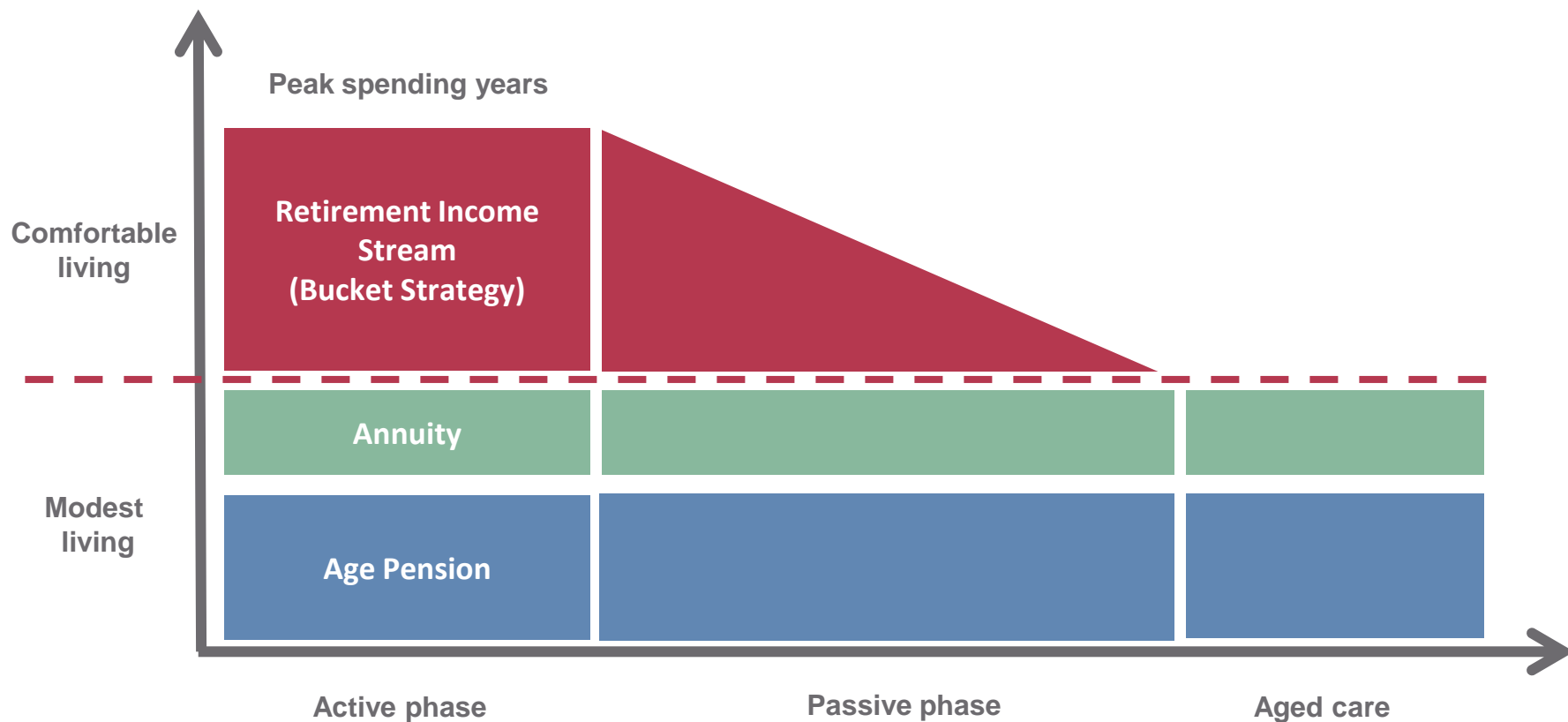
Retirement #3: Income Layering



[Modern Retirement Theory](#), Jason Branning, M. Ray Grubbs



Retirement: Income Layering



Source: Challenger



Telstra Super RetireAccess

Retirement Income Streams

Transition to retirement

Retirement income

Maximum income 10%

No maximum income

Minimum income under 65 is 4%

Minimum investment \$10,000

A range of investment options for the conservative through to the aggressive investor

24 hour access to your super online at telstrasuper.com.au

Fees & Costs

Administration fee \$1.50 per week plus 0.22% pa

Investment fee range from 0.12% – 0.72%

Potential fee rebate



Age pension



Age Pension payments



Max age Pension
rate \$877.10 per
fortnight



Max age Pension
rate \$661.20 per
fortnight per
person

Source: www.humanservices.gov.au 20 September 2016
Includes the pension supplement and clean energy supplement



Proposed Age Pension age increase

Date of birth	Age pension age	Commencing
1 January 1949 to 30 June 1952	65	Current
1 July 1952 to 31 December 1953	65.5	1 July 2017
1 January 1954 to 30 June 1955	66	1 July 2019
1 July 1955 to 31 December 1956	66.5	1 July 2021
From 1 January 1957	67	1 July 2023
Proposed		
1 July 1958 to 31 December 1959	67.5	1 July 2025
1 January 1960 to 30 June 1961	68	1 July 2027
1 July 1961 to 31 December 1962	68.5	1 July 2029
1 January 1963 to 30 June 1964	69	1 July 2031
1 July 1964 to 31 December 1965	69.5	1 July 2033
1 January 1966 onwards	70	1 July 2035



Age Pension: Asset Test Thresholds

Assets Test thresholds above which Age Pension entitlements start to reduce will be **increased** from 1 January 2017

	Current thresholds indexed	New thresholds	Change
Single, homeowner	\$209,000	\$250,000	\$41,000
Single, non-homeowner	\$360,500	\$450,000	\$89,500
Couple, homeowner	\$296,500	\$375,000	\$78,500
Couple, non-homeowner	\$448,000	\$575,000	\$127,000

Source: www.humanservices.gov.au. Current thresholds as at 1 July 2016



Age Pension: Asset Test Taper Rate

Assets Test taper rate will be increased from:

\$1.50pf to \$3.00pf per \$1,000 above the asset test threshold

	Current upper thresholds indexed	New upper thresholds	Change
Single, homeowner	\$793,750	\$542,500	(\$251,250)
Single, non-homeowner	\$945,250	\$742,500	(\$202,750)
Couple, homeowner	\$1,178,500	\$816,000	(\$362,500)
Couple, non-homeowner	\$1,330,000	\$1,016,000	(\$314,000)

Source: www.humanservices.gov.au. Current thresholds as at 20 September 2016



Age Pension: Measuring the Impact

Homeowner, couple:

Assessable assets	Current Age Pension	New Age Pension	Reduction in Age Pension
\$300,000	\$34,865	\$34,923	(\$59)
\$400,000	\$30,965	\$32,973	(\$2,009)
\$451,500	\$28,956	\$28,956	\$0
\$500,000	\$27,065	\$25,173	\$1,892
\$600,000	\$23,165	\$17,373	\$5,792
\$700,000	\$19,265	\$9,573	\$9,692
\$800,000	\$15,365	\$1,773	\$13,592
\$816,000	\$14,467	\$0	\$14,467
\$900,000	\$11,465	\$0	\$11,465
\$1,000,000	\$7,565	\$0	\$7,565
\$1,100,000	\$3,665	\$0	\$3,665
\$1,200,000	\$0	\$0	\$0

Source: www.scottmorrison.dss.gov.au. Fairer access to a more sustainable pension



Income test

Single thresholds

For full pension:
<\$164
per fortnight

For part pension:
<\$1,918.20
per fortnight

Couple thresholds

For full pension:
<\$292
per fortnight

For part pension:
<\$2,936.80
per fortnight

Source: www.humanservices.gov.au rates as at 20 September 2016



Superannuation and estate planning

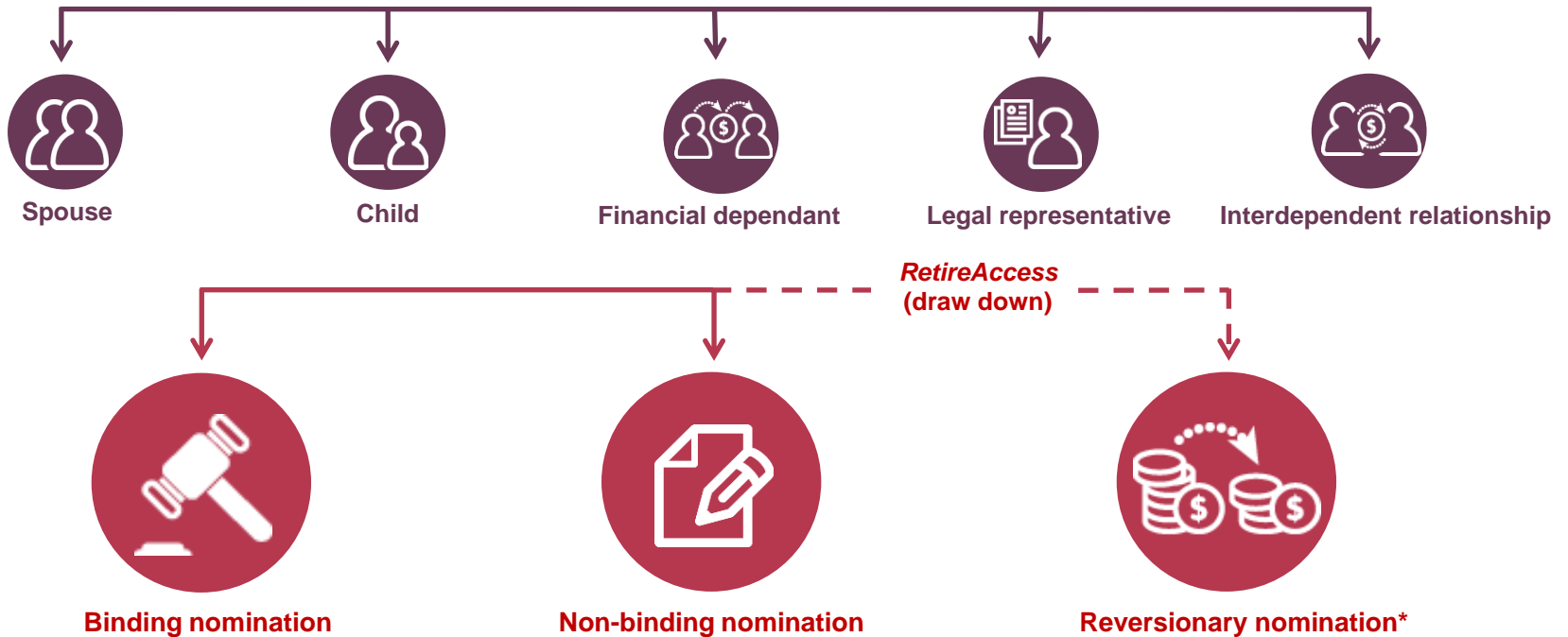




Who gets your super when you die?



Who do you want to get your super & insurance benefit?



*A death benefit can only be paid as a pension to a child, if the child at the time of death is under the age of 18, or is under the age of 25 and financially dependent on you, or has a disability as defined under the *Disability Services Act 1986*.








Telstra Super assistance



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How Telstra Super Financial Planning can assist you:

Simple advice options	
General and limited one-off personal advice about super	 Phone
Comprehensive advice options	
Other one-off personal advice	  Face-to-face Video chat
Ongoing advice service	  Face-to-face Video chat



SuperOnline: it's all about you

TelstraSuper SuperOnline My last login was on 06/11/2015 at 8:58 am

My current member group is Telstra Super Corporate Plus [Print](#) [Logout](#)

- » My Dashboard
- » My details
- » My investment choice
- » My balance
- » My transactions
- » My insurance
- » My beneficiaries
- » My Super Statements
- » My forms
- » Simulator
- » Enquiry
- » My reminders
- » Mailbox
- » My security settings

My dashboard
Welcome James

Current balance

\$152,280
as at 06/11/2015

* The balance shown does not reflect all fees, costs, taxes or other transactions applicable to your account, including upon withdrawal, as these may be deducted or applied in different ways at different times. See below for more information.

Concessional contributions

Your most recent concessional contribution
\$1,999
21/10/2015

Your Telstra Super concessional contributions for this financial year vs the contributions cap*

\$0 **\$7,960** \$30,000

[Locate and transfer in my external super](#)

Investment performance & asset mix

The table below shows the investment option(s) in which your current super balance is invested, the percentage weighting and dollar value in each, and the latest performance data for 1, 5 and 10 years. If you have a different strategy for future contributions (where applicable), this can be seen in [My investment choice](#). If you have invested across more than one investment option, the performance of underlying investments may mean that the amount allocated to each investment option has changed since your last investment instruction.

Investment option	Value	Weight	Investment returns to 30/09/2015		
			1 Year	5 Years	10 Years
Growth	\$77,637.84	50.98%	5.51%	9.50%	6.43%
International Shares	\$32,234.96	21.17%	6.63%	10.78%	6.31%
Australian Shares	\$38,836.18	25.50%	0.14%	7.63%	6.57%
Property	\$3,571.32	2.35%	10.83%	9.15%	2.94%

Important information about investment performance and asset mix

Combined investment mix

The list below and pie chart to the left show the combined investment mix of the investment options in which your balance is invested. For information on strategic investment mixes and ranges for each investment option see the [Investment Guide](#)

- Australian Shares 43.35%
- International Shares 39.01%
- Property 7.44%
- Hedge Funds 2.55%
- Infrastructure 2.55%
- Private Equities 2.04%
- Australian Fixed Interest 1.53%
- Cash 1.53%
- Other

[Update my investment choice](#)



Aspire to greater control and freedom?

Find out if you're eligible to invest in term deposits and shares through Direct Access

[Register or find out more >](#)



check your balance



check your insurance



nominate your beneficiaries



review your investment options

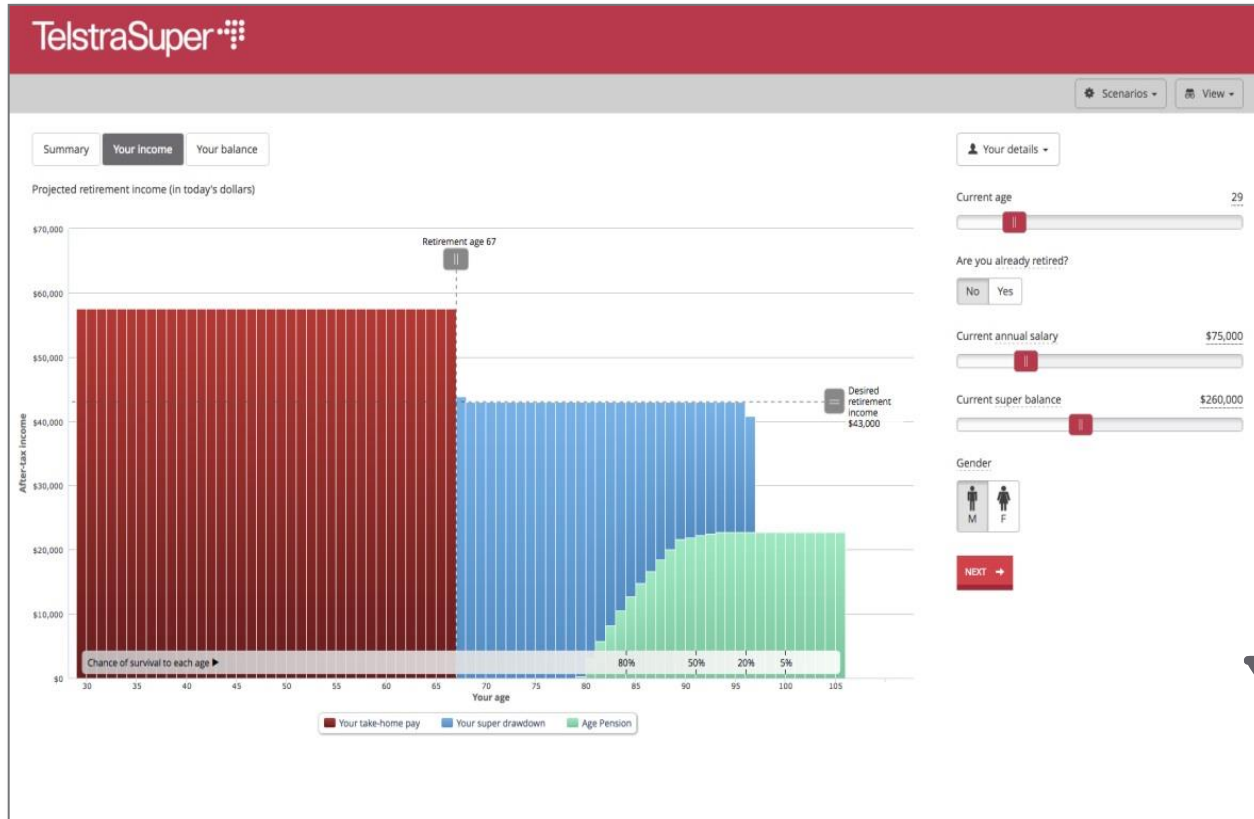


Super Simulator

Compare scenarios



Estimate your retirement income



See the impact of market changes



Include OTHER INVESTMENTS or ASSETS

Launch simulator






We're here to help

→ Maximising your Defined Benefit
 → Where to Invest
 → Welcome to Telstra Super
 → Stay with Telstra Super
 → Fund and Federal Budget Update
 → Investment update
 → Q&A

You are: [Home](#) > [Education](#) > [Seminars](#)

Planning for retirement



Thank you for your interest in the recent 'Planning for retirement' presentation.

Congratulations on taking the first step towards achieving your retirement goals, we hope we were able to answer any questions you had around your retirement income options.


If you were unable to attend or would like a refresh of what was covered in the presentation, you can watch the below video to hear our experienced Member Education Consultant Chris Winton discuss key topics, including:

- how much is enough?
- planning your retirement
- maximising your super
- investing in retirement
- the Age Pension.

Next steps

- View presentation slides
- Request an appointment with Telstra Super Financial Planning
- Find out how much super you may need
- Access our retirement planning calculators

Planning for retirement



TelstraSuper

Member log in

Register for SuperOnline

I want to...

Graphs & Tools

- Unit prices & graph
- Investment Performance Graph
- Calculators

Register for another seminar or webinar



Check out our online content



Summary





In summary



Types of contributions and limits

- Pre-tax (concessional)
- Post-tax (non-concessional)



Retirement considerations and options

- How much is enough?
- Retirement income streams



Potential tax benefits

- Salary sacrifice, tax on investment earnings



Increase retirement savings



What's next?



www.telstrasuper.com.au



1300 033 166



talkingsense@telstrasuper.com.au

Review
your
investment
strategy

Discuss
your options
with Telstra
Super

**Seek
Advice**

Access
accounts
online

Check out
our Super
Simulator



Questions



TelstraSuper 

