



Planning for Retirement

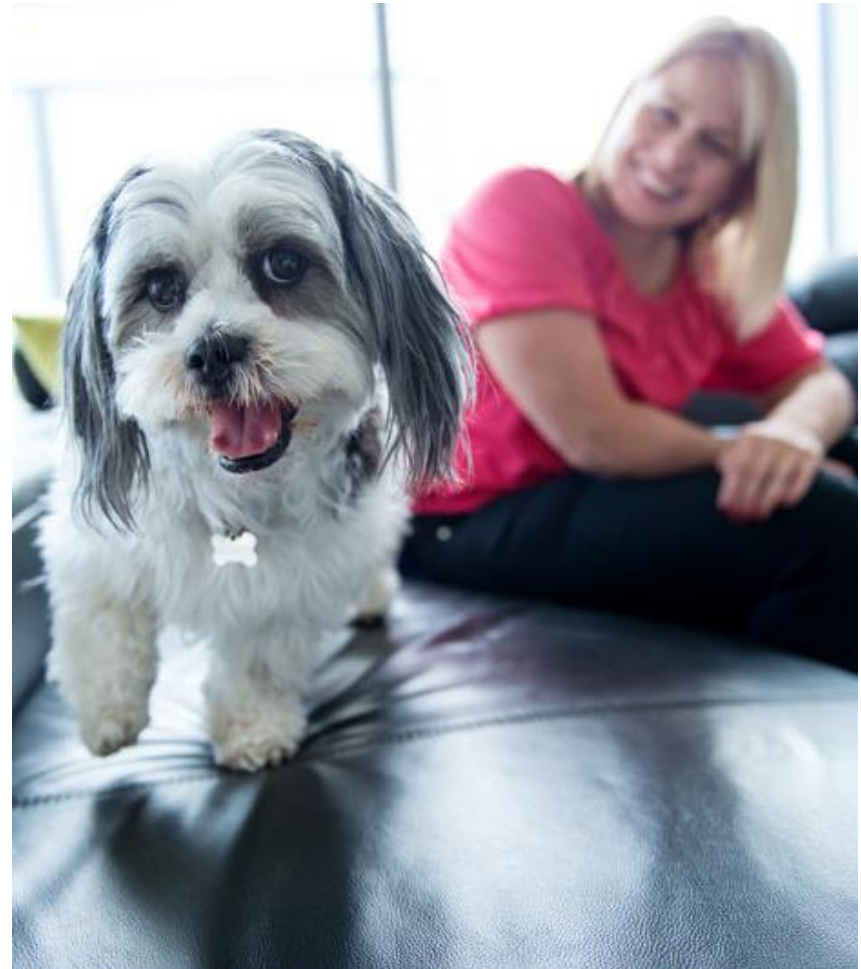


Important Notice

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?



Age Pension



Why Super?



TelstraSuper assistance



Planning for Retirement



Getting retirement ready



Investing for Retirement



Questions

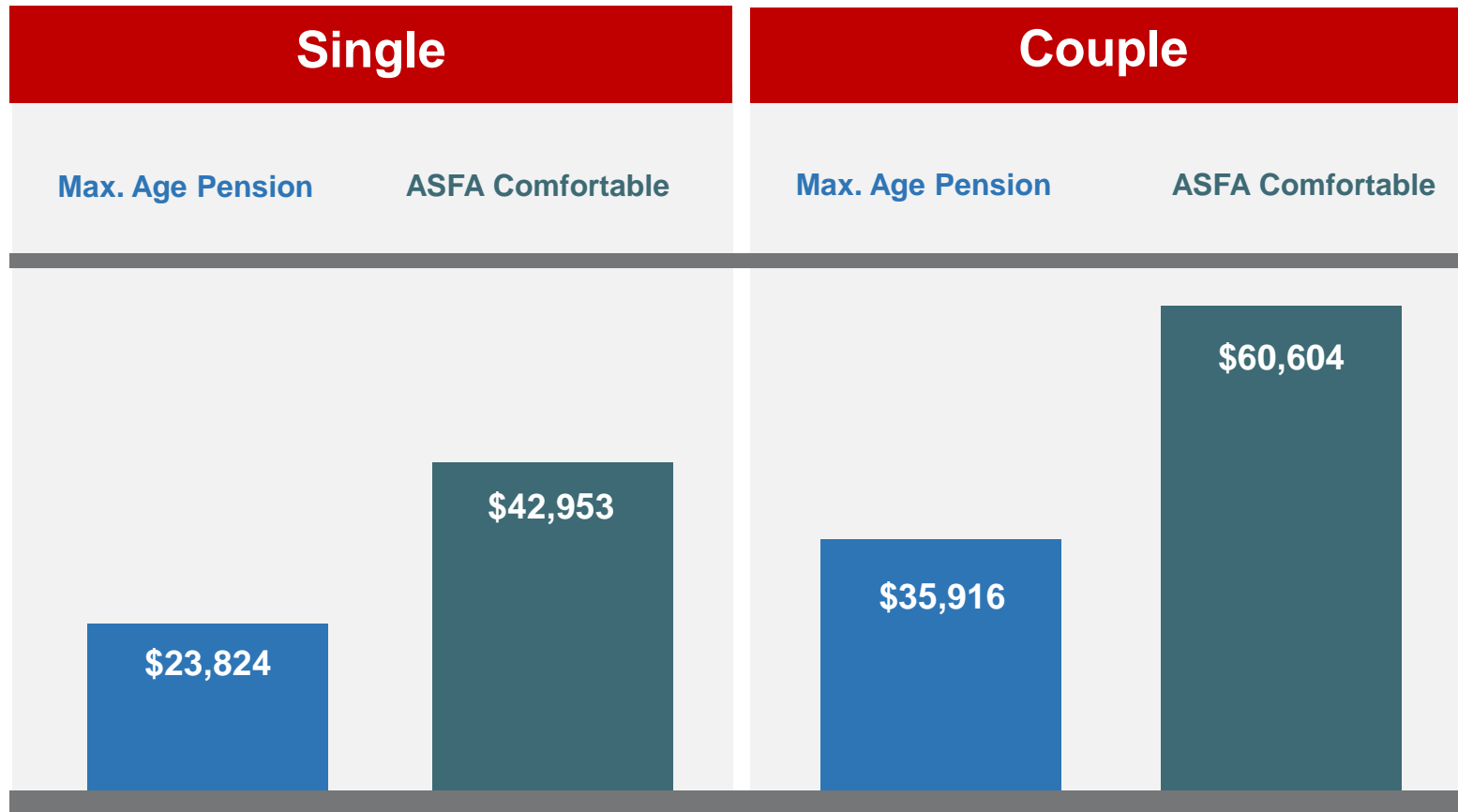


Lifestyle considerations

How much is enough?

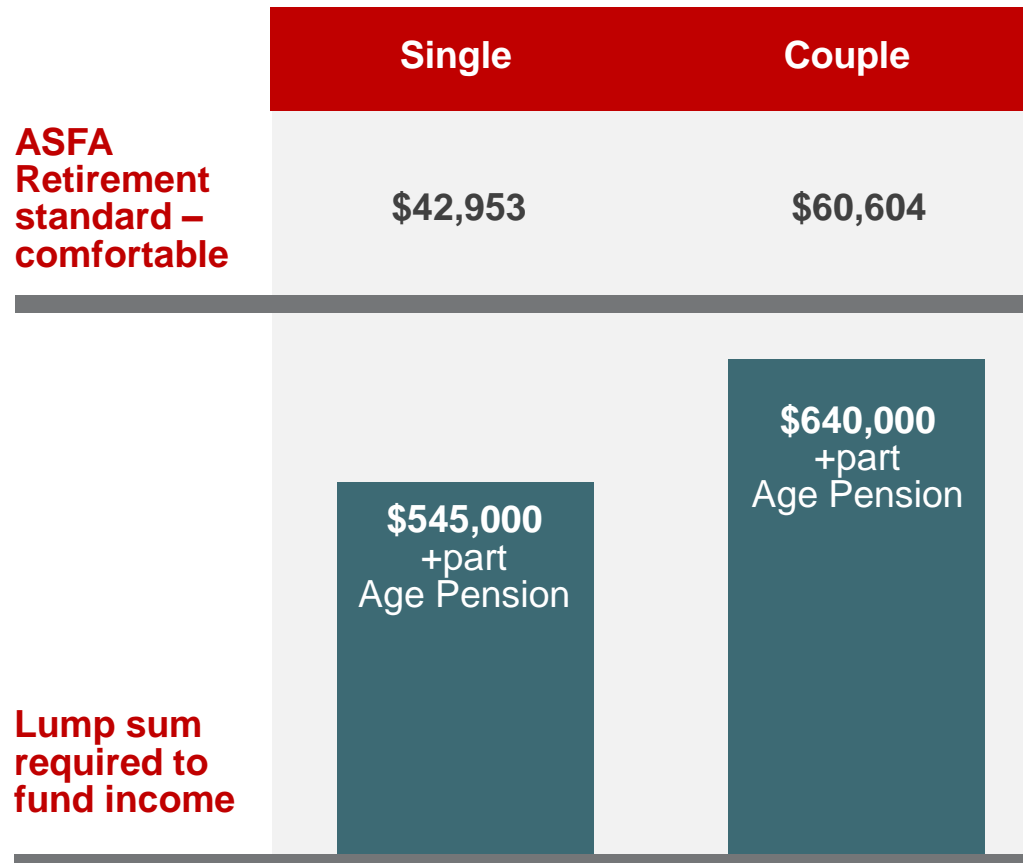


How much is enough?



Source: ASFA Retirement Standard June quarter 2018. Capital required assumes a net investment return of 6% p.a.
www.humanservices.gov.au September 2018. Includes the pension supplement and clean energy supplement. All figures in today's dollars.

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Retirement goals: the 4 L's



Lifestyle –
maintain
spending power



Liquidity –
for unexpected
contingencies



Longevity –
consistent and
sustainable
income



Legacy –
estate planning
and bequests

Why super?



Why Super?



You can save on tax:

- Pre-tax money you contribute to super is taxed at 15%
- For most people that's less than the tax on their take home pay
- Investment earnings are only taxed at up to 15%



After 60, it's tax free when you take it out

- In a super income stream, your income and any capital growth are tax free

2018/19 Contribution caps	
Pre-tax (concessional)	\$25,000 per annum
Post-tax (non-concessional)	\$100,000 per annum * [^] \$300,000 over 3 years [#]

* Must satisfy work test if aged 65 and over

[^] Subject to \$1.6 million balance cap

[#] Not available from age 65

Contribution caps apply per person and include contributions made to multiple super accounts.

Super for your retirement



Income generation

Living expenses
Discretionary expenditure
Longevity of income



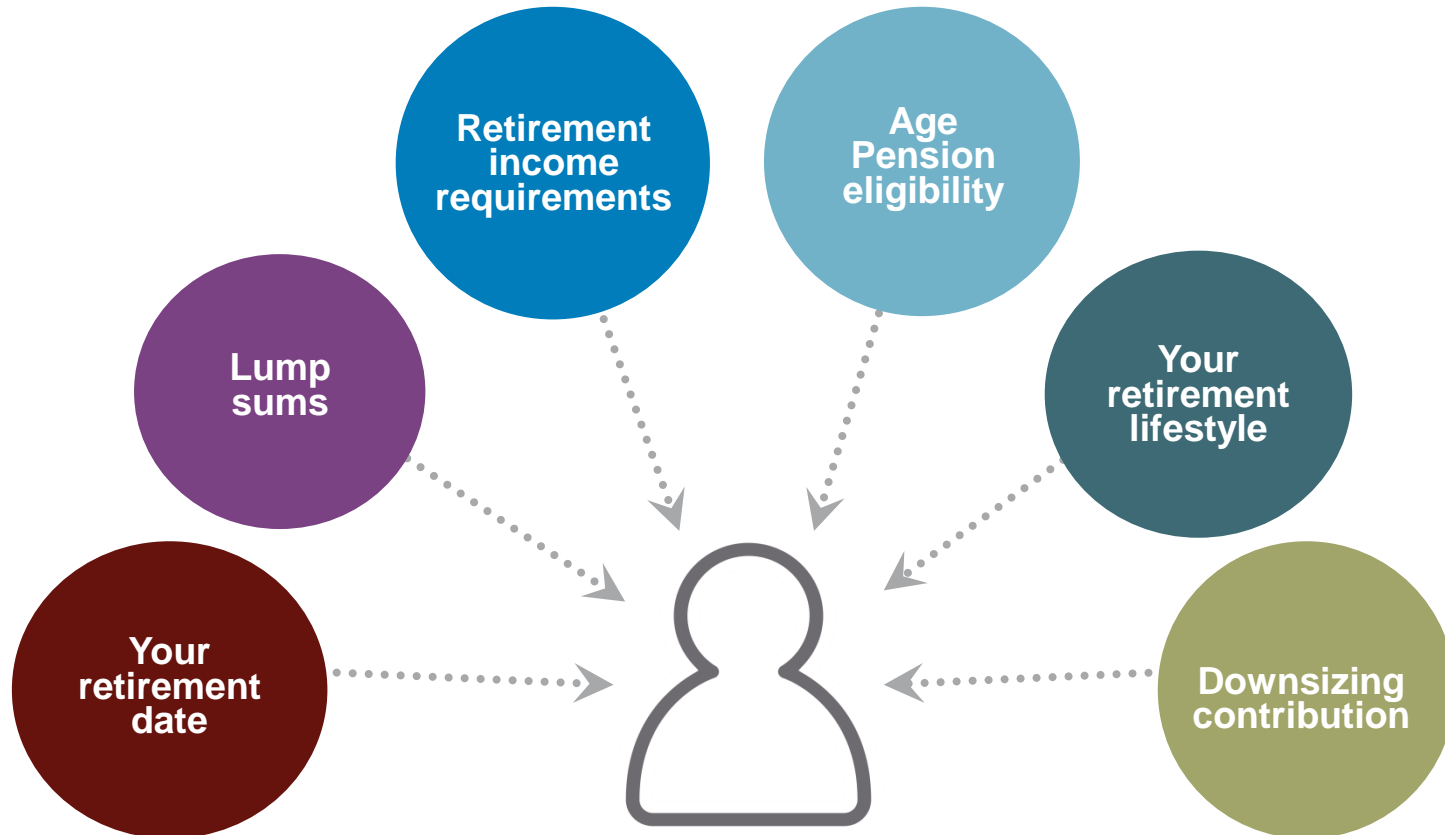
Lifestyle balance

Travel
Sport / Hobbies
Social activities
Volunteer / Charity work

Planning for retirement



Considerations for retirement



When and how can I access my super?



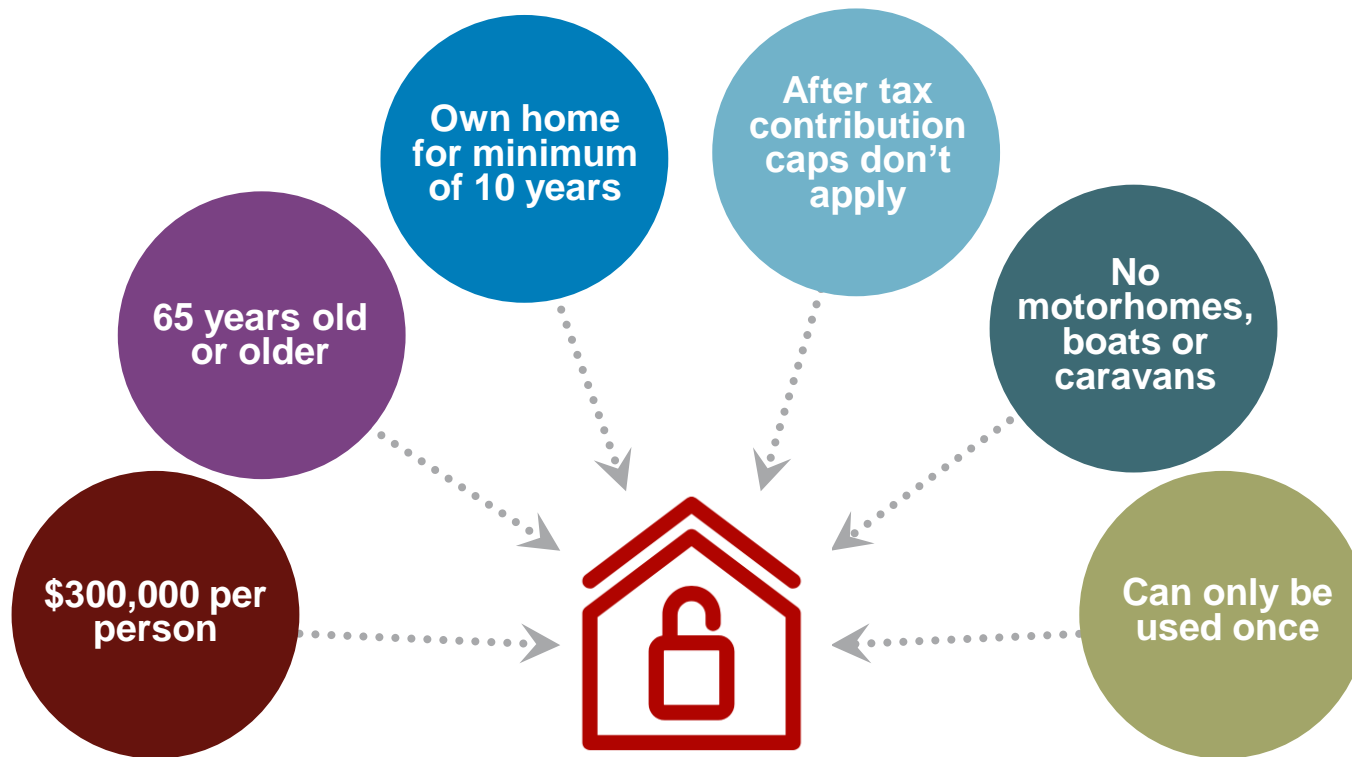
Date of birth	Preservation age	Commencing
1 July 1961 to 30 June 1962	57	Current
1 July 1962 to 30 June 1963	58	1 July 2020
1 July 1963 to 30 June 1964	59	1 July 2022
From 1 July 1964	60	1 July 2024

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

From preservation age - retired	Lump sum	Retirement income
Aged 57 – 59	\$205,000 tax free Above taxed at 15%*	Retirement income stream is taxable
Aged 60+	Tax-free	Tax-free

Source: www.ato.gov.au for 2018/19 financial year

Downsizing contributions



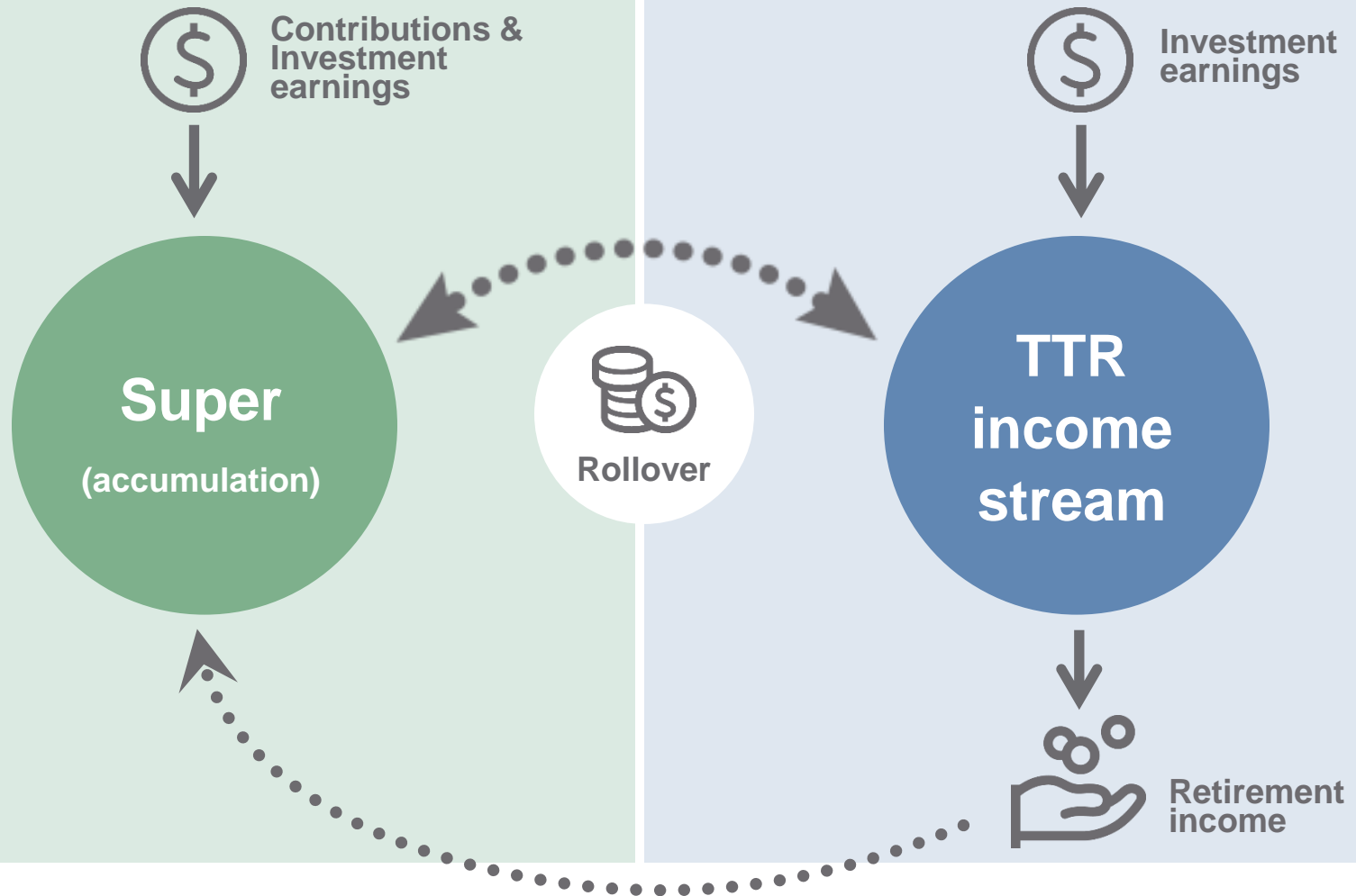
Downsizing contributions: caps & tests



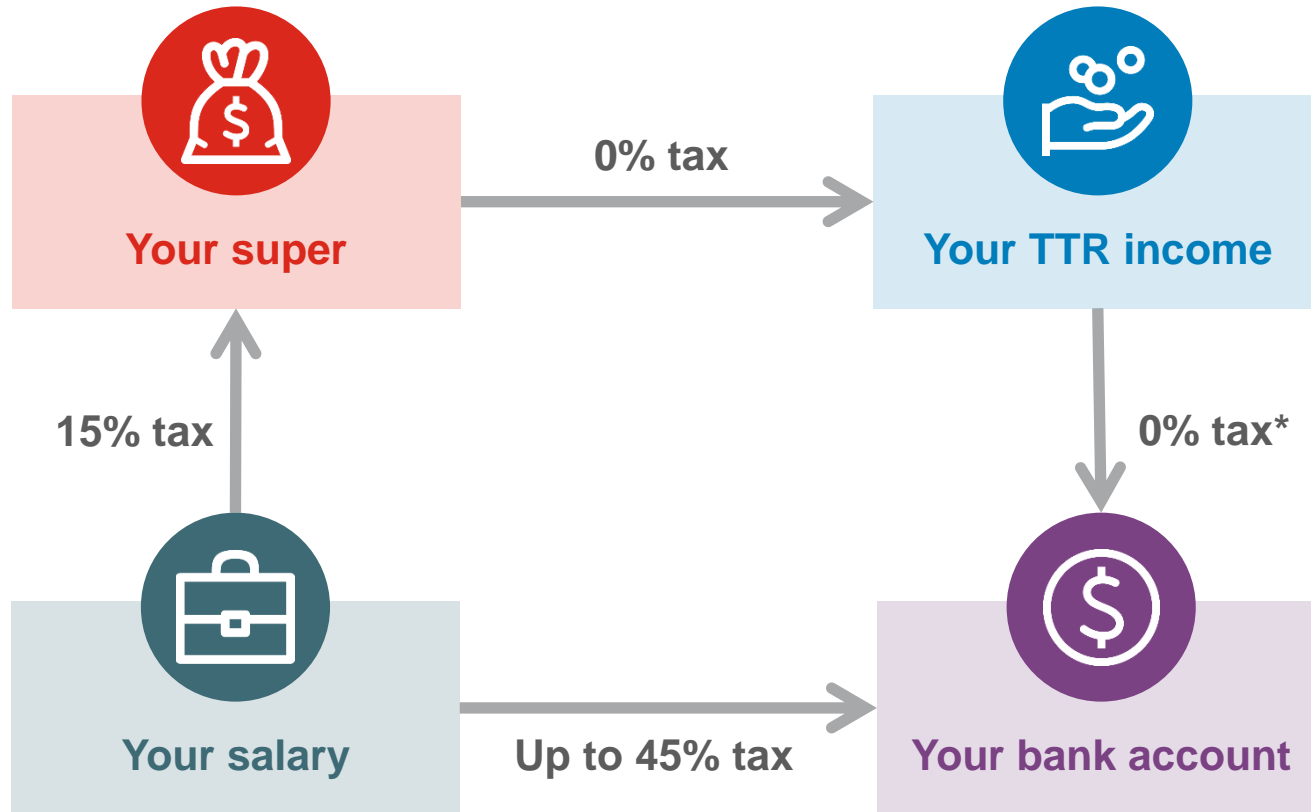
Do	Don't
Count toward \$1.6 million transfer balance cap (applies when you move your super into retirement phase)	Count toward non-concessional contribution caps
Count toward asset test for the Age Pension	Cannot be claimed as a tax deduction
	Can't contribute more than the proceeds of your home



Transition to retirement

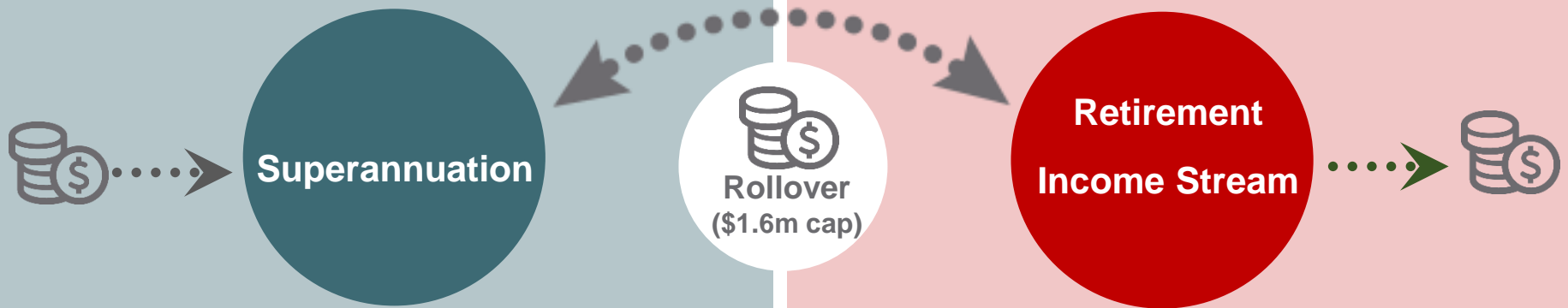


Transition to retirement: Tax benefits



* 60 years and above

Retirement income



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

- **tax-free** investment earnings
- must draw an income (pension)
- withdraw lump sums
- cannot contribute
- can roll back at any stage

TelstraSuper RetireAccess

Transition to retirement

Retirement income stream

Maximum income 10%

No maximum income

Minimum pension income under age 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 0.20% pa

Investment fees & costs range
0.10% – 1.05%

Potential fee rebate

Other fees & costs apply. Please read the RetireAccess PDS for more information or before considering whether this product is right for you.

Investing for retirement



Your investment considerations



diversification
time frame age education
income vs growth familiarity
longevity financial objectives risk tolerance
risk vs return inflation
asset allocation opportunity cost

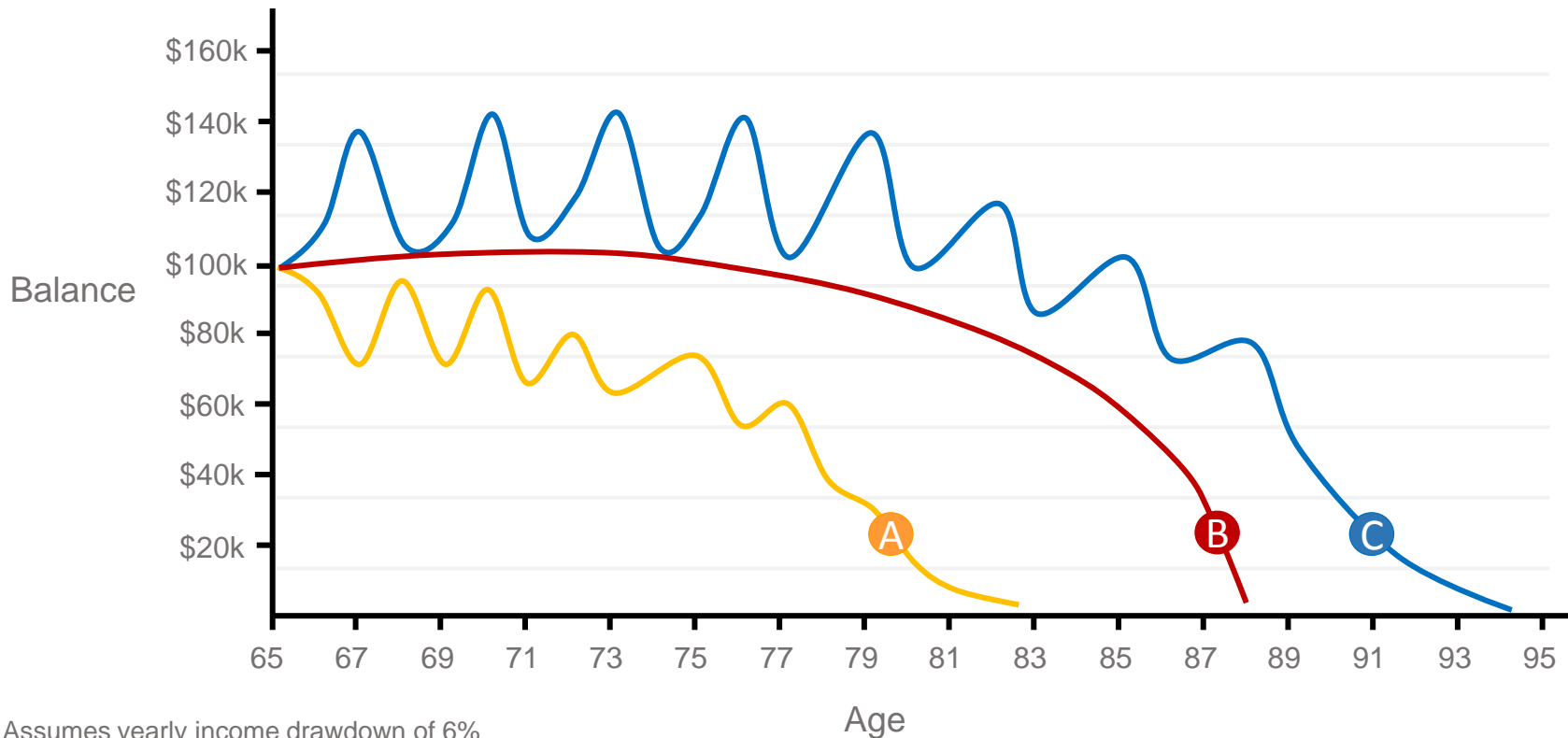
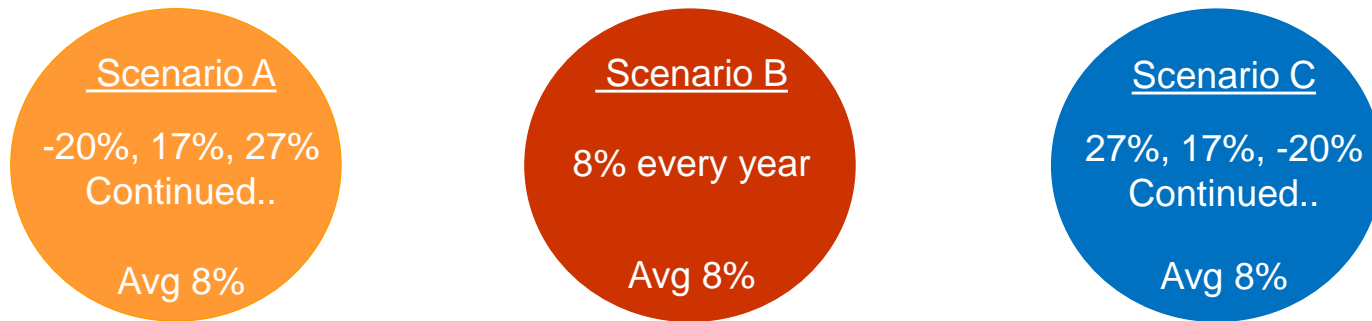
TelstraSuper: Investment options



Options	Growth/Defensive %	Return Objective CPI+	Investment Timeframe (years)
Growth	90.5 / 9.5	3.5%	7-10
Balanced	74.5 / 25.5	3%	5-10
Diversified Income	57.5 / 42.5	2%	4-6
Defensive Growth	59.5 / 40.5	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

Source: TelstraSuper Investment Guide, 1 July 2018

Sequence of returns risk: Retirement income



Assumes yearly income drawdown of 6%

Which Investment Approach?



**Single investment
option**

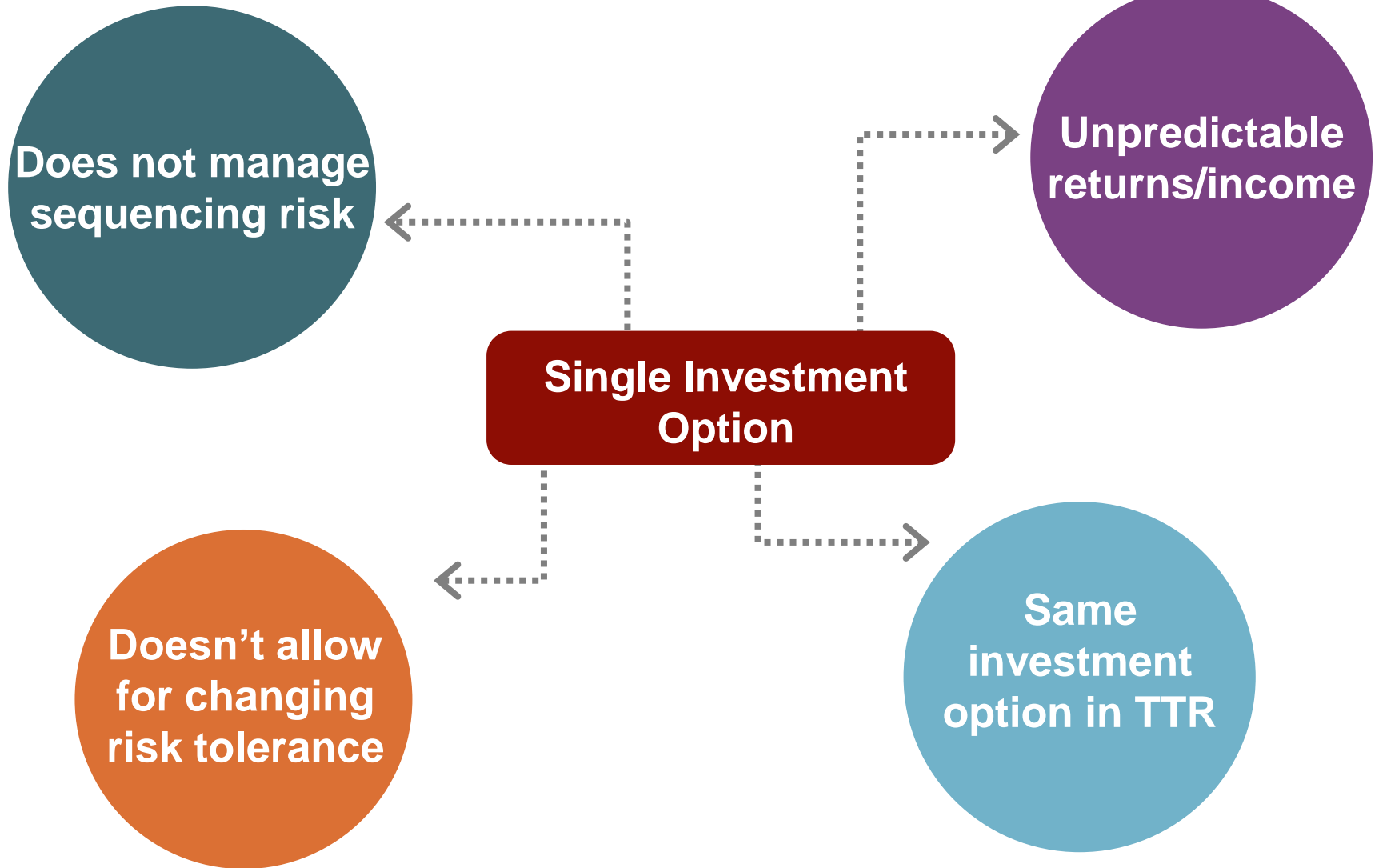


Bucket strategy

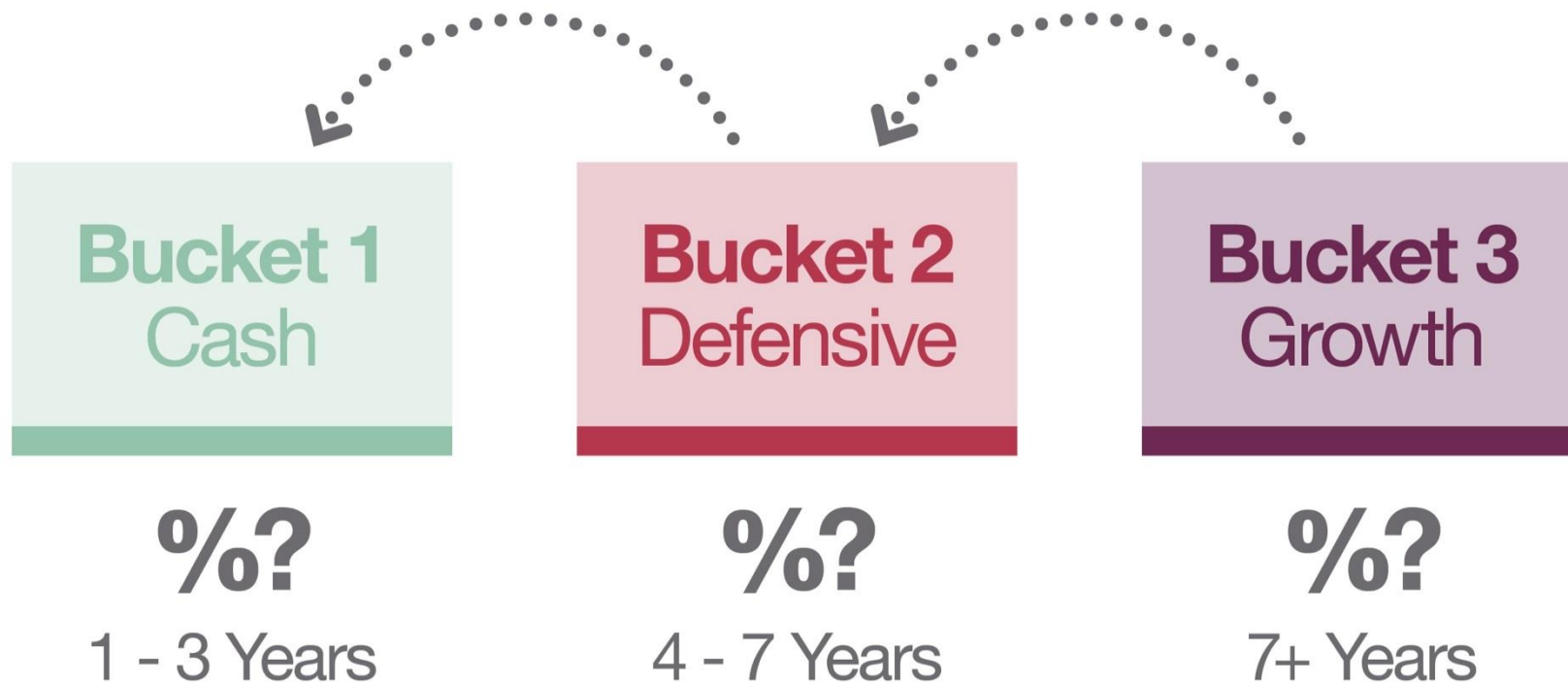


Income layering

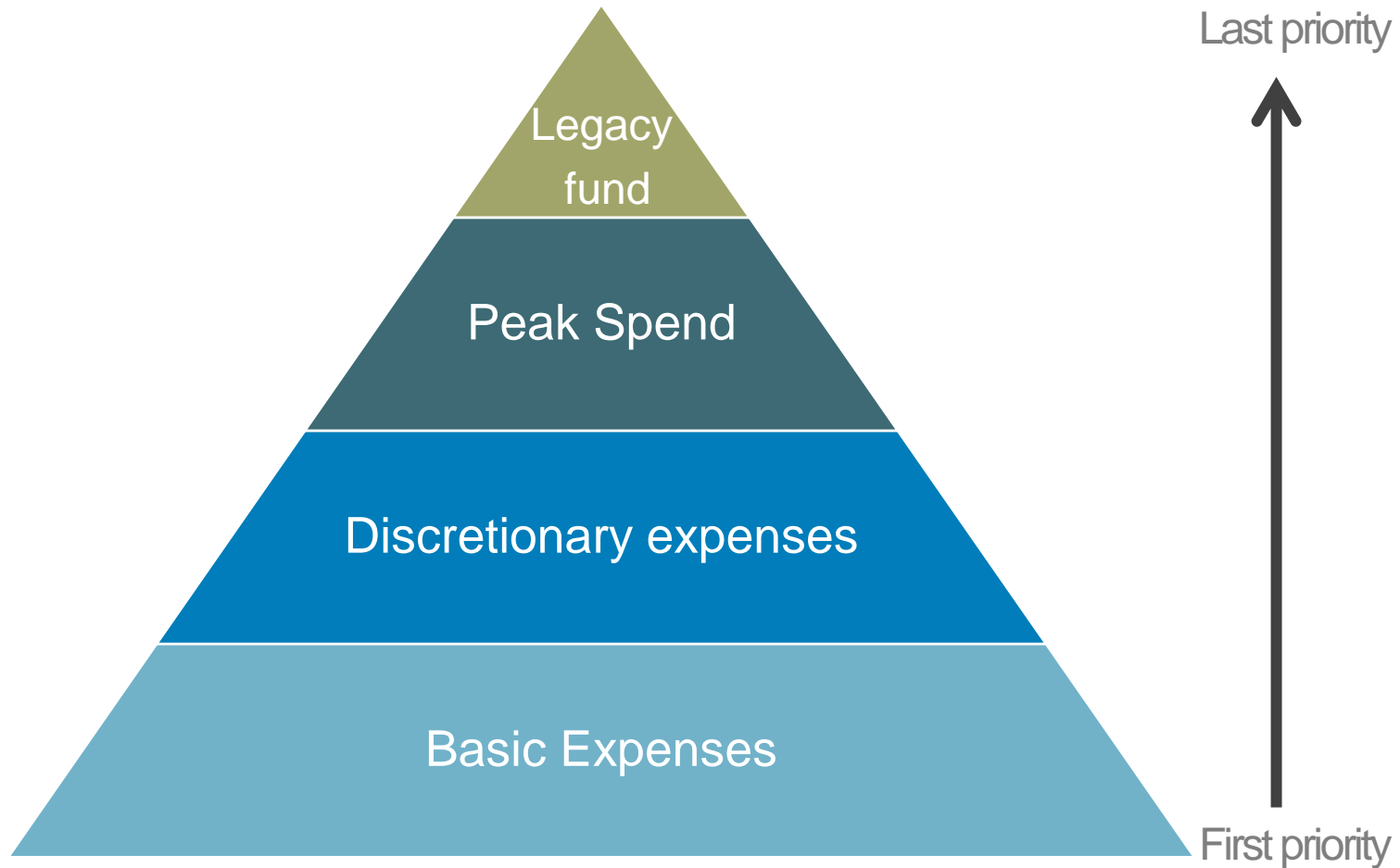
Retirement #1: single investment option



Retirement #2: The Bucket Strategy



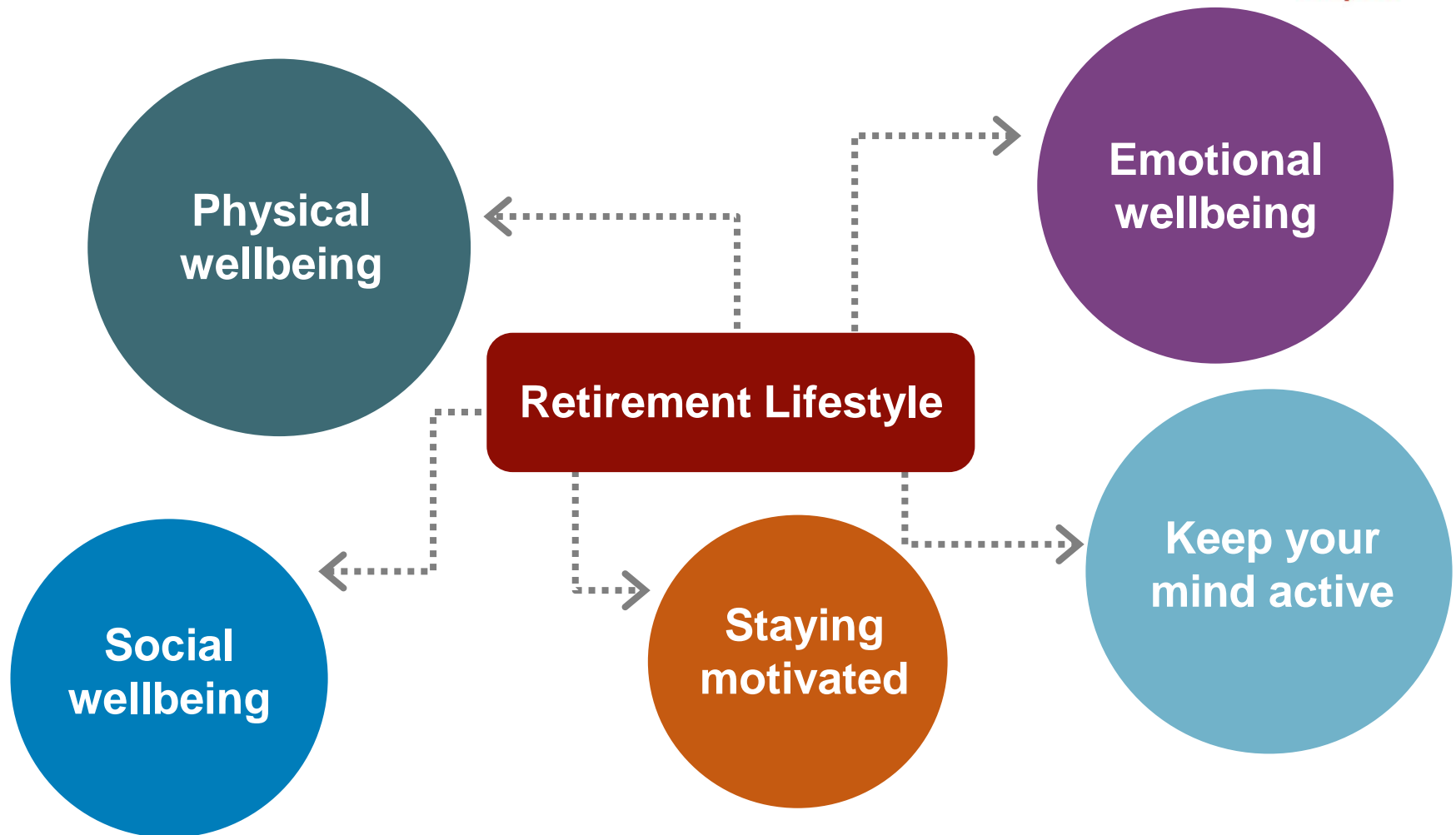
Retirement #3: Income Layering



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

Lifestyle considerations

Planning your retirement lifestyle



Lifestyle consideration



Do	Don't
Get your finances in order – how much income &/or capital do/will you need?	Just base it on what the media &/or industry says – work out what YOU will need
Work out what you plan to do with your TIME in retirement – travel, grandkids, sport/hobbies, volunteer...	Think there won't be enough time in the day to get everything you want done
Get some advice	Wait till it's too late – start planning now!



Retirement Lifestyle

Life might be all golf and relaxing by the pool in the beginning - but not if your money runs out!



LIFESTYLE

1. It must be planned
2. The best laid plans may need to change
3. Professionals can help
4. There is always some risk
5. Most importantly, keep it simple!

Age Pension

Age Pension age increases

Date of birth	Age Pension age	Commencing
1 July 1952 to 31 December 1953	65.5	Current
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

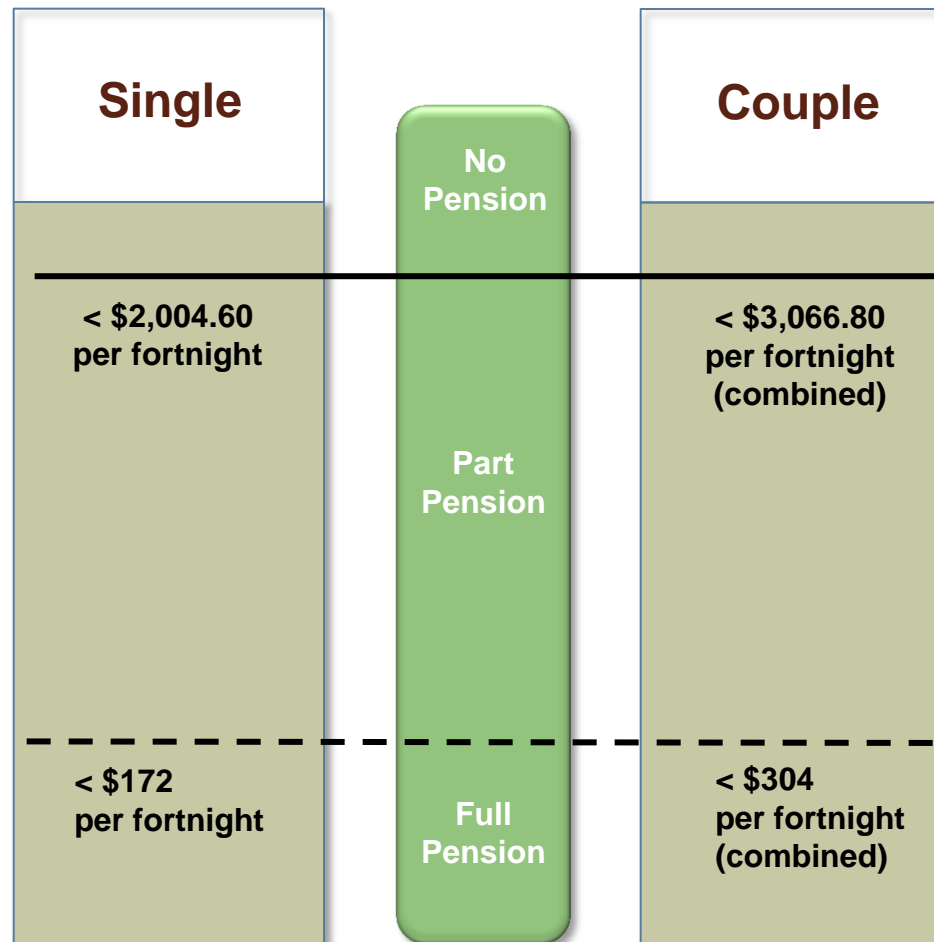
Source: www.humanservices.gov.au.

Assets test

Single		No Pension	Couple	
Home owner	Non-home owner		Home owner	Non-home owner
< \$564,000	< \$771,000	Part Pension	< \$848,000	< \$1,055,000
< \$258,000	< \$465,000		Full Pension	< \$387,500

Source: www.humanservices.gov.au rates as at 20 September 2018

Income test



Source: www.humanservices.gov.au rates as at 20 September 2018

TelstraSuper assistance



Retirement projector



Scenarios ▾

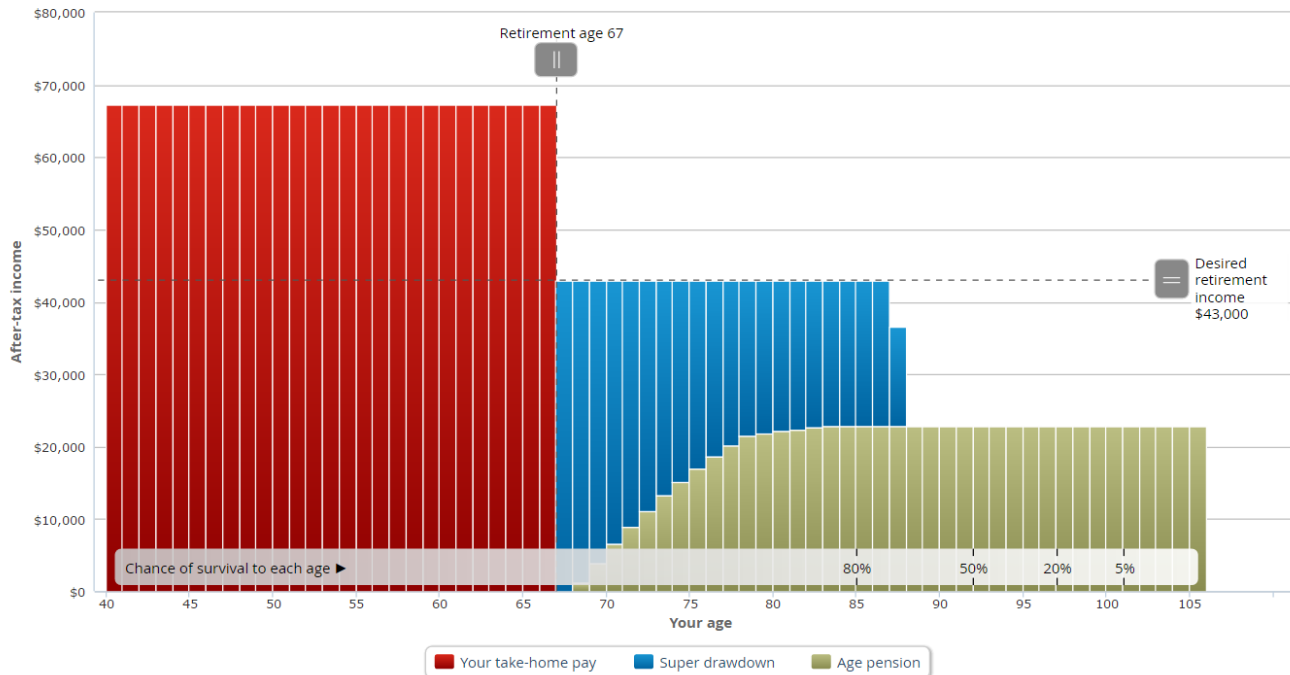
View ▾

Summary

Your income

Your balance

Projected retirement income (in today's dollars)



Your details ▾

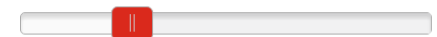
Current age 40



Are you already retired?

No Yes

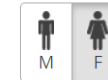
Current annual salary \$90,000



Current super balance \$150,000



Gender



NEXT →

Managing your super | Investments | Products and Services | Information hub | Your Account

Home > Your Account

Hello

LAST LOGGED IN ON 01/05/2013 AT 12:00AM

Estimated balance

AS AT 13 JULY, 2017

TelstraSuper Personal Plus
Account number: 027893 **\$564,118**

BALANCE DETAILS

Investment performance and asset mix

Combined investment mix

The chart below shows the combined mix of investment options in which your balance is invested. For information on strategic investment mixes for each investment option see the [investment guide](#).

Important information about investment performance and asset mix
[LEARN MORE](#)

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Important information about investment performance and asset mix
[LEARN MORE](#)

Investment Option	Percentage
Australian Shares	26.48%
Australian Fixed Interest	9.51%
Income Securities	6.06%
International Shares	20.92%
Infrastructure	7.53%
Other	13.45%
Property	10.00%
Credit	6.06%

Investment performance

The table below shows the investment option(s) in which your current balance is invested. 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 (\$AUD)	UNIT PRICE	WEIGHT	INVESTMENT RETURNS TO 31/12/2016	
				1 YEAR	5 YEARS
Balanced	278,173.99	4.18961	49.31%	6.58%	10.86%
Defensive Growth	285,944.64	2.69643	50.69%	7.80%	9.63%

UPDATE MY INVESTMENT CHOICE

check your balance

check your insurance

nominate your beneficiaries

review your investment options

TelstraSuper Financial Planning



Simple
phone



Comprehensive



Ongoing



Super &
non-super
topics

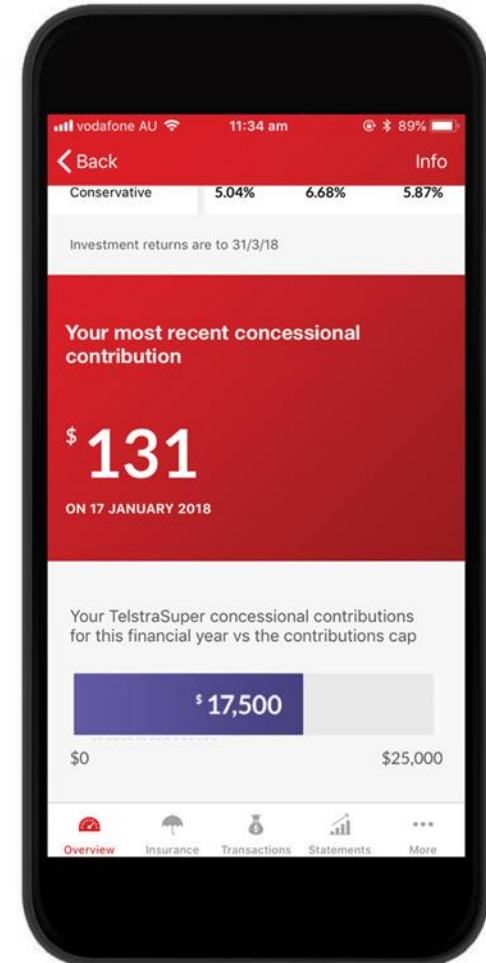
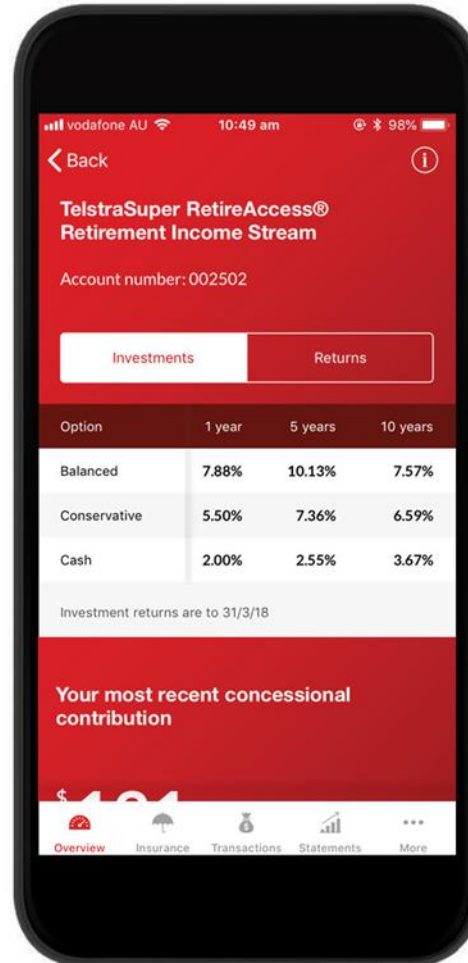
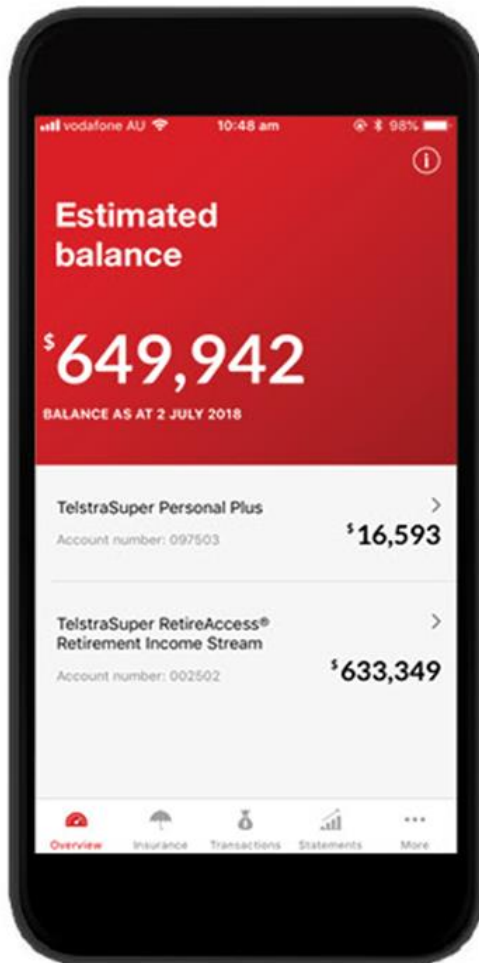


- ✓ **No additional cost**
- ✓ Highly qualified financial advisers
- ✓ Walk through your options
- ✓ Receive limited personal advice on super



- ✓ Ongoing or once-off
- ✓ Highly qualified financial advisers
- ✓ Lower cost than the industry average
- ✓ Receive comprehensive personal advice

TelstraSuper App



Retirement ready

01

YOUR FINANCIAL ASSETS

Superannuation, transition to retirement, other financial assets.
Maximising your wealth in the most tax-effective manner.

02

YOUR INVESTMENT STRATEGY

Selecting the right investment strategy can help you maximise your investment & retirement outcomes.

03

YOUR PROTECTION

Protect your wealth and your loved ones.
Incorporating cover in your super can be cheaper, have some tax advantage and easier to manage

04

YOUR RETIREMENT LIFESTYLE

Plan what you are going to do in retirement – travel, family, sport/hobbies, volunteering.

05

GET ADVICE

Navigate the financial advice process with confidence



Thank you



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