

TODAY'S TOPIC

Transition to Retirement: Practical tips and case studies

Thank you for joining us.
We will commence shortly.



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“TelstraSuper acknowledges the
Traditional Custodians of the lands
throughout Australia.
We pay respect to Elders past and
present.”

Acknowledgement of Country

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**WHAT IS TRANSITION
TO RETIREMENT ?**



**PRACTICAL TIPS AND
CASE STUDIES**



**HOW TELSTRASUPER
CAN ASSIST YOU**



QUESTIONS



WHAT IS TRANSITION TO RETIREMENT ?



Superannuation preservation age

Superannuation Preservation Age

- Your preservation age is the age at which you can access your super if you're retired (or start a transition to a retirement income stream).
- From 1 July 2024, individuals **60** and older will have reached preservation age.

Centrelink Age Pension Age

- Your Centrelink age pension age is the age at which you may be eligible for the aged pension.
- From 1 January 2024, individuals **67** and older will have reached pension eligibility age.



WHAT IS TRANSITION TO RETIREMENT ?

When can I access my super?

		Lump sum	Income stream
Access (from preservation age)	Working	✗	✓
	Retired	✓	✓
	Age 65	✓	✓
Tax (from preservation age)	Aged 60+	Tax-free	Tax-free

Source: [Tax on super benefits | Australian Taxation Office \(ato.gov.au\)](https://ato.gov.au)



Transition to retirement income stream



What is a transition to retirement Income Stream?

A transition to retirement (or TTR) strategy enables you to access super as an income stream without the need to retire.

- A TTR strategy allows you to ease yourself into retirement by moving to part-time work and reduce your hours and supplement up the difference in salary by drawing an income from your super.
- For some people, a TTR strategy can help build wealth by salary sacrificing some of your salary into super to save tax and withdraw income from your super using a TTR pension to replace some or all the lost income, even if you continue working full time.
- A TTR strategy can allow you to access super early to pay off debt.

TTR income stream benefits

What are the benefits?

- Reduce your working hours and maintain income
- Grow your retirement savings if you choose to make additional contributions into super
- Pay off debt
- Choose your level of income within government prescribed limits
- Choose from twice-monthly, monthly, quarterly or annual payments
- Payments paid directly into your bank account
- Keep your super benefits invested
- Broad range of investment options to choose from



TTR income stream considerations

What are the considerations?

- May affect your retirement income
- Contribution limits
- Withdrawal limits
- Centrelink considerations
- Financial advice may be required due to complexities



Transition to retirement income stream

Eligibility

- You have reached your superannuation preservation age
- You are under age 65
- You are still working
- You have a minimum of \$10,000 to invest

Additional important considerations

- A TTR is flexible so you can decide your income level. However, the annual minimum income is **4%** and the annual maximum income is **10%**.
- Up to 15% tax on investment earnings.
- No lump sum withdrawals available.
- When you retire or reach age 65, your TTR automatically transfers to a retirement income stream.



PRACTICAL TIPS AND CASE STUDIES



Member situation

- John who is aged 60.
- He is currently working full time with Telstra.
- John's salary is \$80,000 p.a.
- John intends to retire at age 65.
- His goal is to try to boost his super as much as possible prior to retirement without impacting his take home pay.



Strategy

- Following financial advice, John will contribute up to the pre-tax contribution cap via a salary sacrifice arrangement.
- John will commence a Transition to Retirement income stream with a portion of his super to ensure his cash flow isn't impacted.
- John also reviewed his investment options within his super account to consider his short, medium and long term goals.

Outcome

- By engaging a financial adviser, John's superannuation was boosted, and his income tax was reduced.
- His same take home pay was maintained.
- His super investment strategy was adjusted to try to manage short term market risk while investing for capital growth over the medium and long term.



Concessional contributions limit



Pre-tax (concessional contributions)

Employer contributions, salary sacrifice contributions, personal deductible contributions, additional employer contributions which cover the cost of insurance premiums

15% tax

Annual contribution cap **\$30,000**

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.

Member situation

- Sandy who is aged 62.
- Currently works full-time and earns \$60,000 p.a.
- Sandy plans to transition into retirement by reducing her working days to four a week while maintaining the same net take home pay.
- As much as possible, Sandy wants to limit the impact of drawing on her super prior to full retirement.



Strategy



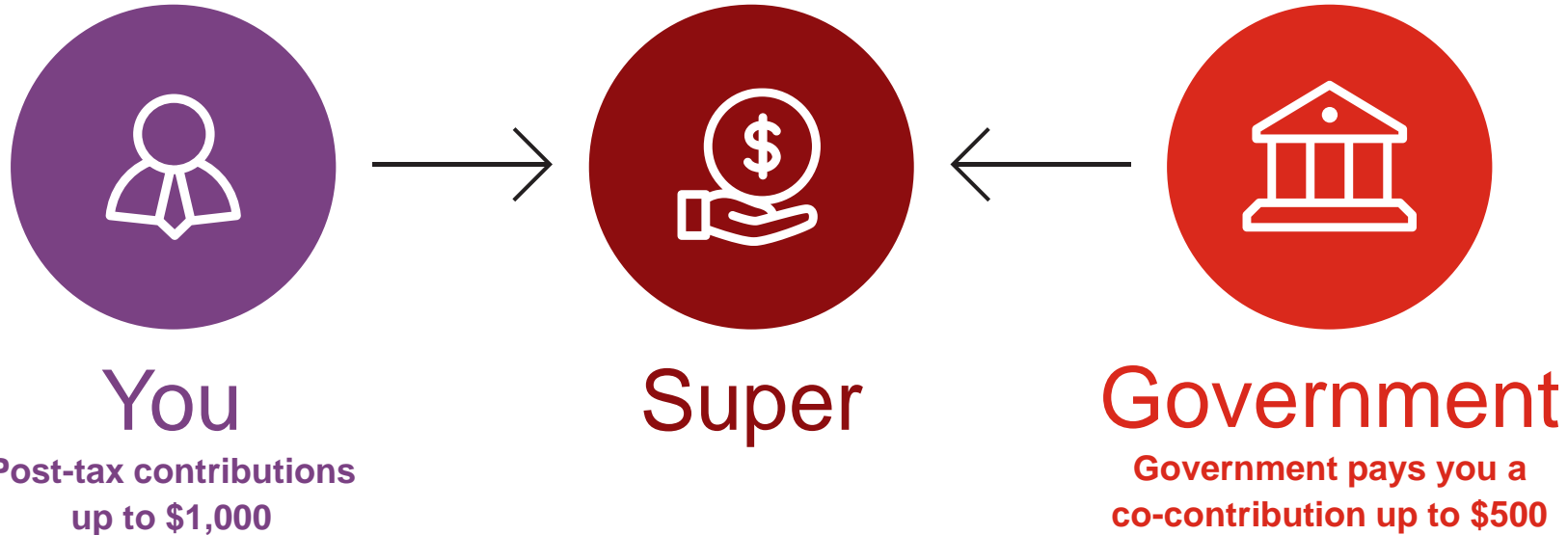
- Following financial advice, Sandy will rollover a portion of her superannuation into a Transition to Retirement (TTR) income stream and commence drawing a monthly amount to her bank account.
- Sandy will contribute a one-off post tax contribution to gain access to a part Government co-contribution (where the government will partly match the member's post tax contribution subject to certain eligibility criteria).
 - ✓ Set up transition to retirement income stream
 - ✓ Make a non - concessional contribution

Outcome

- Sandy's TTR income will replace the 20% loss of income as a result of reducing her working hours in a tax effective manner.
- Her super accumulation account is kept open for future contributions and to allow her to maintain her insurances.
- Her TTR income drawings will be partially offset by her top-up contribution and part government co-contribution.
- Sandy's super investment strategy was reviewed so that a portion of her funds are retained in a defensive option away from market risk so her income isn't subject to volatility.



Government co-contribution



Annual Income	\$45,400 or less	\$48,400	\$51,400	\$54,400	\$57,400	\$60,400 or more
Personal contribution of \$1,000	\$500	\$400	\$300	\$200	\$100	Nil

The above information is based on the 2024/25 financial year. To receive the co-contribution, your total income must be less than the higher income threshold for that financial year and your personal contributions must reach your super fund by 30 June for you to receive a government co-contribution for that financial year. Other eligibility criteria apply.

Source: [Super co-contribution | Australian Taxation Office \(ato.gov.au\)](https://ato.gov.au)

Transition to retirement – eligibility tips

Here are some key things to keep in mind when considering a transition to retirement strategy.

Eligibility

You can start a TTR when you have reached your preservation age and are still working.

Minimum transfer

The minimum amount you must transfer into a TTR is \$10,000.

Payment source

TTR income payments can only be received from the TTR income account.

Payment limits

You can withdraw between 4% and 10% of your TTR account balance annually.

PRACTICAL TIPS AND CASE STUDIES

Tips for you to consider

- ✓ You cannot make contributions into your TTR account but you can continue to make contributions into your accumulation account
- ✓ Get assistance with how much you will need to rollover to commence your TTR account to support your payment needs
- ✓ Have you selected the right investment structure for you TTR account ?
- ✓ No lump sum withdrawals can be made, as you are not retired



Four financial advice services to empower you



SUPER *sorter*

Simple phone advice and info designed to help you maximise your super.*

No additional cost to members

Included in membership



STEP *it up*

Want to take that next step with your super or finances? We'll find you a simple solution.

Low cost Options

\$550 - \$1,485 per topic (+GST if applicable), depending on the scope and complexity of the advice



BIG *picture it*

Let's check out your whole financial situation and make a plan.

One off fee for service

\$1,100 - \$4,950 (+GST if applicable) depending on the scope and complexity of the advice



STAY *on track*

Ongoing expert advice on super and wealth. We'll nudge and encourage you, keeping you on track as life changes.

Annual fee for service

\$1,750[^] pa or \$2,300[^] pa depending on advice (+GST if applicable)

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*This is general and simple personal advice about your TelstraSuper account over the phone. Simple personal advice is advice about contributions, investment options and insurance cover within your TelstraSuper account.

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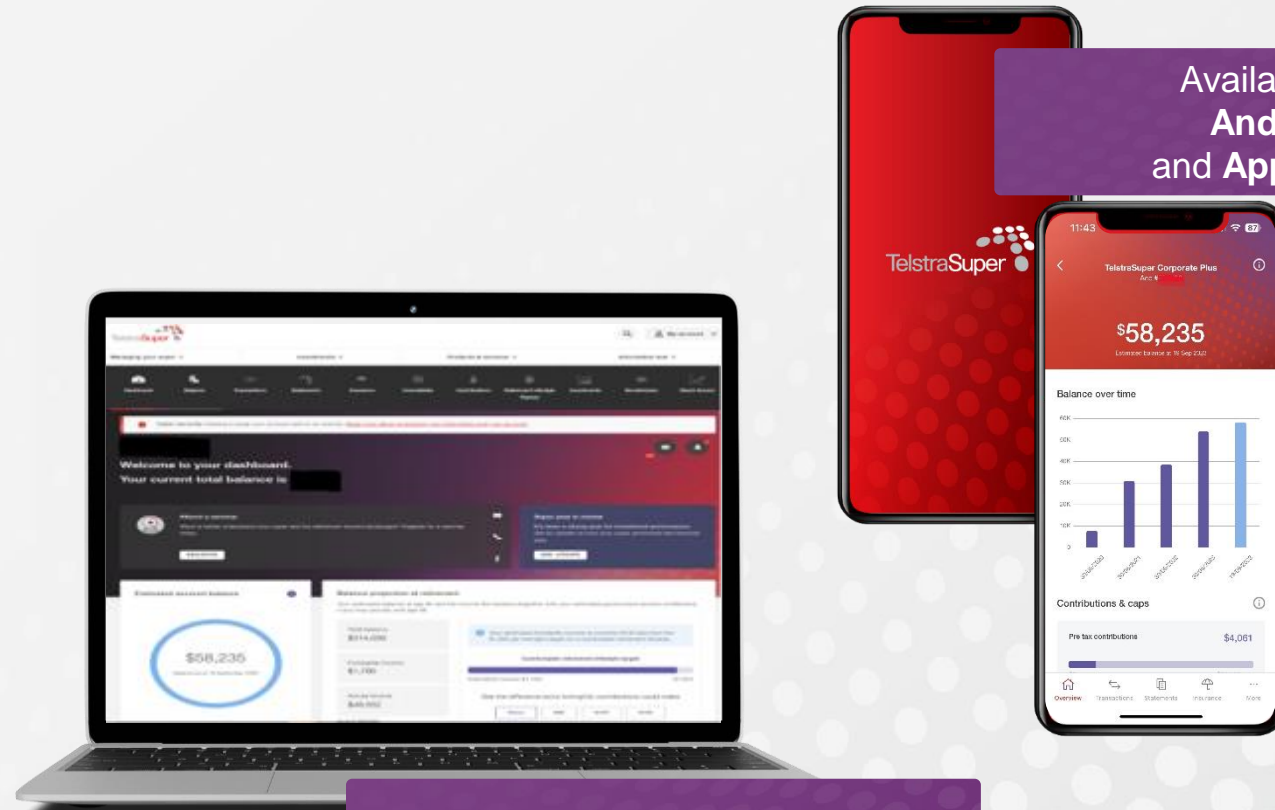


HOW TELSTRASUPER CAN ASSIST



Keeping in touch with your super

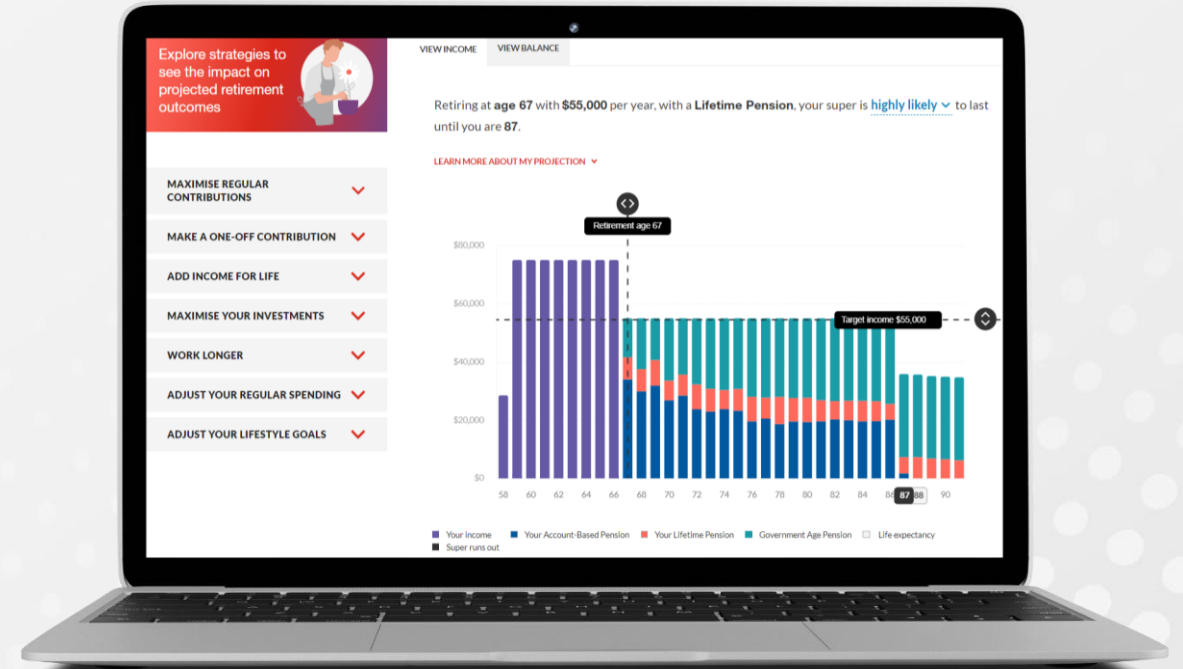
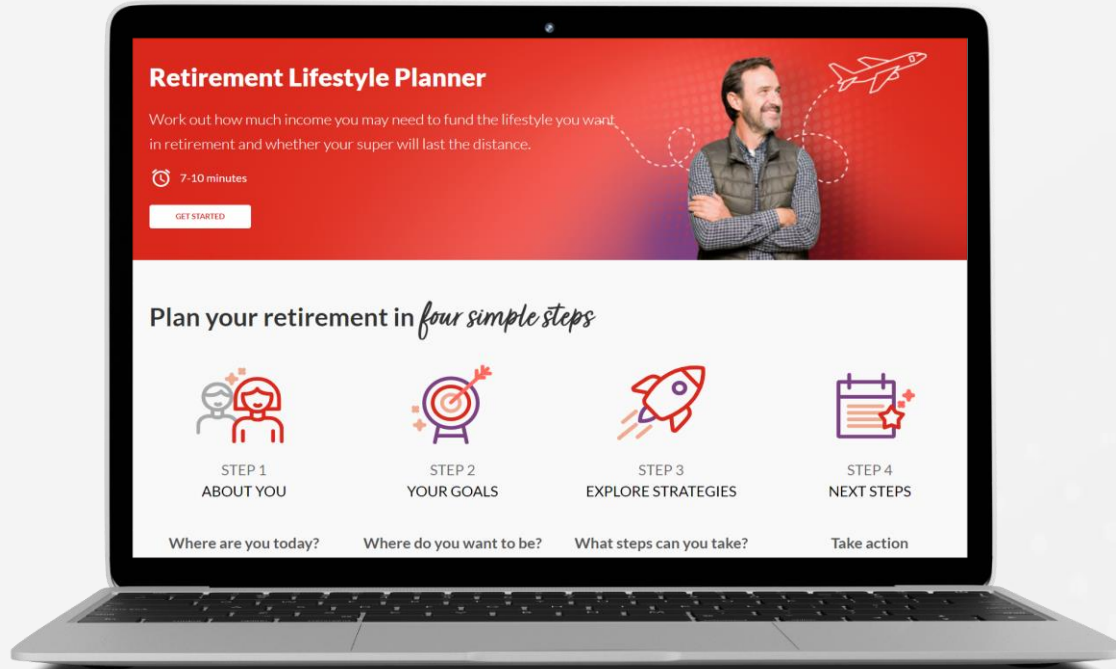
- ✓ Update your personal details
- ✓ Provide your personal email address
- ✓ Check your account balance
- ✓ Review your insurance cover
- ✓ View your nominated beneficiaries and make a non-binding nomination
- ✓ Review your investment options and investment returns
- ✓ Keep track of pre-tax contributions against the concessional contribution caps
- ✓ Review benefit statements
- ✓ View latest contributions and transactions



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Retirement lifestyle planner



- You can set your goals and where you want to be at retirement helping you to determine how much income you may need to support your retirement lifestyle
- Allows you to assess the impact that different scenarios could have on your goals/retirement outcomes such as planned career breaks/time off to raise children, making lump sum withdrawals and making additional contributions
- See how much Government Age Pension you may qualify for and include other investments, assets and income that you may have

The information you provide in the calculator will be used by TelstraSuper Pty Ltd to provide you with an illustrative income projection. However, it may not take into account all of your relevant personal needs and circumstances and it is not intended to replace financial advice. A financial planner can assess your financial needs more broadly, can help you optimise your financial position and can provide you with specific financial product advice. We recommend that, prior to acting on any information contained in this calculator, you consider the relevant Product Disclosure Statement and Target Market Determination.

Access the calculators [Calculators](#) | [TelstraSuper](#)

Meet the Guidance Specialist team



- Provide general advice relating to your retirement options and generate a Lifetime Pension quote.
- Provide assistance with online tools and calculators
- Provide assistance with locating and completion of application forms
- Educate our members
- Discuss the advice services available
- Offer as much time as required to ensure our members are happy and comfortable with next steps
- Phone appointments are at no additional cost and can be utilised as often as required



Godwin Mifsud
Guidance Specialist



Agnes Waclawik
Guidance Specialist



Stephen Gilhooley
Guidance Specialist

To arrange an appointment with a TelstraSuper Guidance Specialist email education@telstrasuper.com.au

The Guidance Specialist team can provide general advice for the RetireAccess Lifetime pension and on most super related topics over the phone during a prearranged appointment to ensure our members fully understand all their options while on the path to retirement and throughout.

Get *super fit* with TelstraSuper Financial Planning



Get super fit with a super health check

Expert advisers from TelstraSuper Financial Planning can help you by reviewing your superannuation objectives and creating a plan to help support you in achieving your financial goals.

It all starts with a small step of talking to a financial adviser from TelstraSuper Financial Planning, who can address one or all of the following topics and more:



Boosting your super



Buying your first house



Saving goals



Investing



Insurance



Managing debt



Expert advisers from TelstraSuper Financial Planning are ready to assist with complementary 30-minute super health checks through pre-arranged telephone meetings.

To request a financial health check email education@telstrasuper.com.au

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THANKS FOR YOUR TIME



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1300 033 166

8:30am - 6:00pm (Melbourne time) Monday to Friday



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