



## A few interesting facts about retirement

Given the financial demands of everyday life, planning your retirement may be a relatively low priority. You may also think that you have plenty of time to plan. But before you put off planning for your retirement any longer, here are some key facts you should consider.

### Your retirement could last 30 years or more

A male currently aged 65 has a future life expectancy of 19 years and for females currently aged 65 it's 22 years<sup>1</sup>. But these are just the averages and they are increasing steadily. As these trends continue, your retirement could stretch to three decades, or maybe even longer.

### You shouldn't rely on the age pension

The full single rate age pension only provides around 25% of average weekly male earnings. What's more, qualifying for the age pension may become more difficult in the future, given our population is ageing.

### You shouldn't rely on an inheritance

Your parents may end up spending all their savings and may even need to downsize their home to help make ends meet. So, if you're relying on an inheritance to fund your retirement, you could be disappointed.

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<sup>1</sup> Australian Bureau of Statistics, November 2013.

## You might not have enough super either

With some of your money going into super through compulsory employer contributions, you're off to a good start. But assume that those employer compulsory contributions will mean you have enough super to get you through your retirement and you could be in for a nasty surprise. Research conducted by Rice Warner Actuaries revealed that Australia has a shortfall in super of close to \$1 trillion<sup>2</sup>, which means many Australians may not have enough super to fund their retirement.

## Start planning now

Thankfully, with a bit of preparation, it's possible to plan for a long and comfortable retirement. Strategies like salary sacrificing into super, making lump sum contributions or using a transition to retirement strategy, are all smart strategies to consider to boost your super, and some of them generally have tax benefits too. It's also possible to use your super to start a pension that pays you a regular income. Some pensions even guarantee to pay you an income for the rest of your life, negating the risk of outliving your savings.

## Talk to a retirement planning expert

The best way to see how your retirement savings are currently tracking, and find out what you could do now to increase your super for retirement, is to speak to a financial adviser. They can help you set realistic goals and put a plan in place to achieve them.

**To find out more, contact Rick Maggi on 9382 8885.**

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<sup>2</sup> Rice Warner Actuaries, 'Longevity Savings Gap', Sep 2012.