Antipodean Advisory

*We're proud when we say that most of our clients have come to us by way of referral from our existing happy, satisfied clients.*

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# 9 retirement thought starters for people in or nearing their 40s

**1. Do I have to retire by a certain age?**

You can retire whenever you want to in Australia, but your financial situation, employment opportunities, health and wanting to coordinate with your other half could play a big part.

**2. How much money will I need and where will I get it?**

Industry figures show individuals and couples around age 65, looking to retire today, would need an annual budget of $42,953 and $60,604 respectively to fund a comfortable lifestyle, or $27,425 and $39,442 respectively to live a modest lifestyle (which is considered better than living on the Age Pension). Note, these figures also assume people own their home outright and are relatively healthy.

**3. Have I considered what it'll cost to do the things I enjoy?**

Life expectancy in Australia is increasing, so spare a thought for things outside of just your living costs and utility bills. What kind of money might you need to do the things you enjoy, such as sport, keeping up with any hobbies you might have, any travel you'd like to do and how often you see yourself eating out?

**4. How and when can I access my super savings?**

Generally, you can start to access your super when you reach your preservation age, which will be between ages 55 and 60, depending on when you were born. As for what you do with your super (which from age 60 you can access tax free) you'll have a few options.

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You may access a portion of your super via a transition to retirement pension (TTR), which you can do while continuing to work full-time, part-time or casually if you want greater financial flexibility. Alternatively, if you stop work altogether, you may choose to take your super as a lump sum of money, or move it into an account-based pension or annuity, if you want to receive a regular income.

There will be different tax implications for different people and remember your super doesn't guarantee an income for life, as it will come down to how much super you've saved over the years.

**5. Will I be eligible for government assistance?**

Along with your savings, government benefits, such as the Age Pension, could be an important part of your income in retirement, if you're eligible, which not everyone will be. For instance, the value of various assets you have and any income you receive (in addition to other requirements) will determine whether you're eligible for the Age Pension and what amount of money you'll receive in Age Pension payments.

**6. Will I still be paying off my current debts?**

If you're going to be carrying debt into retirement, you may want to think about ways to reduce it sooner rather than later. Some things you might do:

1. Work out your debts and what they total
2. Look into whether you might benefit from rolling your debts into one
3. Look at whether you can afford to make extra repayments
4. Shop around for providers with lower interest rates and no annual fees.

**7. Are there other things I should think about?**

- Insurance - You might have insurance, but what you require in retirement could be quite different to when you're working.
- Investments – You might consider a more conservative approach to anything you're invested in, as when you're young you often have more time to ride out market highs and lows.
- Estate planning - You may want to document how you want your assets to be distributed after your gone and how you want to be looked after if you can't make decisions.

**8. Is it a possibility I might relocate or downsize?**

Your living arrangements in retirement should be based on more than just your finances. Your health, partner, family and what activities you're interested in will all play a part.

If you are set on moving to release money from your property, planning ahead could help you feel more in control as you can assess any out-of-pocket costs in advance.

**9. Am I in a position to make additional contributions to my super?**

The more you can put into super, the more money you could have when you retire. And, if you put some of your before-tax income into super, these amounts will generally be taxed at 15%, which is lower than the tax most people pay on their employment income.

**Final thoughts**

Procrastinating and leaving important decisions for another day is something many of us can relate to, but in reality the more time you give yourself to think these things through, the better off you may be.

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