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We acknowledge the Traditional Owners of country throughout Australia and pay our respects to their Elders – past and present.

'Shaping our future' by Rickiesha Deegan



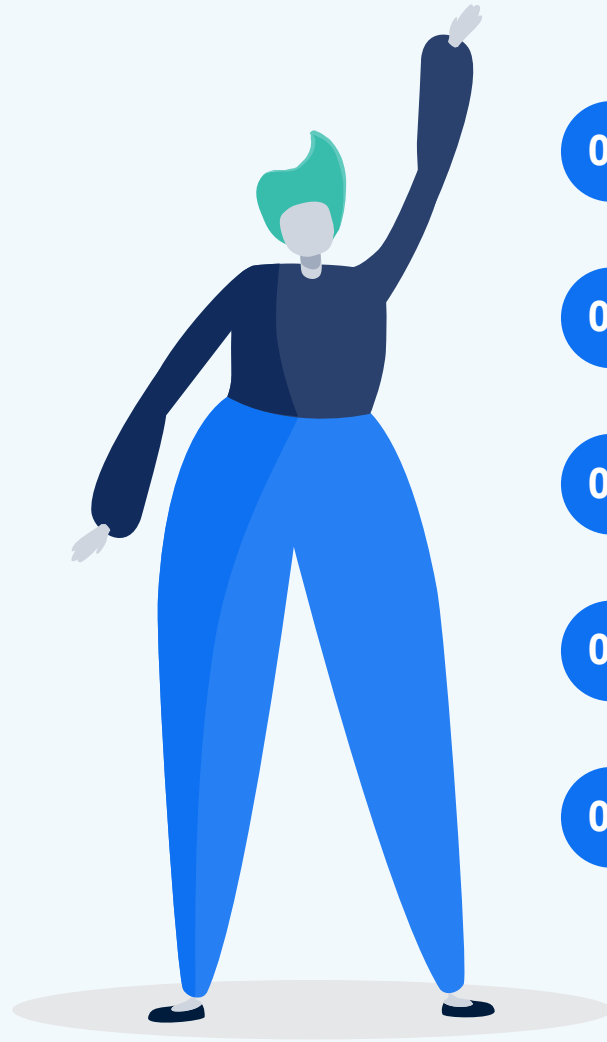


Retirement considerations

GRAEME DAVY

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Agenda



01

Challenges in retirement

02

Establishing retirement objectives

03

Contribution strategies

04

Income in retirement

05

How we can help

Challenges in retirement

NON-FINANCIAL OBJECTIVES

- staying connected
- keeping active and healthy
- sharing knowledge and volunteering.

FINANCIAL OBJECTIVES

- investing outside of super
- when to access your super?
- estate planning
- Age Pension & aged care.

Let's think about retirement

COMMON QUESTIONS FINANCIAL ADVISERS GET ASKED

“When can I afford it?”

“How much is enough?”

“What will it look like?”

How much do I need?

	Modest lifestyle	Comfortable lifestyle
Single	\$28,254 p.a.	\$44,412 p.a.
Couple	\$40,829 p.a.	\$62,828 p.a.

	Lump sum required for comfortable lifestyle*
Single	\$545,000
Couple	\$640,000

ASFA Retirement Standard March quarter 2021
 *Figures assume home ownership and receipt of part Age Pension.

	Average retirement balance
Male	\$336,360
Female	\$277,880



Types of contributions and limits

BEFORE-TAX 15% (CONCESSIONAL CONTRIBUTIONS)

Employer

Salary Sacrifice

\$27,500 p.a.

AFTER-TAX (NON-CONCESSIONAL CONTRIBUTIONS)

Voluntary

Spouse

**\$110,000 p.a.
or up to \$330,000 over
3 years***

*must be under age 67. Caps are dependent on your total balance.

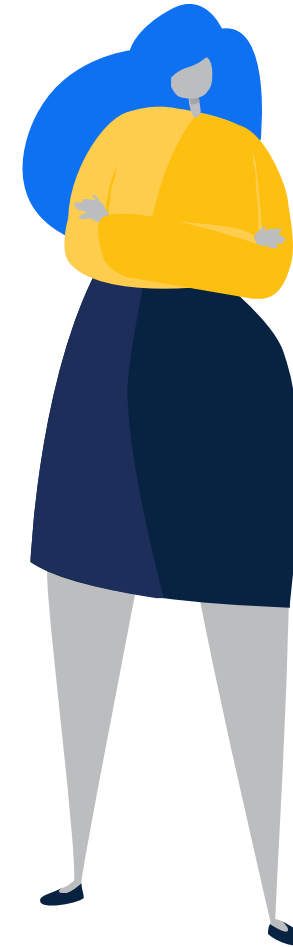
Salary sacrifice in action

CASE STUDY - SARAH

Sarah; **aged 51**, she's earning **\$100,000**; wants to salary sacrifice **\$10,000 per annum**

	Salary sacrifice	If taken as income
\$10,000 of salary	Taxed at 15% (1,500)	Taxed at marginal rates (\$3,450)

This equates to a tax saving **of \$1,950 p.a.**, plus her super is **boosted around \$8,500**



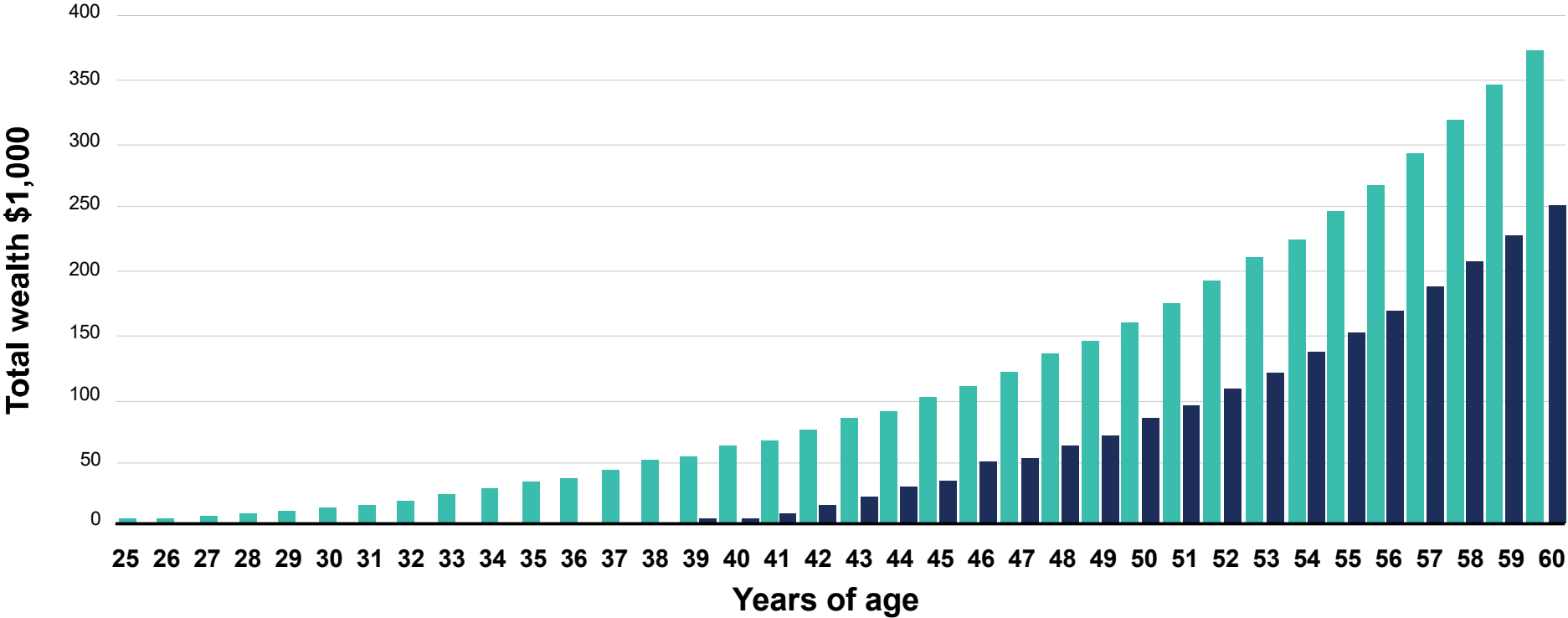
Compound interest in action

CASE STUDY – SUE AND EWEN

Meet Sue and Ewen. Both are 60 years old. Both have been topping up their super with extra contributions.

	Sue	Ewen
Starts investing at age	25	40
Invests until age	60	60
Investment timeframe	35 years	20 years
Investment per year	\$2,000 per year	\$5,000 per year
Total additional amount invested	\$70,000	\$100,000
Investment value at age 60	\$372,204	\$247,115

Benefits of compounding interest



EWEN
\$247,115



SUE
\$372,204

For the purpose of this illustration, the modelling assumes an investment return of 8% p.a. No allowance has been made for taxation or investment fees and charges. Lower investment returns and/or periods of market volatility, and the factoring in of taxation or investment fees and charges would affect the analysis and could change the comparison. Both contributions (\$2,000 each year and \$5,000 each year) are assumed to be after-tax contributions. This example is for illustrative purposes only and does not relate to any of UniSuper's investment options. Figures are nominal values and have not been adjusted to reflect the likely impact of future inflation.

Carry forward unused cap amounts

**Super balance
Less than \$500,000**

AND

**Before-tax contributions
Less than concessional
contributions cap**

Catch up missed contributions for 5 years

Catch-up concessional contributions

CASE STUDY: SARAH

Super balance **\$200,000**

2018/19 total employer contributions of **\$9,500**, and **\$10,000** salary sacrifice contributions.

Assuming her contributions are the same in 2019/20 and 2020/21

This leaves her with the ability to make catch up contributions of around **\$44,000 (\$5,500 + \$5,500 + \$5,500 + \$27,500)** in 2021/22.

Investment objectives

CAPITAL

PRESERVATION & TIME

How long do you have to invest?

RISK vs. RETURN

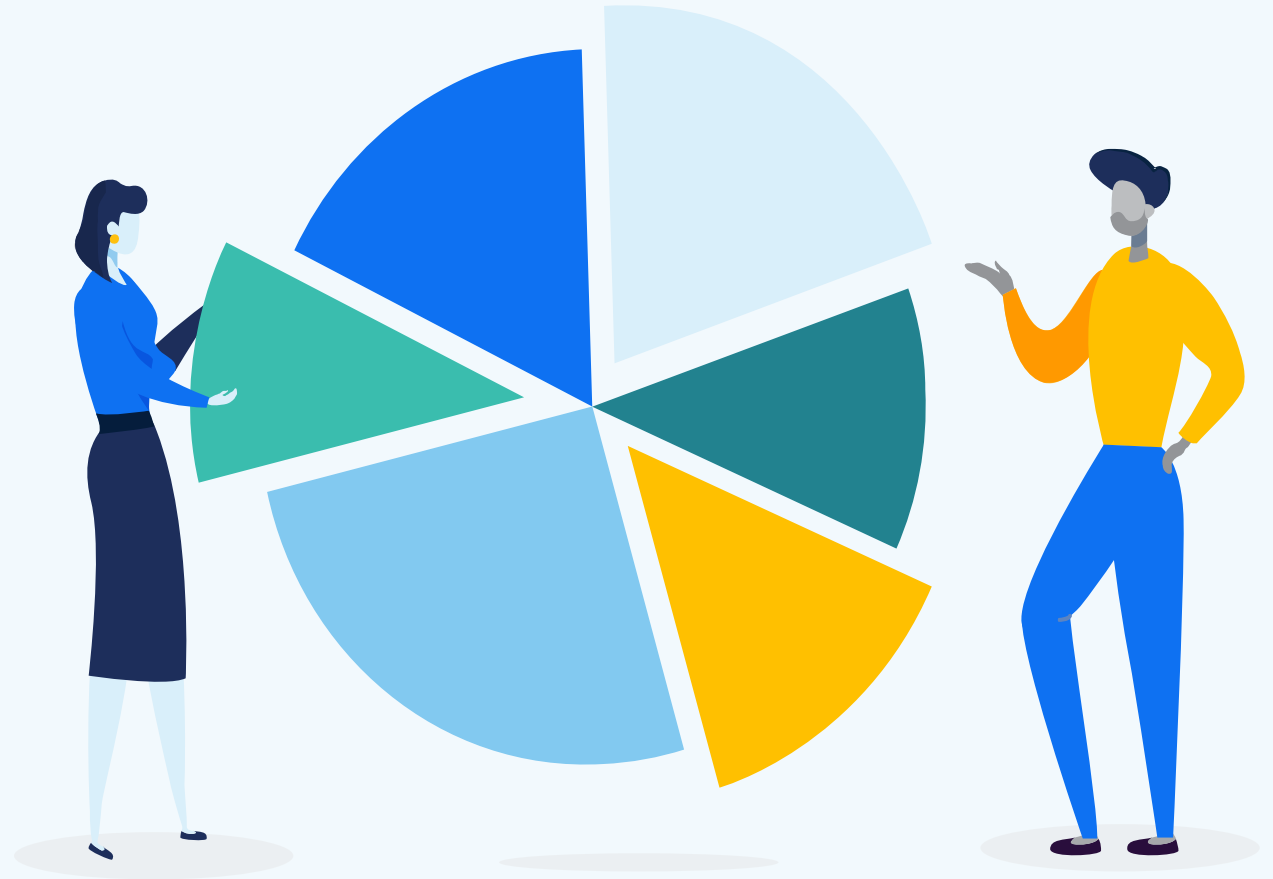
Wealth accumulation vs.
capital preservation

VALUES & BELIEFS

Consider ESG issues in addition
to desired returns

Investment options

- UniSuper has a wide range of investment options.
- You can choose pre-mixed investments, or you can build your own portfolio with sector options.



Accessing your super

You can access your super when you reach your 'preservation age' — depending on when you were born, and when you retire.

Date of Birth	Age you can access your super
Before 1 July 1961	Age reached
July 1961 to June 1962	Age reached
July 1962 to June 1963	Age reached
July 1963 to June 1964	59
After 30 June 1964	60

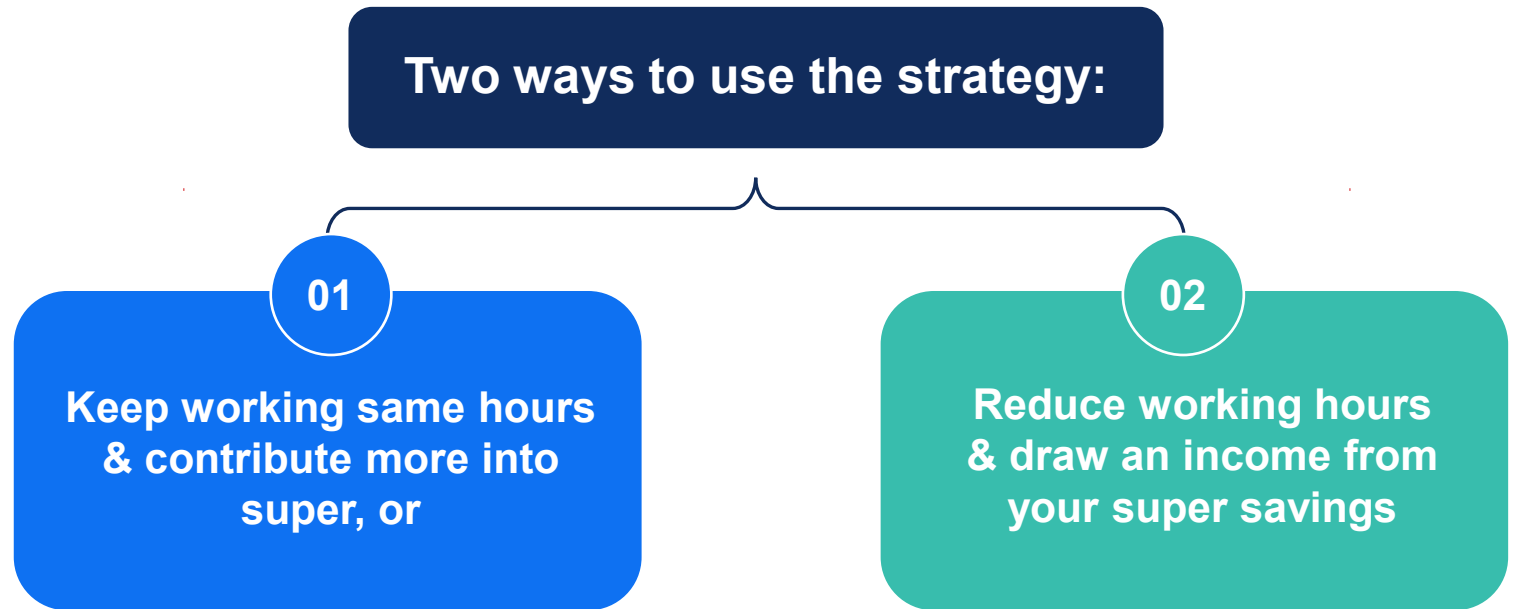
Case study: Sarah

- Age: 60 years old
- 5 years away from retirement
- Wants to slow down and is considering her retirement options now.



Transition to retirement strategy (TTR)

- Access super while you're still working
- You must have reached your preservation age
- You must be under age 65



Transition to retirement considerations

Why are you
doing it?

What are your
income needs?

Do you receive
any Centrelink
entitlements?

What are the tax
implications?

Designing your financial future

SUPER OPTIONS WHEN YOU RETIRE

- Remain in super indefinitely
- Access super as a lump sum
- Use super to set-up an income stream/pension
- Combination of some or all options



Income options

ACCOUNT-BASED INCOME STREAMS

- choose your annual income – subject to a minimum each year
- choose payment frequency
- make lump-sum withdrawals
- income will cease when account reaches zero

DEFINED BENEFIT INCOME STREAMS/LIFETIME INCOME STREAMS

- pays an income for life
- indexed in line with the Consumer Price Index (CPI)
- payment frequency: Monthly or fortnightly.

The difference between pensions

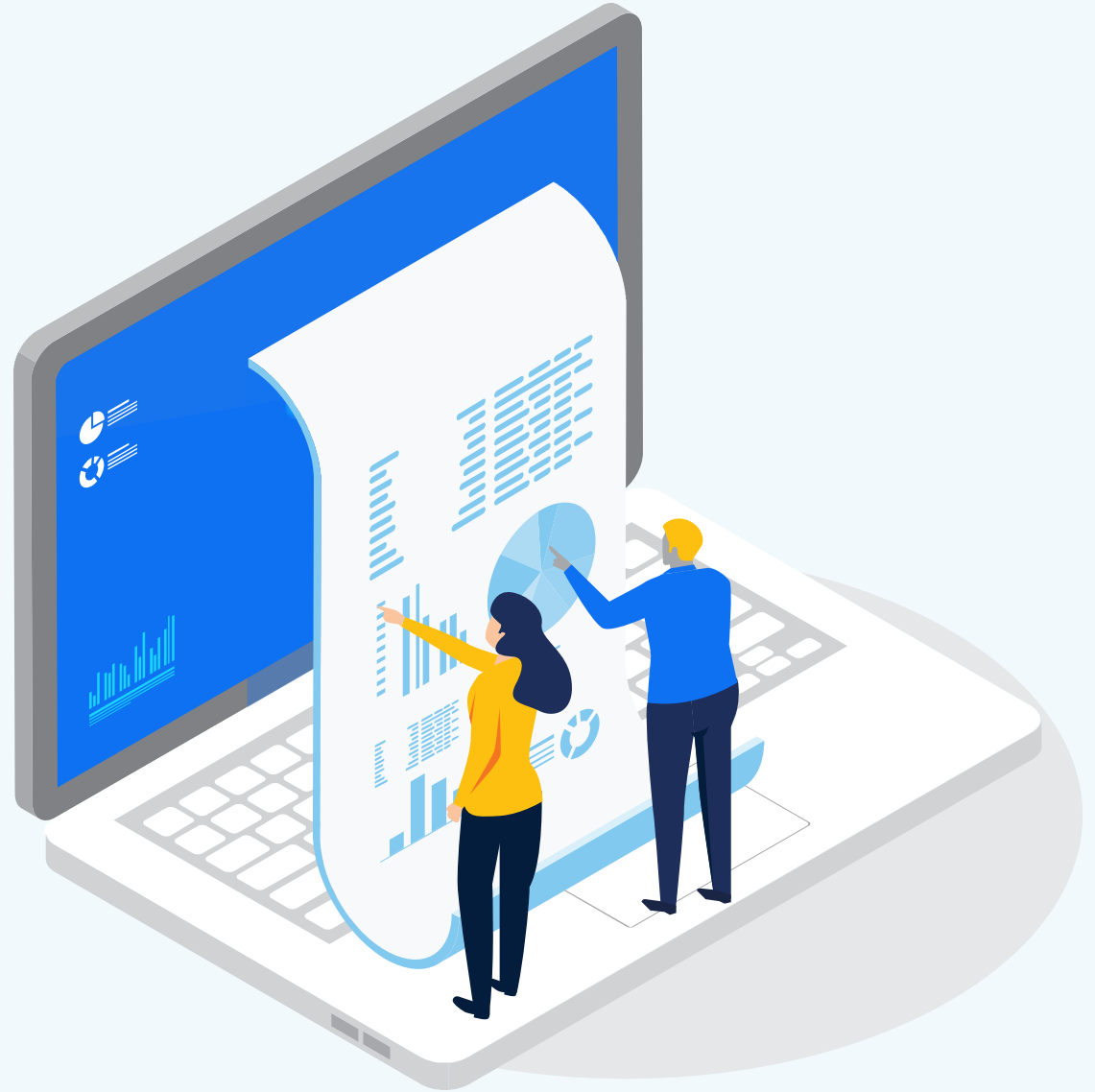
	Indexed Pensions (DBIP/CRIP)	Account-based Pensions (Flexi Pension)
Income for life	Yes	No
Change payment frequency	Yes	Yes
Access to lump sums	No	Yes
Spouse payment on death	Potentially yes	Potentially yes
Inflation increase	Yes	No

Government age pension

If your date of birth is between:	You're eligible at:
1 July 1952 to 31 December 1953	65 years and 6 months
1 January 1954 to 30 June 1955	66 years
1 July 1955 to 31 December 1956	66 years and 6 months
From 1 January 1957	67 years

Sarah and Mario

- Home **\$750,000**
- Home contents, cars **\$55,000**
- Cash and shares **\$35,000**
- Sarah's UniSuper **\$480,000**
- Mario's super **\$200,000**



Sarah and Mario's **income**

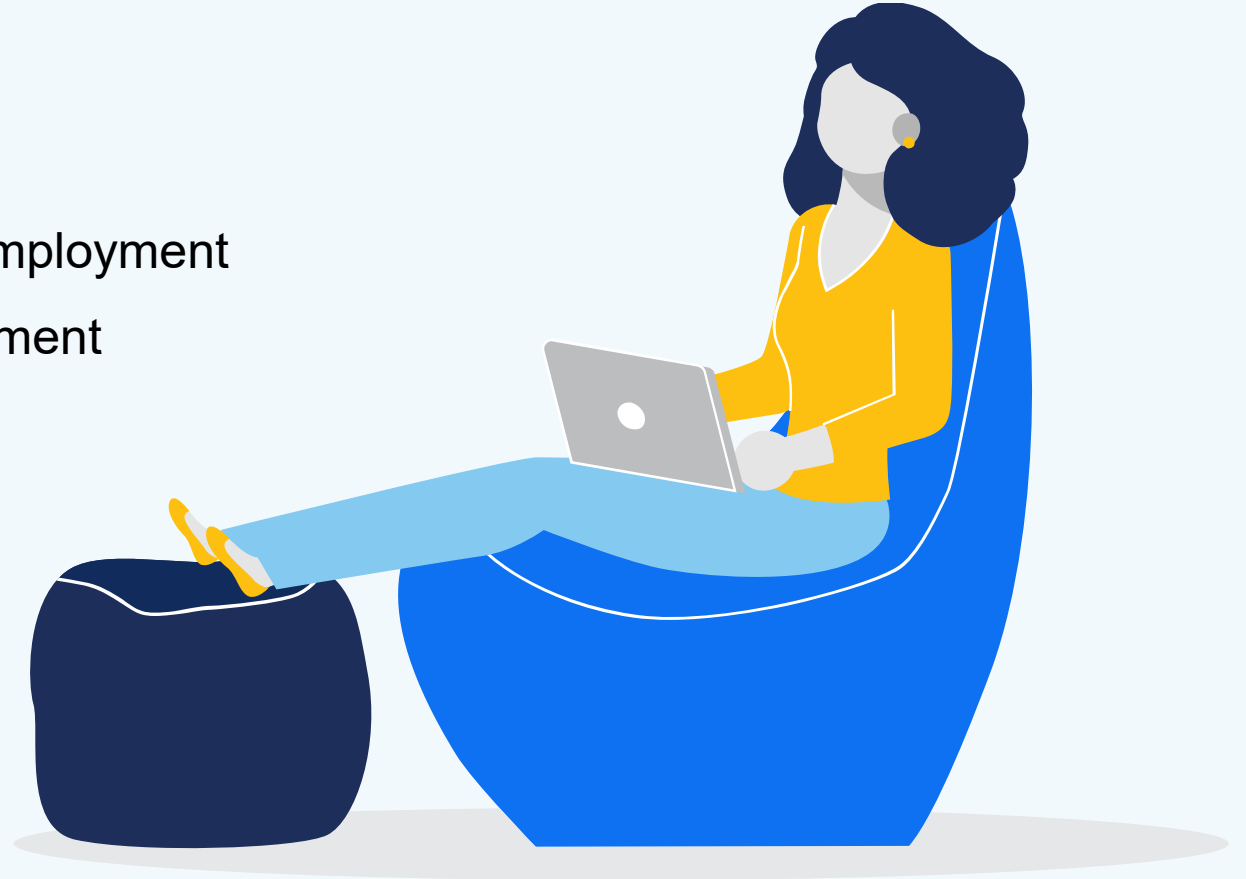
Assets	Flexi Pension	Defined Benefit Indexed Pension	50/50 Flexi/DB Indexed	Commercial Rate Indexed Pension
Cash & shares	\$1,500	\$1,500	\$1,500	\$1,500
Sarah's UniSuper	\$24,000	\$36,050	\$12,000 (F) \$18,025	\$18,395
Mario's super	\$10,000	\$10,000	\$10,000	\$10,000
Centrelink (combined)	\$9,453	\$24,107	\$28,173	\$24,429
Total	\$44,953	\$71,657	\$69,698	\$54,324

These figures are an example only. Calculations for DB Indexed Pension will vary for different members.

Final considerations

IT'S IMPORTANT TO UNDERSTAND:

- your retirement objectives
- how to fund your living expenses after employment
- lump sum vs. an income stream in retirement
- taxation and pension options
- investment alternatives.





This presentation provides general information which may not be suited to your situation. You should consider your personal situation before making financial decisions, because we haven't, as well as the relevant product disclosure statement and financial services guide on UniSuper's website.

Prepared by UniSuper Management Pty Ltd
(ABN 91 006 961 799; AFSL 235907)



How we can help

UNISUPER ADVICE

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unisuper.com.au/campusbookings

1800 823 842

advice@unisuper.com.au