



Retirement Ready Workbook

Understanding your retirement



The Retirement Ready Workbook

The Retirement Ready Workbook is a companion to the Retirement Ready Online Program.

The Modules in the Program provide background for each topic. Work through each Module and answer the questions in the Workbook.

About the Retirement Ready Program

The program contains six Modules that explain some of the key factors that should be considered when planning for retirement.

- Work
- Money
- Healthy ageing
- Where to live
- A fulfilling retirement
- Getting organised

Disclaimer

Any financial product advice in this document is general advice only and has been prepared without taking account of your personal objectives, financial situation or needs. Before acting on any such general advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs. You may wish to consult a licensed financial advisor.

Work and when to retire

Key ideas

There is no set retirement age in Australia, but there are set ages when you can withdraw your Super and claim the Age Pension. The average retirement age has increased by two years in the last decade, but many people still retire sooner than they expect.

The average retirement age in the last five years was 61.3 years for women and 64.0 years for men*.

* Source: Australian Bureau of Statistics Retirement and Retirement Intentions, Australia, 2018-19

Many people think that they will retire when they are financially secure, but people also retire for reasons like*:

- Being unable to find work
- Poor health
- To care for a loved one
- Being tired of the demands of work.

*Some people reduce their work hours as they approach retirement. This is called a **Transition To Retirement Strategy (TTR)**. This can help you cope with the demands of work, maintain your income while reducing your work hours or top up your Super.

Think it through

Consider your own circumstances, and tick any of the following things that you think may impact your decision to retire.

- Being unhappy with work
- Being unable to find a job
- Having enough money
- When children are no longer financially dependent
- Health issues
- What family and friends are doing
- Feeling it's the 'right time'

Questions to ask

1. Would you like to set a date for your retirement and work towards the necessary financial goals?

2. Would you like to review your Super contributions and/or investments to see whether you may be able to retire sooner?



3. Do you plan to reduce your work hours in the lead up to retirement? Would you like to consider a Transition To Retirement Strategy?

4. Is there any advice* or information you need to help you think through when you might retire?

*Our authorised financial planners are authorised to provide advice by Guideway Financial Services (ABN 46 156 498 538, AFSL 420367). Guideway is a licensed financial services business providing CSC financial planners with support to provide members with specialist advice, education and strategies.

5. Do you imagine that you will do any paid work during your retirement?

Tips:

1. Set yourself a goal to work towards.
2. Be prepared for the unexpected.
3. Save as much money as you can (in case you need to retire sooner than you expect).
4. Consider a 'trial retirement'.
5. If you have a partner, keep the lines of communication open.

Find out more

Find out more about when you can withdraw your Super at:

moneysmart.gov.au/how-super-works/getting-your-super

Find out more about when you can access the Age Pension at:

servicesaustralia.gov.au/individuals/services/centrelink/age-pension

Where to live

Key ideas

There are lots of options as to where to live after you finish full time work, including downsizing, a sea change or a tree change, retirement villages and over 55s accommodation. Some people find that the first few years of retirement are too soon to make any changes, and wait to decide until they feel ready. Some people are sure that they want to stay where they are indefinitely.

Issues to consider

When you're thinking about where to live in retirement, consider:

- How close you are to friends, family, and the places you go regularly
- Whether you will need space to enjoy hobbies, entertaining or visitors
- Whether your home is comfortable and in a good location
- How much maintenance you want to do; and
- Access to medical care.

Questions to ask

1. How well does your current home meet your needs for retirement?

2. Do you plan to move or downsize in the first five years of retirement?

3. Will you need to use some of the capital in your home to fund your retirement?

4. Will you need to allow money for home renovations or repairs?

5. Will you need to allow money for home maintenance services? For example, cleaning or gardening.

6. Is there any information you need to help you think through where you will live in retirement?

Tips:

1. If you have a partner, keep the lines of communication open.
2. Think about whether you can avoid moving twice during retirement.
3. Moving gets more difficult with age, so if you're going to make a move, don't leave it too late.

Find out more

The **Financial Information Service** provides free financial education and information webinars about some financial matters. Find out more at:

servicesaustralia.gov.au/individuals/services/financial-information-service

Find out more about when you may need financial advice at:

moneysmart.gov.au/investing/financial-advice

Retirement village costs

Find out more about retirement village costs at:

Australian Competition and Consumer Commission

acc.gov.au/consumers/health-home-car/retirement-homes

Choice

choice.com.au/health-and-body/healthy-ageing/ageing-and-retirement/articles/retirement-villages

Find retirement and over 55s accommodation at:

seniorshousingonline.com.au

villages.com.au

retirementlivingonline.com.au

Healthy ageing

Key ideas

Looking after your health in retirement may include focusing on three key areas:

- Getting enough mental and physical activity
- Eating well; and
- Staying up to date with routine health checks.

Issues to consider

As you plan financially, you will need to consider:

- New or ongoing expenses for things that help you stay active. For example, sports equipment, gym memberships or exercise classes.
- How eating well will impact your food budget.
- The cost of unexpected medical procedures, tests or gap payments for doctors and specialists.

Tip:

Don't forget the cost of routine prescriptions and dental costs.

Questions to ask

1. Do you have any medical and/or dental issues that require ongoing treatment?

2. Based on your medical history, are there any likely medical tests or procedures you may need?

3. Do you need to allow money for routine prescriptions? If so, what are the approximate ongoing costs?

4. How will you stay physically active in retirement? Note any costs involved.

5. Will you need to allow more money for healthy eating? If so, how much more?

Find out more

Health benefits and entitlements for seniors

Medicare Safety Net – Provides financial assistance for out of hospital medical services that attract a Medicare benefit. For example, if you see your doctor frequently or need regular medical tests. Find out more at:

servicesaustralia.gov.au/individuals/services/medicare/medicare-safety-nets

Commonwealth Seniors Health Card – Access to cheaper prescription medicines and government funded medical services. Card holders may also be offered extra concessions by State, Territory and Local Governments, and private businesses. Find out more at:

servicesaustralia.gov.au/individuals/services/centrelink/commonwealth-seniors-health-card

Pharmaceutical Benefits Scheme – Help with the cost of prescription medicines. Find out more at:

pbs.gov.au

State Based Health Programs – Health information programs are available in most Australian states, and may include free, telephone based coaching programs to help improve health and fitness. Find out more at:

qld.gov.au/health/staying-healthy

gethealthynsw.com.au

vichealth.vic.gov.au

gethealthy.sa.gov.au

myhealthybalance.com.au



A fulfilling retirement

Key ideas

There are some important keys to enjoying a fulfilling retirement.

- Staying connected and in regular contact with the people who are important to you.
- Having things that are meaningful to you and give you a sense of purpose (including short and long term goals); and
- An identity that will last beyond work.

Planning well financially means getting a clearer picture of your retirement, and then thinking through what costs and expenses you will have.

Issues to consider

Consider **who** you will be spending time with, **what** will you be doing (and **how often**), and the **cost** of those activities.

Tip:

Think in terms of a weekly or monthly **routine**.

Also consider:

- How your current expenses will change. Some may increase and others may decrease.
- Special purchases (like a new car).
- Money for special holidays or overseas trips.
- Equipment or materials for hobbies.
- Today's retirees are wealthier and spending more than previous generations.

Keep these things in mind when you do the retirement budget exercise on page 10 of this Workbook.

Questions to ask

1. Will you need to set aside a lump sum for any major expenses or purchases (such as travel, renovations or a new car)?

2. Note any hobbies or other interests that you would like to have money for in retirement.

3. How much money do you need to allow for the ongoing costs of social activities?

4. Do you have any important goals that will require financial resources?

Find out more

Find out more about the income estimates for a modest and comfortable lifestyle in retirement at:

superannuation.asn.au

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Your retirement budget

Key ideas

The Association of Superannuation Funds of Australia (ASFA) produces an estimate of how much money retirees will need each year for different standards of living in retirement.

ASFA estimates

According to ASFA, a comfortable retirement accounts for daily essentials, such as groceries, transport and home repairs, as well as private health insurance, a range of exercise and leisure activities and the occasional restaurant meal.

A modest retirement budgets for a lifestyle that is slightly above the age pension and allows retirees to afford basic health insurance and infrequent exercise, leisure and social activities with family and friends.

Helpful resources about the retirement balances required to achieve a modest or comfortable retirement can be found at:

Retirement Standard - ASFA superannuation.asn.au/resources/retirement-standard

	For retirees aged 65–84	For retirees aged over 85
Single with a modest lifestyle	\$31,758 / year	\$29,378 / year
Couple with a modest lifestyle	\$45,808 / year	\$42,127 / year
Single with a comfortable lifestyle	\$50,004 / year	\$46,618 / year
Couple with a comfortable lifestyle	\$70,482 / year	\$64,536 / year

As at March 2023. Note: the ASFA estimates don't include the cost of accommodation, so if you don't own your own home, the income needed would be higher.

While the ASFA estimates are a useful starting point, the amount of money you may want to have each year in retirement is individual, and will depend on things like:

- Your level of income during your working life.
- The type of hobbies and activities you enjoy.
- Any lump sum purchases you plan to make.
- The people you plan to spend time with and how much money you will need to join in shared activities.

One way to get a better understanding of your financial needs is to create a retirement budget. This is the same as creating a budget for your life right now, but you will need to think ahead and adjust your expenses to reflect your needs after you stop working.

The Budget Planning Table on the following pages will help you get started.

Note: If you are not ready to get into the detail yet, you could start by just marking the expenses you think will go up in retirement and marking the expenses you think will go down in retirement.

EXPENSES		Current spending	Expected spending in retirement
Circle one		Week/Month/Fortnight	Week/Month/Fortnight
Food	Supermarket		
	Butcher		
	Fruit & vegetable market		
	Bakery		
	Pet food		
	Other		
Home & Utilities	Mortgage or rent		
	Body corporate fees		
	Council rates		
	Electricity		
	Gas		
	Water		
	Home phone		
	Mobile phone(s)		
	Internet		
	Streaming services (like Stan or Netflix)		
	Home maintenance & repairs		
	Appliances		
	Other		
	Medical	Doctors & specialists	
Prescriptions & pharmacy			
Dental			
Glasses/contact lenses & eyecare			
Vet care for pets			
Other			

EXPENSES	Current spending	Expected spending in retirement
Personal	Cosmetics & toiletries	
	Hair & beauty	
	Sports equipment	
	Hobbies & club memberships	
	Education	
	Other	
Clothes	Clothes	
	Shoes	
	Jewellery & accessories	
	Other	
Entertainment	Restaurants	
	Cafes	
	Takeaway meals	
	Bought lunches and snack food	
	Newspapers, books & magazines	
	Movies	
	Gadgets	
	Drinks & alcohol	
	Holidays	
	Gifts	
	Other	
	Transport	Bus, train & ferry
Petrol		
Tolls & parking		
Car repairs & maintenance		
Licence & registration		
Other		

EXPENSES	Current spending	Expected spending in retirement
Insurance	Health insurance	
	Home & contents insurance	
	Personal & life insurance	
	Car insurance	
Giving	Charitable donations	
	Financial gifts for loved ones	
Savings	Investments & extra superannuation contributions	
	Major purchases (eg. car, boat, renovations, holidays)	
	Rainy day	

Issues to consider

The Age Pension alone is not enough to cover the cost per year of the modest or comfortable standard of living in retirement.

The amount of money you will need per year in retirement will depend on your retirement budget. You can record your estimate in the table below.

	Age Pension	Modest lifestyle (for retirees aged 65–84)	Comfortable lifestyle (for retirees aged 65–84)	My estimate
Single	\$27,664	\$31,758	\$50,004	
Couple	\$41,704	\$45,808	\$70,482	

As at March 2023.

Most people want to be able to supplement any age pension they receive with additional income from super and other investments.



Questions to ask

1. Is it important to you to have a fixed income each year in retirement? Or would a flexible income be OK?

2. How much input would you like to have in the management of your ongoing income, investments and financial decisions?

3. Do you plan to manage money differently in retirement? For example, budgeting or managing your day to day finances more or less closely than you did during your working life?



Where can I get more information?



Commonwealth Superannuation Scheme

EMAIL members@css.gov.au
PHONE 1300 000 277
FAX (02) 6275 7010
MAIL CSS
GPO Box 2252
Canberra ACT 2601
WEB csc.gov.au



Public Sector Superannuation Scheme

EMAIL members@pss.gov.au
PHONE 1300 000 377
FAX (02) 6275 7010
MAIL PSS
GPO Box 2252
Canberra ACT 2601
WEB csc.gov.au



Public Sector Superannuation accumulation plan

EMAIL members@pssap.com.au
PHONE 1300 725 171
FAX 1300 364 144
MAIL PSSap
Locked Bag 9300
Wollongong NSW 2500
WEB csc.gov.au



Australian Defence Force Superannuation

EMAIL members@adfsuper.gov.au
PHONE 1300 203 439
FAX 1300 204 314
MAIL ADF Super
Locked Bag 9400
Wollongong DC
NSW 2500
WEB csc.gov.au



Military Superannuation & Benefits Scheme

EMAIL members@enq.militarysuper.gov.au
PHONE 1300 006 727
FAX (02) 6275 7010
MAIL MilitarySuper
GPO Box 2252
Canberra ACT 2601
WEB csc.gov.au