00:00:32:03 - 00:00:56:18
Josh
Hi, my name is Josh. I'm the Senior Manager of Education here at ART, and it is wonderful to be with you. In all the years that I've been delivering education and speaking to tens of thousands of people about their super in retirement, there's probably three areas that I've experienced most questions, and that is how much do I need in retirement?

00:00:56:22 - 00:01:21:15
Josh
How should I invest as I approach or am in retirement? And thirdly, what can I do with my super when I retire? And that is that third question that we're going to cover off today. And I think the important thing, along with thinking about how much do I need and how should I invest? The answer is the same. It is that it depends.

00:01:21:17 - 00:01:53:08
Josh
Now, before you think that is a cheap throwaway line, it's actually saying that you have opportunity, you have choice, and what you choose will depend on you, your needs, your circumstances and what you're wanting to do. Super in all those stages gives you choice when it comes to do I need $1 million? Well, you have choice to see what your plans are and what income you'll need, and the different sources that can fund that.

00:01:53:11 - 00:02:19:02
Josh
Whether it be Age Pension, your super, or other income, when it comes to investments in your retirement, you have choice with your investment options and likewise too when it comes to how you'll access your money in retirement, what you'll do with it, and how you'll spend it. You have choice, you have flexibility, and you also have support from us here at ART.

00:02:19:07 - 00:02:48:17
Josh
And this is the area that we're going to explore today. And I'll hand over to our team that's going to assist me in a moment. But before I do. I'd just like to make some acknowledgments. I'd like to just acknowledge the Turrbal and Jagera peoples of this place now called Brisbane, where we're broadcasting this event from today. But I'd like to also acknowledge the traditional owners from all the lands from which you yourself are joining.

00:02:48:19 - 00:03:20:13
Josh
I'd like to also acknowledge that the content we're going through today, including the questions that you may be posting online that our team in the background could be answering, or that we'll be answering in our Q&A session at the end of this. Please note that all of that is of a general advice nature only. We can't provide you with personal information in this session today, but we can provide you with general guidance, and we hope that this session will actually raise many questions for you.

00:03:20:15 - 00:03:47:21
Josh
It actually means it's doing the right thing, because we're wanting for you to explore the answers that apply to your circumstances. And if you then need help or guidance, seek out information, jump onto our website, reach out and speak to us, or reach out and speak to your own financial advisor where you have one. These are all options that we will discuss over the course of this event.

00:03:47:23 - 00:04:20:17
Josh

Now, throughout this entire program, we've been talking about the superannuation journey you were on. I actually do see that superannuation is our partner throughout our entire life, and like a partner, it will change as our needs change, our circumstances change. We can lean in on it or really leave it aside as much as we need to at different points, but our relationship with it during that life cycle will also change.

00:04:20:19 - 00:04:57:00
Josh
And if we think about that later, part of our superannuation journey, it's what we've been working hard towards all our life. It's what we've been investing in, taking care of and really trying to drive as we're accumulating is getting to that point where we can start accessing it. And I think for me, again, thinking about the many thousands of people that I've spoken to over the years and had the privilege to speak to, that, there has been this sense of when they get to retirement, well, what do I do with it?

00:04:57:05 - 00:05:29:17
Josh
Well, that journey and what you choose to do is really up to you. So to help, firstly, one of the most common questions we get asked is, well, when can I get access to my super? And this has changed a bit over recent years, so probably is why some people are still a bit unsure, but generally from the age of 60 you can start to access your super through a retirement income stream, which I'll have the team discuss in a moment.

00:05:29:19 - 00:06:02:00
Josh
You can think about withdrawing it as cash. Over the age of 60, certainly where you have met a condition of release such as retirement, or you can actually make the choice to do nothing. The other thing you can choose to do in retirement is, in fact a piece of all three of these. And this is where I say the journey, the choice, the opportunity is unique to you, your circumstances, and what you'll choose to do with your superannuation.

00:06:02:02 - 00:06:29:09
Josh
So as I said, the magic age is 60. And in terms of that, when you turn 60, it will start to give you access to different products that are available to you through Australian Retirement Trust. As you accumulate your wealth, you're in accumulation products. Or perhaps you're in a defined benefit. And then there's this period just before retirement.

00:06:29:09 - 00:07:10:21
Josh
Once you've turned 60, where you might think about transitioning to retirement through a product that allows you to think about how do I continue accumulating wealth while also starting to access an income, or how do I, as the name suggests, transition to retirement? Perhaps I reduced my hours, maybe I change my jobs. Maybe I change careers. How do I start to supplement my income as I start to wind down and shift into retirement and then in retirement, which can really be a choice that you make in superannuation terms from the age of 60.

00:07:11:01 - 00:07:40:11
Josh
We then offer products to assist you there as well. Now, to help me on this journey, we're going to pass in a moment to Megan, who we'll talk more about transition to retirement, and then I'll be passing to Jash at the desk, who'll actually go into more detail on those retirement products that you can see there. But the last thing to consider in piecing all of this together is where age starts to play a part.

00:07:40:13 - 00:08:13:10
Josh
And as I've already mentioned now a couple of times, the magic age for most of this is the age of 60. It's the first point in your superannuation journey where you can really start to access your income or access your funds as a

result of shifting towards retirement. So if you've turned 60 and you're still working, although you can't access your balance in full at this point as a withdrawal, you can access what we call a transition to retirement income.

00:08:13:10 - 00:08:41:21
Josh
So this is if you're still working, Megan will go through this from the age of 64, from 60 to 64, your circumstances change a little bit. And it's important to note during this period, regardless of how you're taking your income or taking withdrawals, it will be tax free when paid to you. But what's also coming into the mix here is if during this period you change jobs.

00:08:42:00 - 00:09:14:05
Josh
So it's not actually just changing your roles, it's physically changing the employment conditions you work under and who you work for. If you change jobs, you can actually access any super you've accumulated to that point. The other thing is, at any point during this period, if you permanently retire, you can also get access to your super. And then from the age of 65, whether you're working or not, whether you're retired or not, whether you're part time or not.

00:09:14:11 - 00:09:43:08
Josh
None of that matters anymore. Once you turn 65, regardless of your working status, regardless of your retirement status, you now have access to your balance. So these are the times throughout your retirement journey that you'll be able to consider the products we have available to you. And on the first part of that transition to retirement, I'll hand over to a video that Megan has recorded.

00:09:43:09 - 00:09:44:10
Megan
Thanks, Josh.

00:09:44:16 - 00:10:16:23
Megan
So Transition to retirement, or TTR is an account type as well as a strategy that you can utilize whilst you're still working before you retire for good. And it can be used to achieve a number of different goals depending on your unique circumstances. So the reality is that TTR kind of straddles this bridge between working and contributing and not accessing and spending super and being fully retired, having full access to super and actually spending and using super to provide an income.

00:10:17:02 - 00:10:41:24
Megan
So it's partial income while you're working before you've retired for good. So just a bit of a recap in terms of when it can be utilized. And this really relates to access ages and rules of superannuation from 60 onwards. If you're finished work fully retired you've got full access to super. Transition to retirement allows you partial access to super.

00:10:41:24 - 00:11:06:16
Megan
If you've reached your preservation access age, which is 60 but haven't yet finished work and thus met that full condition of release. So it's available between the ages of 60 and 65 as a transition to retirement strategy. And that's because age 65, regardless of your work status, does give you full access to super. So it's sort of that middle window 60 to 65 still working.

00:11:06:17 - 00:11:31:08
Megan

Haven't retired. We can potentially access partial super with some rules and restrictions and use it to set up some strategies to benefit ourselves. And so we'll look at some examples of those shortly. But it does involve, as I said, setting up an entirely different type of account. So we are moving superannuation from our existing account status. For most of us that's probably an accumulation account.

00:11:31:08 - 00:11:53:21
Megan
Some of us it might be a defined benefit account or both. And we'll still maintain that account because that's where our contributions are added to. But we're going to move part of this balance and start a transition to retirement income account. And from this account, we can actually start to receive some income and actually get some payments out of our superannuation.

00:11:53:23 - 00:12:19:07
Megan
But of course contributions were still employed. We've got our employer contributions. We might be making additional contributions. They will still continue to flow into those accounts accumulation or and or defined benefit account. So we'll actually have two accounts. We've got our normal one that's getting our contributions but also our spending account the TTR transition to retirement income account where we're getting some income out of.

00:12:19:09 - 00:12:56:10
Megan
And why is a TTR so powerful as a strategy at this particular age is because it takes advantage of not only the pre-existing tax concessions within super, but it adds something extra to the mix. And that's the fact that from the age of 60, the income that we're receiving is entirely tax free. So it's not income. No income tax is payable on our TTR income stream payments, whereas our employment income, of course is subject to tax at our marginal tax rates.

00:12:56:14 - 00:13:29:08
Megan
So where the TTR strategy can be really powerful is to use it as a way to potentially re contribute or add make additional contributions via salary sacrifice into our existing super account. So we're going to reduce our taxable income, take advantage of those tax concessions. On that side of things we'll add extra contributions to super. Now whilst that is generally much more favourable from a taxation treatment, if we're adding extra to super, it does reduce our take home pay.

00:13:29:13 - 00:13:51:22
Megan
But at the same time we're able to receive tax free income from super. And so really we're adding more than what we're pulling out because overall we are paying far less tax than we otherwise would be before the age of 60. And so that strategy is what's known as an optimization strategy, which we'll talk a little bit more about.

00:13:52:02 - 00:14:18:24
Megan
But there are some rules. Okay. And there are minimum as well as maximum amounts that you can draw via this TTR strategy. Because you haven't fully retired, you don't get full access to your super yet. So the minimum amount that you must access is at least 4% of the TR account balance, and the maximum that you can receive is 10% of the account balance each financial year.

00:14:19:05 - 00:14:40:08
Megan
And though they are calculated on the first day that you open the TTR account, as well as on the 1st of June each subsequent financial year. So you must get between 4 and 10%. You get to choose how much you actually pull down, though, in terms of that range, and you can choose the frequency as to which this is paid.

00:14:40:08 - 00:15:04:19
Megan
So it might be fortnightly, monthly or less frequently quarterly, twice a year, once a year. Choice is entirely up to you. So there's a lot of control. And that is really helpful in terms of utilising it to best suit your circumstances. And I guess there's probably sort of really three main ways that people might use this TTR strategy.

00:15:04:24 - 00:15:26:11
Megan
And the first might be just to get a little bit of additional income. So otherwise you wouldn't be able to access superannuation. It might be utilized to help pay down some debt whilst you're still working before you retire for good. So let's look at that as an example. And if we assume someone's currently 60 so now they're eligible to set up this TR account.

00:15:26:16 - 00:16:03:01
Megan
They're earning $80,000 a year income. And they'd like to receive an additional $6,000 of income. And this might help them pay down debt before they retire. They do intend to retire in seven years time at age 67. So in this instance, current $200,000 balance, we're going to move $190,000 of that to start the TTR account. And then of course, contributions are still going to flow into her existing accumulation account, although that balance will have reduced down to $10,000 because we've moved over to start the TTR.

00:16:03:03 - 00:16:25:12
Megan
So let's look at some numbers now. This first column are some projections, as if she was working through to age 67 and what she would look at retiring at if she did not utilize a TTR strategy. So we would expect that with employer contributions, investment earnings over the next seven years, her current $200,000 balance will grow to about $300,000.

00:16:25:18 - 00:16:51:20
Megan
And what we are then saying is that would provide her with ongoing income to the tune of $18,900 per annum until the age of 88, because that's the purpose of super to provide you with income in retirement. So we've now got a couple of examples where if she starts the strategy and starts drawing some income, and then if she starts what we call an optimized TTR strategy.

00:16:51:23 - 00:17:18:22
Megan
Now the first column is simply just drawing out that $6,000 of income for the next seven years through to age 67. So of course, that will reduce her balance. It will reduce the capital that she has invested. So she is going to retire with less because she's drawn some of that money early. So that, of course, reduces what her ongoing income will be in retirement.

00:17:18:24 - 00:17:43:24
Megan
However, if we look at the optimized strategy and really what that means is in addition to drawing that $6,000 a year income, we've actually then added a few extra steps where at the same time, she's going to maximize her concessional contributions into super, which will further reduce her take home pay. But then she's getting some tax free income out anyway.

00:17:44:00 - 00:18:05:24
Megan

Long story short, she's adding more than what she's pulling out of super. And so what that does is it reduces the gap. Or I suppose, the deficit between what she would have had had she not drawn any super at all and just worked through to age 67. And, you know, and potentially just drawn out that additional income.

00:18:05:24 - 00:18:29:15
Megan
So really long story short, we're getting more into super we're taking advantage of these tax concessions, which will mean that in her eventual retirement, she's got a little bit more as a starting balance, which is going to give her more ongoing annual income. Yes, of course, she won't retire with as much as if she didn't access her super early, but in her case, she's using it to pay down her debt.

00:18:29:18 - 00:18:52:23
Megan
And if it means she enters retirement with no mortgage or no other debt to pay off, she might not need as much annual income as she did if she was still having to pay down the debt. So in any case, this outcome could be suitable to her needs. So that's showing it as a way to just access a little bit of additional income prior to retirement.

00:18:53:00 - 00:19:16:15
Megan
In a lot of cases, though, some people might want to really, as the name suggests, transition to retirement, move part time, not work quite as much, but still need to take home a full time wage. So it's not necessarily about additional income over and beyond your current take home pay, but it's just additional income to supplement a reduced wage if you're going part time.

00:19:16:15 - 00:19:40:13
Megan
So we're going to look at a similar example, same sort of starting concept. Age 60, current super balance of $200,000. Working full time, currently on an $80,000 salary, but is looking to drop a day and start working four days a week. So that's going to mean that his new sort of at 80% FTA, his salary is $64,000 a year.

00:19:40:13 - 00:20:05:16
Megan
But what he actually wants to replicate is the $80,000 gross salary, which is a net salary of about $64,000 a year. So just really trying to replicate that full time wage but only work part time. So instead of, you know, what he's trying to achieve is obviously get that difference in income from his TTR account. And so again, these are the numbers.

00:20:05:16 - 00:20:34:12
Megan
First column is if he worked part time. So four days a week for the next seven years did not draw any additional income from superannuation. So expecting to retire with about $288,000, which is going to provide him with about 21,500 dollars of annual income. And that's through to age 85 because he is a male. So his life expectancy is probably a little bit less than a female.

00:20:34:14 - 00:21:00:21
Megan
Now if we look at that non optimized TTR strategy. So just pulling that additional income from super alone he will retire with less. He spent it early. He's going to have less ongoing income in retirement. But if we do look at the optimized strategy where we're going to add some extra contributions, we're going to pull more out, but ultimately we're putting in more than what we're pulling out.

00:21:00:23 - 00:21:37:15
Megan

And financial advice is really, really, you know, potentially required or at least, possibly warranted in this instance just to get the numbers right. But ultimately it reduces that deficit because it's just reducing the impact of those sort of, you know, the money that is coming out of super. And so just by introducing a couple of extra steps, really just taking advantages of those overall tax concessions within super, we can try and get a really nice marriage between.

00:21:37:16 - 00:22:13:11
Megan
Yes, we're drawing some additional income early to help achieve the lifestyle goal of going part time. But we are also ensuring that we're looking at the retirement income as well, and being able to have a bit more than we otherwise could. So in this particular example, again, it might achieve his needs. So we can see very clearly it can be used to receive additional income either for debt repayment purposes or to compensate for a change in work status and a reduction in, you know, working, working hours and income.

00:22:13:13 - 00:22:33:18
Megan
But for a lot of us, it might actually be. No, I'm going to continue to work full time. I really just want to take advantage of my last sort of years left in the workforce. And I just want to cram as much money into super as I possibly can by using these tax concessions. So this is where this optimized strategy is really coming into play.

00:22:33:23 - 00:23:00:01
Megan
So again, similar example 60 years old, $80,000 income $200,000 starting super balance going to continue to work full time. Just wants to continue collecting the current full time wage, but is really focused on getting as much extra into super as she possibly can for her next seven years of work before she plans to retire at age 67.

00:23:00:03 - 00:23:28:05
Megan
So it's about maximizing the concessional contribution cap as much as we possibly can. Remember that caps currently 32,500 dollars. It does include her employer contributions, as well as the additional salary sacrifice contributions that she's going to make. But we can see if she did not start a TTR strategy and just worked and just received employer contributions for the next seven years, she's going to retire with about $300,000.

00:23:28:05 - 00:23:55:07
Megan
We can see what that annual income in retirement is, but if we implement this optimize TTR strategy, same take home pay, no different to the income that she's collecting while she's working. But more is going into super than what is being pulled out. And that gives her more in retirement and more importantly, more annual income in retirement. So it's giving her the confidence.

00:23:55:07 - 00:24:11:15
Megan
She's building her super. She's taking advantage of everything that she possibly can. She's going to have more money, more choice, more opportunities in retirement. And that is how a transition to retirement strategy can work for you. So thanks, Josh, back to you in the studio.

00:24:11:17 - 00:24:52:21
Josh
That was a wonderful update from Megan. And it's really important to think about some of those benefits and the considerations that come with having a transition to retirement income stream. Now, some of those benefits of having a TTR is that you still have flexibility, although there are some rules and boundaries. You do have flexibility when it comes to your income, remembering that you can take up to 10% of your account balance per year, as

we've already talked about, you can also take advantage of or you do get the advantage of over the age of 60, which is when TTR's are available.

00:24:52:24 - 00:25:23:16
Josh
Any income you take out is going to be tax free to you. This gives you incredible opportunities, including what Megan has outlined in trying to maximize your contributions with that tax difference. During this period, you still have access to the same wide range of investment options, and you also have the ability when you enter into full retirement to access what we call a retirement bonus.

00:25:23:18 - 00:25:54:15
Josh
Now, there are some other things, though, that you need to consider by starting to access a TTR. If you were using it for the purpose to supplement income or to draw down on, then that is obviously going to start to deplete your final balance and will reduce it by the time you get into full retirement. It's also important to note that your investment earnings on a transition to retirement income are taxed at 15%, as your investment earnings are.

00:25:54:17 - 00:26:28:22
Josh
As you're accumulating and saving wealth in superannuation. This is really important because as when Jash goes through retirement income products, he'll talk to some of the tax settings and the differences that apply there. It's also important to understand, again, the boundaries that you have with the income here, as well as to think around any potential impacts when it comes to other testing, other requirements, including around government support that you may be entitled to.

00:26:28:24 - 00:26:49:17
Josh
Now, this is that first part of the retirement journey. Transition to retirement is really that bridge that you can choose to use if you wish, between accumulation and retirement, and to help take us through those retirement products. I'll actually hand over to Jash at the desk.

00:26:49:20 - 00:27:19:05
Jash
Thank you. Josh, entering retirement is an exciting stage of your life where there's many different possibilities available to you in terms of how you access your money and what benefits that these can give you in terms of how you structure your retirement and the overall strategy that you're going to use. As Josh alluded to earlier, when you first are working, you're going to have your money in an accumulation account and possibly even a defined benefit account.

00:27:19:07 - 00:27:38:04
Jash
Once you do stop work and leave your employer, if you had a defined benefit account, that money will actually get transferred into an accumulation account. And if you only had an accumulation account, that's where your money is going to be when you start your retirement journey. So from there, that's what you now have a number of different options available.

00:27:38:04 - 00:28:02:12
Jash
And depending on what different options you choose, there are different benefits and considerations of these different options. And that's what I'm going to go through over this next little section now. So with your money in your accumulation option number one that you do have is you can actually leave it there. As Josh did mention earlier, the money remains in your accumulation account continues to be invested.

00:28:02:13 - 00:28:27:22
Jash
There is no obligations for you to access any of this money if you don't want to, because you might have a spouse that is still working, or you might have some income coming in from some other different investments with this money in accumulation account, if you would like to, this is where you can now start accessing some of it by withdrawing the funds into your bank account, either in part or even in full.

00:28:27:24 - 00:28:55:04
Jash
Another option that you have available is to open up a lifetime pension account and or a retirement income account, which is those two options on the very right of the previous screen that Josh was displaying. As Josh also mentioned earlier, you do have the ability to have many different options available. So any combination of these you might hold one, two or all three of these different options in retirement.

00:28:55:06 - 00:29:14:19
Jash
But what I'm going to do now is expand on these different options in a bit more detail, and go through what some of those benefits and considerations of each of these options are. So let's start off with the accumulation account. So a couple of the key highlights of this account is this is the account that you would have held while you were working.

00:29:14:19 - 00:29:37:11
Jash
And if you had a defined benefit upon ceasing that defined benefit. This is where your funds are going to be. As I've mentioned, there is no obligation to start accessing if you don't want to. And some of the key considerations with this one is that your investment earnings are taxed at up to 15%, which is actually a little bit higher than some of these other accounts that I'm about to introduce.

00:29:37:11 - 00:30:05:23
Jash
And the taxation that is applied on them, however, is still much lower, generally speaking, than what your marginal tax rate might be outside of superannuation. With this account. What? You don't have any obligations to access any money if you don't want to, you can simply make lump sum withdrawals as and when you need to. If you do need access to money in retirement, so the money is still working for you, continues to invest and grow in the background there.

00:30:05:24 - 00:30:33:04
Jash
And when you need any access, you can simply make those lump sum withdrawals. But now let's expand on this and go through a few more of those benefits and considerations. So because there are no obligations to access your funds if you don't want to, it gives you time to make some plans. Maybe you want to sit down with a financial advisor and really set up a bit of a retirement plan and strategy for how you're going to go through your retirement years.

00:30:33:10 - 00:30:54:17
Jash
Maybe you want to just decompress after a long working career, go on a big holiday. You don't need to take drastic actions as soon as you stop work. The money remains in this account continues to be invested and can grow. As I mentioned earlier, you are able to take lump sums from this account as and when you need.

00:30:54:19 - 00:31:19:08

Jash
The beauty of being retired is that your accumulation account is like a bank account, in the sense that you have full access to your funds, and you can simply make withdrawals as and when you choose. If you are under the age of 75, you can even contribute back into your superannuation. In the case of a downsizer contribution that can be done when you are over the age of 75.

00:31:19:09 - 00:31:46:12
Jash
But the remaining types of contributions are generally capped at age 75. So if you are thinking of retiring anywhere around 60, 65, 67, that next little period up until you reach the age of 75 is still available for you there to continue to put money into super. Because you might have assets outside of superannuation, you could potentially receive some inheritances, things of that nature, maybe even a lotto win.

00:31:46:12 - 00:32:10:20
Jash
Who knows? But you come into some money and you're under the age of 75. You have the ability to transfer and contribute this money into your accumulation account. The next account that I'm going to introduce, once you start those accounts up, you cannot add to the starting balance. While those other accounts can grow through investment earnings, once you've opened it up with a set amount of money, you cannot then add to them.

00:32:11:00 - 00:32:30:07
Jash
But with the accumulation account, you are able to add money into this account while you're eligible to do so. Another great benefit of this account is for where you are part of a couple, where one person is older and the other person is a little bit younger, and they can get some great advantages. When it comes to age.

00:32:30:07 - 00:32:56:01
Jash
Pension means testing where if you have someone who is part of the couple is aged under 67, any money that they hold in an accumulation account is not going to be assessed for age. Pension means testing. So as an example, you've got one person who's age 67 applying for Age Pension, but their spouse is only 64. They might have several hundred thousand dollars in their accumulation account.

00:32:56:03 - 00:33:17:12
Jash
That money is not going to be assessed as part of the assets and income test. When that 67 year old is going to be assessed for how much Age Pension they might be able to receive. So it is a completely legal way to shelter or hide some of that money from Service Australia when they are doing their means testing for Age Pension.

00:33:17:14 - 00:33:47:24
Jash
Now let's have a look at some of the considerations now that you are no longer working, this can be a great time to review how you actually want your money to be invested and work for you. In previous sessions that we've had with Josh and April, they've gone through the different investment options available to you and the type of returns that you might be able to achieve depending on the investment option you've chosen and the type of risk associated and the type of asset structure of those investment options.

00:33:48:02 - 00:34:04:18
Jash
But it can be a great time when you have stopped work and you've got your money in an accumulation account to really reassess what's important for you and how you want this money to work for you in retirement. Noting that now that you are no longer working, your employer is not going to be putting money in any more.

00:34:04:20 - 00:34:26:17
Jash
You may not be adding money to your superannuation anymore. So at this point of time, the pool of money that you now have available may be what you now need to live on in your retirement. So it's really important that you do get the investment options correct for the level of risk that you are comfortable taking and the type of returns that you are hoping to achieve.

00:34:26:19 - 00:35:04:03
Jash
I did mention this a little bit earlier, but keep in mind that your investment earnings are taxed at up to 15%, which is still quite low. Again, as I mentioned generally compared to marginal tax rates, but they could be as low as zero when I introduced these other accounts in a second. So you do need to think about whether or not you are happy to see a little bit of tax on the investment earnings, but in lieu of doing so you're getting some other great benefits like asset sheltering for Age Pension for example, and the ability to keep the money in there without no need to access it if you don't want to.

00:35:04:05 - 00:35:25:11
Jash
Another thing which can be quite important upon retiring is reassessing your needs for insurance. So if you want no longer working, you may not need income protection anymore. If there's no income to protect. And depending on what your situation is, the other types of insurances that might be available to you are total and permanent disability insurance and life cover or death cover.

00:35:25:13 - 00:35:42:12
Jash
And it would be up to you to reassess if you actually still want to hold those covers or not. If you do want to hold those covers, you will need to keep an accumulation account open, because that is the only account that is able to hold insurances within it. The other retirement accounts are not able to do that.

00:35:42:12 - 00:36:11:20
Jash
So a great opportunity to really reassess what's going on. Not just your investment options, but also the insurances that you do hold within your superannuation. Now from the accumulation account, the next option you have available is you can go to what's called the retirement income account, which is also known as a flexible income option. Now this is the most popular option that people do choose upon retiring, but it is not the only option.

00:36:11:22 - 00:36:45:22
Jash
But let's have a look and see what some of those benefits and considerations of this particular option are. So with the retirement income account, you do now need to draw at least one payment per year from this account. And how much you do need to draw is dependent on your age. So when Megan went through her sections about the transition to retirement account, you saw the slide that she went through, which referred to the minimum and maximum drawdowns, which are quite important when it comes to the transition to retirement account, which has the minimum 4% and the maximum 10% drawdowns.

00:36:46:01 - 00:37:12:04
Jash
But once you get over the age of 65, there's no longer a maximum drawdown, but there is still a minimum per financial year, which from the age of 65 to 74 is 5% and then slowly works its way up to as high as 14% once you get into your late 90s. So there is a minimum obligation for you to actually start drawing down some of this money when it is in a retirement income account.

00:37:12:06 - 00:37:36:24
Jash
In terms of how much you can start the account with. The good news is there is no minimum starting balance, and you can start the account up with, as I say, as the transfer balance cap, which is currently $2.1 million. So in terms of the payments, while you do need to receive at least one payment per financial year, you can actually break this down into much more frequent payment frequency.

00:37:36:24 - 00:38:04:08
Jash
So you can get paid as often as each fortnight. Or you might choose monthly, quarterly, half yearly or even yearly payments. But at a minimum, you must get paid at least once per financial year, and the amount you receive will depend on your age, as I mentioned, but will generally be if you're under 65, at least 4%, and if you're 65 to 74, at least 5%, and then going up from there.

00:38:04:10 - 00:38:28:06
Jash
So that's some of those key highlights. But now let's go down a little bit deeper and see what are some of those other benefits and considerations. So some of the benefits with the retirement income account is and I mentioned earlier that this is known as our flexible income option is because you have a lot of flexibility in terms of how you want this account to run for you, so you can adjust your income to suit your needs as long as you are getting the minimum.

00:38:28:09 - 00:38:48:05
Jash
You can choose any amount over and above that to cover all of the living expenses that you have. If you're someone like me and you have all of your different bills sort of turn up at the same time, your rego, your phone bill, your internet bill, etc., you might find that some weeks might actually be a bit more income heavy than others.

00:38:48:08 - 00:39:06:24
Jash
So what you can do is the weeks where you get some extra bills come in, you can adjust your income up for that fortnight, for example, to cover those bills. And then once they're paid, you can reduce them back down to their normal levels so you can adjust it up and down as per whatever payment frequencies you have selected.

00:39:07:01 - 00:39:25:10
Jash
On top of getting your regular payments, you can also still take lump sums at any point in time. So, for example, you might have set up fortnightly payments and the day after you get your fortnightly payment, you might find out that you need to take some extra money out, but you can't wait for another fortnight. That's completely okay.

00:39:25:13 - 00:39:49:02
Jash
You can simply make a lump sum withdrawal so you're getting regular payments, but also still have full access to the remaining capital to draw lump sums as and when required. Like the transition to retirement account, any income you draw out of the retirement income account from the age of 60 and onwards is completely tax free, as it also is with the accumulation account.

00:39:49:02 - 00:40:09:21
Jash
If you make those drawings from age 60 onwards. The big benefit of the retirement income account, however, is when it comes to the tax on the investment earnings with the retirement income account. As long as the amount

that you've got that you've started up here is less than the transfer balance cap, those tax on the investment earnings are going to be completely tax free.

00:40:09:23 - 00:40:32:02
Jash
Whereas if we remember when we spoke about the accumulation account, the tax was up to 15%. So when you were in retirement you've got money in a retirement income account. You can have a completely tax free account where the payments you were receiving a tax free and the income that you were receiving from your investment earnings are completely tax free as well.

00:40:32:04 - 00:41:02:07
Jash
You've still got a great range of investment options available to choose from. With this account. The only one option that you can't access is the lifetime option, which is only available for the accumulation account or the life cycle option, I should say. But the other 15 diversified and single asset class options are all available to choose from. So some of those popular diversified ones such as balance, high growth, conservative, etc. are all available to choose with the retirement income account.

00:41:02:09 - 00:41:26:13
Jash
Another point that Josh did mention earlier and touched on was the retirement bonus. So when you become eligible. So stopping work after the age of 60, or even if you're still working from age 65, you can receive a retirement bonus, which is 0.5% of the starting balance of the money that you've transferred into the retirement income account here.

00:41:26:13 - 00:41:47:22
Jash
So a nice little boost to start you off on your retirement journey. And what that retirement bonus is, is it's a payment made to you in lieu of the tax that we have set aside. Because remember, in the accumulation account, the tax there on the investment earnings is up to 15%. But with the retirement income account there is no need to pay that tax anymore.

00:41:47:24 - 00:42:06:12
Jash
It is a completely tax free account. So rather than keeping that money within the fund, we actually return that back to you as a bit of a retirement bonus to start your retirement off with an even higher balance compared to what you had initially wanted there. So a great way to start your retirement there with a little bit of extra funds there.

00:42:06:14 - 00:42:35:22
Jash
So now let's have a look at some of the considerations. Now, I did mention earlier that once you start the retirement income account, you can no longer add any money to it. So whatever money you have in there is what you have to play with. And yes, it can still grow through investment earnings if the investments are returning higher than what you were drawing out of the account, that could be a situation there where for a maybe even a number of years, the balance is actually still going up if you are only drawing out the minimum amount.

00:42:35:24 - 00:43:02:13
Jash
But what I did mention earlier was that depending on your age, those minimum drawdowns turned from 4 to 5% and can get as high as 14%. So in your later years, it's generally not really conceivable to get those sort of level of returns consistently each and every financial year. So there's going to be periods where you are actually drawing out or even mandated to draw more out than what the investment returns might be bringing in.

00:43:02:18 - 00:43:31:11
Jash
So there is that possibility that you could run out of money. And if you are drawing over and above the minimum requirements, then again, there's a possibility that this money can run out once you've started this account. Another key consideration with this account is that it is going to be assessed by Centrelink, regardless of your age. So with the accumulation account, where if someone was under the age of 67, any money they had in an accumulation account was not going to be assessed.

00:43:31:14 - 00:43:55:16
Jash
If that same person, if they're under 67, let's say they're 64, they convert that accumulation account into a retirement income account even though they're under 67. That full balance is now going to be assessed. So there's a couple of different trade offs there that you can see this account. It does give you tax free investment earnings. But there is now an obligation to draw out a minimum amount depending on your age.

00:43:55:17 - 00:44:18:21
Jash
And it is going to be assessed by Centrelink regardless of age compared to the accumulation account, where there's no mandatory drawdowns from this account. But the investment earnings are taxed at up to 15%, but the value of the account is not assessed while that person is under 67. So it's not as simple as choosing one option or the other option.

00:44:18:21 - 00:44:38:10
Jash
You really need to look at your overall retirement strategy and what your plans are in terms of where you want this money to come from, how you want it to be assessed. Whether tax on your investment earnings is important to really decide which of these accounts might be the right one for you. Keeping in mind that you can choose more than one option.

00:44:38:12 - 00:44:59:07
Jash
So the last option I'll bring up is the lifetime pension, or what we like to call our income for life option. As the name suggests, what you were going to receive with this account is a payment for the rest of your life. And it does have a very generous six month cooling off period to really decide if this account is going to be suitable for you or not.

00:44:59:09 - 00:45:20:20
Jash
Now we have almost 2.5 million members here at Australian Retirement Trust. This account may be right for some people. It may not be right for other people. Again, it really depends on what your situation is. But certainly if you are looking for a guarantee of payment for the rest of your life, this account could be something that might be worth considering.

00:45:20:22 - 00:45:39:18
Jash
So you have that six month cooling off period to really try before you buy, to see if this account is going to be suitable as part of your retirement strategy. But once that six months has passed, you are locked in for life. So you really do need to take that first six months to decide whether or not this account is right for you or not.

00:45:39:18 - 00:46:10:18
Jash

And if it's not, you need to make sure that you do exit out before that six months is up. One of the benefits of this account is that you do get some discounts on the means testing when it comes to the income test and the assets test. Now, how it works is that the income that you receive from this product is only assessed at 60% of the actual income for the income test, and then for the assets test, it's only assessed at 60% of the value that you took this account out.

00:46:10:18 - 00:46:41:08
Jash
So to give you an example, if you opened up a lifetime pension with, let's say, $100,000 for the Age Pension assets test, it's only assessed at 60%, so only $60,000 of that value would actually count towards the assets test for Age Pension, with that other 40,000 effectively being hidden or not counted. So that could in turn lead you to maybe get an Age Pension if you weren't previously eligible, or maybe even increased the level of Age Pension that you were receiving.

00:46:41:10 - 00:47:03:19
Jash
Now, while there is that discount on the income and the asset tests, we focused mainly on the assets side of things because that's where we tend to see people get the most benefit through the assets test. Discounting here, it becomes even better once you turn age 85, where only 30% is assessed on the total value of the product.

00:47:03:19 - 00:47:32:24
Jash
So in that situation, if you had a $100,000 lifetime pension, only $30,000 would count towards the asset test, again potentially increasing how much you could receive in Age Pension payments. Now, one thing to note with the payment frequencies here is it is only fortnightly, so there are no other payment options available in terms of how often you receive this payment, it is simply each fortnight for the rest of your life, however long that may be.

00:47:33:01 - 00:47:55:05
Jash
So let's have a look at a few more benefits and considerations now when it comes to opening up a lifetime pension, the terminology that I like to use is purchase, because what's effectively happening is you've got a superannuation balance. Some of that money will go into a lifetime pension, and whatever money you've put into that product you are no longer able to access as capital.

00:47:55:05 - 00:48:19:09
Jash
So you're purchasing a guarantee of a set payment for the rest of your life in lieu of you exchanging some of your superannuation balance into this product. So, for example, let's say you had $400,000 in superannuation and you decide to put $100,000 into a lifetime pension. What you now have available is $300,000 in your super that you can access and use.

00:48:19:13 - 00:48:44:08
Jash
And then I guarantee that you're going to get paid a fortnightly payment for the rest of your life. So I really want you to think of the lifetime pension in that sense that when you purchase this product, you no longer have access to that capital anymore to use. So let's go through some benefits and considerations here. The first one there again really is that it's fortnightly payments for the rest of your life, however long that may be.

00:48:44:13 - 00:49:11:08
Jash
It doesn't matter whether you live till the age of 90 or 105. As long as you keep living each fortnight, you know that you are guaranteed that payment into your bank account. Now, for those who are part of a couple and are worried

about, well, what happens to my spouse if I pass away? The good news is that you can set this up with what's known as spouse protection, so that your spouse can even continue receiving these payments for as long as they live to if you were to pass away first.

00:49:11:09 - 00:49:39:11
Jash
So you're essentially covering two lifetimes in one. I've gone through the advantages that you can have for means testing, but certainly there the reductions on what your assessable assets are going to be for the assets test for Age Pension could certainly lead you to maybe getting Age Pension for the first time if you weren't previously, or even enhancing or increasing the amount that you are receiving by lowering your level of assessed assets.

00:49:39:13 - 00:49:59:14
Jash
A common question that we get is, well, what happens to the money? If I was to pass away soon after taking out this product? And that's a really great question, because again, if I use an example of $100,000, let's say I bought this product or purchased this lifetime pension for $100,000, and I'd received $50,000 worth of payments and then passed away.

00:49:59:19 - 00:50:25:24
Jash
What happens to my money? The good news is, with this death benefit payable to your beneficiaries, it means that either you will receive at least what you put in in through income payments, or if you were to pass away early, your beneficiaries would receive the remainder. So if you were to pass away and had only received $50,000 worth of payments and you purchased this product for $100,000, your beneficiaries would receive the other 50,000.

00:50:26:01 - 00:50:54:23
Jash
So at worst, you or your beneficiaries do receive at least what you put in. So in that sense that it is effectively money back protection there because you're not going to lose any money compared to what you put in versus what is then returned back to you or to your beneficiaries. We'll go through some considerations now. So the things to think about with the lifetime pension is that the income might go up and down each financial year.

00:50:55:00 - 00:51:14:18
Jash
So what happens with this product is and again I mentioned there that once you put your money into this lifetime pension, it's effectively left your superannuation balance. It then goes into a big pool of funds that everyone that has a lifetime pension has put their money into. And this is then invested in our balance risk adjusted investment option.

00:51:14:20 - 00:51:38:02
Jash
Depending on how that investment option performs, that then dictates what the payments are for the next financial year. There is a 5% benchmark that it does need to meet, and if the investment returns are over that 5% benchmark, there's an increase to the payments in the next financial year. But in the financial years where it doesn't meet 5%, that's when you can see a little bit of a reduction.

00:51:38:04 - 00:52:00:15
Jash
The important thing to note is that the reduction or increase is only on the yearly amounts that you receive, but each fortnight in that financial year, the amount will be the same. So you'll have the annual adjustment, but then you won't see differences each fortnight there. So you can still plan and budget when you once you know what the fortnightly payments are going to be year on year.

00:52:00:17 - 00:52:29:08
Jash
The great news is with that balance risk adjusted investment option and accounting for that 5% benchmark, it is in vision that over the long term, it is going to meet and potentially even exceed the level of inflation plus that 5% benchmark. Of course, we just cannot guarantee that year on year, some years it might perform even better than inflation, other years it might not quite reach that 5% benchmark plus inflation.

00:52:29:10 - 00:52:51:14
Jash
So if we think about inflation or CPI being between 2 to 3%, that means that over the long term, we do expect the balanced risk adjusted option to be returning around that 7 to 8% mark. Once you factor in that 5% benchmark plus the rate of inflation there. So over the long term, we do expect this product to keep up with pace with the cost of living.

00:52:51:15 - 00:53:15:19
Jash
But again, we just cannot guarantee it year on year in terms of opening up this product. You do need to have met a condition of release. So effectively be at least age 60 to start up a lifetime pension and you need to have opened this product up by the time you reach age 80. Because what then happens after that is we just don't know how much longer after that that we might be paying you this product.

00:53:15:19 - 00:53:35:04
Jash
So there is a 20 year window for you to open up this product, but of course you can remain in it after the age of 80. You are in it for life once you pass that six month cooling off period. So again, just really want to stress that six months, it is a long, very generous amount of time to really decide if this product is right for you or not.

00:53:35:05 - 00:53:55:10
Jash
But once that six months does pass, you are locked in for life. So really take that time to decide if this product is right for you or not. And the last point I'll make is that again, there is no ability to withdraw your money out of this account unless it's within that first six months where you've completely left during the cooling off period.

00:53:55:16 - 00:54:13:06
Jash
But again, there is no access to your capital. So if you purchase a lifetime pension with $100,000 and then down the track, you've used up all of your other superannuation money and you need access to some quick cash. You cannot go back and say, actually, I want to take some money out of this lifetime pension. That is not possible.

00:54:13:06 - 00:54:39:16
Jash
So really think about where this product might align with what your retirement needs and goals might be and how it can work. So as I did mention earlier, it may not be suitable for every single one of our almost 2.5 million members, but certainly for those who want to enhance what they get from maybe Age Pension or just have that guarantee of payments for the rest of their life, this product could certainly meet their needs there.

00:54:39:18 - 00:55:00:18
Jash
So when it comes to this product, if we just compare all three of the ones that I've gone through, the accumulation account where your retirement journey begins, the retirement income account for your flexible income option there,

and then the lifetime pension for your guaranteed payments for the rest of your life. What you'll notice is that not one account really meets every single need that you might have.

00:55:00:20 - 00:55:28:01
Jash
If you want payments for the rest of your life and be able to revert this to your spouse so that they can continue receiving payments for the rest of their life. The lifetime pension certainly addresses this, but the other accounts may not do that. And also for age, pension means testing. You can get that discount with the lifetime pension, where it's only assessed at 60, or even potentially even only 30%, or the other accounts accumulation and retirement income account are going to be assessed at their full value.

00:55:28:03 - 00:55:48:01
Jash
But what if you want some flexibility? So if you want to be able to draw out lump sums, choose how you want the money to be invested. Adjust the levels of income up and down, those kind of things. That's where those other accounts are able to do that. But the lifetime pension doesn't allow you to do that.

00:55:48:03 - 00:56:08:10
Jash
If you want tax free investment earnings, lifetime pension and retirement income account can do that. But the accumulation account won't do that. But there is no obligation to draw from the accumulation account. So as you can see there, some accounts will have ticks in different columns. Some will have ticks in different rows. So not one account addresses everything.

00:56:08:10 - 00:56:30:10
Jash
But through the combination of all of them, you might be able to address all of your retirement needs and concerns. So one way that you might like to structure your retirement, and this is just one of many different possibilities that you have, is something called the income layering approach, where you can use these different accounts to serve different purposes in retirement.

00:56:30:12 - 00:57:04:11
Jash
So to make sure that all of your most basic necessities are covered, or what I like to call the cost of waking up every day your housing, your clothing, food, transportation, medical expenses, etc. these are given every single day, every single year. You know that these costs need to be covered. That's where once you do have that eligibility for the Age Pension, you might want to structure your accounts in a way where the Age Pension and maybe the lifetime pension both being guaranteed payments, can cover all of those absolute necessities in essentials that you do have day to day.

00:57:04:13 - 00:57:25:17
Jash
And then you can use your other money, the money that you have in the retirement income account, maybe accumulation account, and any other sources of income that you might have to really use that for all of your discretionary spending that you might have. So your meals out or your traveling, be that domestic or international leisure activities, entertainment, etc..

00:57:25:19 - 00:57:52:10
Jash
So you've got different pools of money and they are serving different purposes and addressing different income needs. You've got some money that you know that you need to cover every day and every year, being taken out from a pool of money that is going to be everlasting. So the Age Pension and the lifetime pension, and then you've

got a finite amount of funds there that you can use for all of your entertainment and extracurriculars that you want to do in retirement.

00:57:52:12 - 00:59:20:01
Jash
Again, that is just one approach of many different approaches that you have available, but hopefully that's giving you a better insight into how each of these different accounts work and how you can use them to find out your overall retirement strategy and make the most of the money that you do have in retirement. But what I'd like to do now is we'll go to a short break, and I'll invite Josh back to the desk here, and let's get into some of these questions that you have sent in.

00:59:20:03 - 00:59:28:08
Josh
Thank you very much everyone for staying with us. And Jash, a huge update from you. Welcome to today's session.

00:59:28:09 - 00:59:29:21
Jash
Thank you for having me at the desk.

00:59:29:21 - 00:59:31:20
Josh
But how are you feeling after that? All right.

00:59:31:21 - 00:59:33:01
Jash
Yeah. Feeling good? Yeah.

00:59:33:02 - 00:59:34:21
Josh
You've only had a short break mate.

00:59:34:23 - 00:59:36:14
Jash
Ready to tackle some questions.

00:59:36:15 - 01:00:04:14
Josh
So we have had quite a number of questions coming through. And I think it's important to qualify that there is a lot of information that we've gone through. So some of these questions are actually just wanting us to remind people of some of the things that we've been talking about. But it's also important for all of you to know that you will be able to watch this back as a video after the event in your own leisure, so you can go back and watch some of these points.

01:00:04:14 - 01:00:28:19
Josh
But I think, Jash, firstly, it felt like a long time ago that we were talking about some of the ages at which all of these options become available. Thinking about, we've covered transition to retirement, we've covered lifetime pension. We've covered all these different products. When can someone start to take advantage of of different retirement product options and accessing their super.

01:00:28:19 - 01:00:33:18

Josh
But also maybe we think in that about the Age Pension age as well. Just to clarify for people.

01:00:33:19 - 01:00:57:18
Jash
Yeah. So I guess the three main ages to be aware of when it comes to your superannuation is firstly age 60, when accessibility to your superannuation can begin. The next important age is 65 where it doesn't matter what your working status is, you've got full access to your funds and then the next one is Age Pension, which can begin from age 67.

01:00:57:18 - 01:01:05:06
Jash
So there are probably the three key ages to keep in mind when it comes to your superannuation and Age Pension eligibility.

01:01:05:07 - 01:01:30:21
Josh
And probably the only two I'd add on to that, although these are more something that we're perhaps picked up in other sessions, but that the age of 75 is then when we tend to see that some of those real contribution options just close off to you. But also, as Jash said in his update with the lifetime pension, that the opportunity to actually have that product also ceases at age 80.

01:01:30:22 - 01:02:02:20
Josh
So really, as Jash said, you've got 60, 65 and 67 is probably those main considerations with when you were coming in. Just really interesting what you were talking about in terms of the flexibility around the different products. Someone's asked just in regard to the retirement income account, once they make a decision around the level of income they're taking, what flexibility do they then have to change that?

01:02:02:20 - 01:02:06:18
Josh
And how easy is it for someone to to make changes with that account?

01:02:06:19 - 01:02:28:07
Jash
Yeah, certainly. It's very easy to make changes to your account. The easiest way to do that would be through your member online account, which does give you the ability to go in and actually change the level of income that you are receiving, how often you are receiving that money. So I did refer to earlier there the minimum drawdowns that you do have each financial year.

01:02:28:10 - 01:02:43:16
Jash
So as long as you are receiving at least the minimum and which is going to be based off your age and the starting super balance as at the 1st of July when you start the account, you can draw anywhere above that amount up to the total full balance. Yeah.

01:02:43:20 - 01:03:09:23
Josh
Wonderful. A couple of things I would like to pick up on. Just as questions have come in, but I think actually reflect on what Jash has said. The first is just you talked around the importance of considering insurance within your retirement journey. And if I can just make the point that as you age insurance, firstly, you you should get to a point that your insurance isn't so necessary.

01:03:10:00 - 01:03:31:04
Josh
And the reason why we say that is you now get access to your super. Let's assume you're over the age of 60. You could also be getting access to government support such as the Age Pension. So really the purpose of having your insurance isn't as strong. Likewise, hopefully you're seeing that you've got children who have now become independent.

01:03:31:06 - 01:03:56:09
Josh
And you're probably also seeing that things like your debts and things like that are managed or dealt with. The other thing to consider is you start entering into retirement is insurance can become incredibly expensive. And what we also see typically is a lot of those types of insurance tend to cease around the age of 65 or 67, generally within superannuation.

01:03:56:09 - 01:04:26:08
Josh
But it's really important, as Jash said, to think about your insurance as you're really going through that process of transitioning in and entering into insurance. The other thing was that, just talked about defined benefits. And we do have a lot of our members who are with within a defined benefit. Just maybe before I go to a point I want to make, can you explain, just for people who may not know, we talk about defined benefit and accumulation.

01:04:26:11 - 01:04:29:22
Josh
What do we mean by both? Just in real layman's terms?

01:04:29:23 - 01:04:58:04
Jash
Yeah, certainly. So the defined benefit account is a sponsored account where your final outcome is generally dictated by a formula. Not so much what the investment markets are doing. So with an accumulation account. It's all on the premise of money in versus money out. So what the employer is contributing in those monies are then being invested. And depending on the investment option and the returns you were seeing, they determine what your final balance is going to be.

01:04:58:09 - 01:05:08:14
Jash
Whereas with a defined benefit account, there's usually some sort of a formula involved based off the number of years that you have been working and what sort of salary that you have at cessation.

01:05:08:17 - 01:05:34:10
Josh
And it's probably thinking in, in really basic terms and accumulation accounts, a bit like having a bank account transactions in transactions off it's open to investment risk but also investment opportunity. Whereas as you said, a defined benefit is really going to be based on your salary to a large extent along with some other things. But the important thing is defined benefits.

01:05:34:12 - 01:05:37:00
Josh
Not a lot of us have them. Do we?

01:05:37:01 - 01:05:53:00
Jash

No, it's a very old style of account. Yeah. So generally most people these days will have an accumulation account. It's a yeah. Only sort of maybe. Yeah. Government departments and large corporate employers that will have those defined benefit accounts remaining.

01:05:53:05 - 01:06:16:10
Josh
That's right. So for those of you who may have heard us dropping in things like defined benefit versus accumulation, that really just from just helps put it in some context. Now just mentioned there may be some members with some of our large corporates particularly who have had superannuation for many, many decades, that some of them might themselves have defined benefits.

01:06:16:12 - 01:06:40:11
Josh
And it's important to just be aware that some of them also have additional options or considerations when it comes to retirement. So if you are one of those members, and you most certainly will know if you are that if you have a defined benefit through one of our large corporates, that that may be best just to also check, additional options or circumstances that you maybe need to consider.

01:06:40:13 - 01:07:09:19
Josh
So, Jash, probably one last question for me is we often get people thinking about their retirement, thinking about superannuation, and something we've talked about within all of this is that your income isn't necessarily just what is coming from retirement. I'm going to give you a challenge. If I could, how would you summarize how a person should think about all of their sources of income in retirement?

01:07:09:19 - 01:07:25:20
Josh
You talked about the layering is maybe a way to think about it. How should a person really consider how their superannuation fits in with everything else, or the opportunities that it gives to them that other sources of income may not?

01:07:25:22 - 01:07:49:05
Jash
Certainly. So I guess the big one with your superannuation is just the tax effectiveness of it, where, especially from age 60 onwards, any money that you draw out is all going to be tax free. And depending on what accounts you hold, the investment earnings could even be tax free as well. But yes, certainly superannuation is not the only money that you might have in retirement.

01:07:49:06 - 01:08:07:20
Jash
You might have a share portfolio, you might have investment properties or other sources of income. But what you might tend to see is that that money, any capital gains or income that you receive, it's going to be taxed at your marginal rates of taxed, whereas inside superannuation that rate could be as low as zero.

01:08:07:22 - 01:08:37:09
Josh
Thank you Jash and thank you all for being with us on this journey. We are almost at the end where we'll be talking about how you can thrive in retirement. We want you to be at a point where your retirement journey is allowing you to really enjoy the best part of your life. On that note though, we would like to also encourage you to continue exploring, exploring your super, your retirement, and what your plans are.

01:08:37:11 - 01:09:02:17

Josh
We actually believe very firmly that information and education empowers you. It gives you confidence and allows you to make the right decisions for what you need and want. And there's a lot that Jash in particular has covered off with us today. So I would encourage you to jump on to our website. Also, jump on to our Take the Wheel program, which we saw in the break a video on.

01:09:02:17 - 01:09:21:08
Josh
But also I encourage you to listen to our podcast, our Super Insider series, which unpacks so much of what Jash has covered of today with me, as well as what we heard from Megan earlier. On that note, thank you for being with us. Until next time, look after yourself.