00:00:33:09 - 00:00:57:02
Josh
Congratulations. If you've been watching all of this series, you have made it to the end. And for those of you who have missed earlier episodes, we encourage you to check those out online and watch them back. My name is Josh van Gestel. I'm the senior Manager of Education here at Australian Retirement Trust, and it is my privilege to be with you all.

00:00:57:04 - 00:01:27:08
Josh
And this is the session we've been building to. Not planning for our retirement, not building for our retirement. Not understanding how we can receive income from our super in retirement, but to now be really thriving and enjoying our retirement journey and to be fulfilling what we've being aiming for many, many decades. Before we get started, though, I'd like to make a few acknowledgments.

00:01:27:08 - 00:01:50:23
Josh
Firstly, as I've already said to all of you for joining us along this journey, but secondly, to the traditional owners of the lands from which we are broadcasting this event, this place now known as Brisbane, the lands of the Turrbal and Jagera nations. I'd like to also acknowledge and pay my respects to all those traditional owners from the lands in which you are joining.

00:01:51:00 - 00:02:20:17
Josh
But also I acknowledge that this event is of a general nature only. And what I mean by that is we don't know your unique personal circumstances or needs, and so it's difficult for us to actually provide those answers to you in this session. So for both what we're talking about in this session, as well as for our team who are online answering your questions, please know that we can just give you some general guidance and direction.

00:02:20:19 - 00:02:48:22
Josh
And we encourage you to explore information or reach out to us or to your own financial advisor for further assistance when needed. So what have we been building towards? Well, what we've been talking about throughout this entire journey is that you are going to get it, get to a point where you can enjoy living your retirement. You can start thriving in that retirement.

00:02:48:24 - 00:03:16:09
Josh
And a lot of what we're going to talk about in this session is non-financial. We are going to cover off some important things, particularly around the Age Pension. But we also want to think about the other considerations that play a very big part in your final destination with retirement. But I just want to check back in on some of the things that we've discussed throughout this program.

00:03:16:11 - 00:03:48:13
Josh
And the first is remembering that your incoming retirement is going to come from a number of sources, and these sources will ebb and flow over time and as your circumstances change, as we've been discussing, you may get access to the Age Pension at certain points of your retirement. You might be someone who has Age Pension right the way through your retirement, or you might where you're fully self-funded, not have access to it at all.

00:03:48:15 - 00:04:14:22
Josh

But there should be some expectation that it may, in fact, ebb and flow over the many decades of retirement we hope you'll enjoy. Likewise, you may see employment, income or income from other sources also ebb and flow as you choose in retirement to perhaps work for short periods, and that might be over a number of months. It could be coming out of retirement for a year or so.

00:04:15:03 - 00:04:56:02
Josh
Remembering that, we do typically see that most Australians now retire more than once at some point in their retirement, they are seeing employment income come into their retirement requirements. And lastly, and finally, and very importantly, what we've been discussing throughout all of this is having your superannuation, more than any of these others, gives you flexibility. You have worked all your life and effectively put aside part of the wage you have earned all your life to start receiving.

00:04:56:03 - 00:05:30:14
Josh
Now, your superannuation is a deferral of your wage for a later point in life. And this is it. And your superannuation gives you some certainty. It gives you flexibility. It gives you choice. And we've explored this over recent weeks, particularly when it comes to things like investments and what you can really do with it. Now, as I've also noted throughout this series, there are though going to be challenges that you face into in retirement?

00:05:30:18 - 00:06:02:07
Josh
And you should have this expectation. And hopefully, though you've been set up to a point, that some of these challenges you can get through without too much concern and hopefully with little impact. And this includes over that time, you might have one off expenses emerge, things that you hadn't planned for that you now have to contend with. You may have investment volatility or inflation actually come into the mix.

00:06:02:07 - 00:06:33:07
Josh
That will impact your investment earnings, as well as the value of your investments and the income you derive, you might have changes to the way you're spending money. The things you are doing when you enter into retirement may be very different to the needs, and the way you're spending money in the decades well into retirement. Consider things like healthcare needs or that as you get older, you may not be traveling as much.

00:06:33:11 - 00:07:00:22
Josh
You may be spending money differently. Aged care or moving into some other phase of life may start to need different expenditure. Then when you first enter into retirement, we've also talked about longevity risk, the risk that you'll keep living. It sounds a bit like an oxymoron, but it's having that expectation where it's appropriate that you may live a long time.

00:07:00:24 - 00:07:31:13
Josh
In my own case, and I've talked about this, that I've got a number of aunties who have lived well into their century that have lived beyond 100. My father passed away in his early 90s, and my mother is still going strong at 92. These are things I should have an expectation for that if I live happily and healthily, and if I don't do anything too stupid, I should have a very long life.

00:07:31:17 - 00:07:57:21
Josh
How do I fund for that? And knowing that I'll have a long life, I should have the expectation that somewhere in there the government may change legislation. They may change rules around the Age Pension, or they may change

other ways that I can access my superannuation or other retirement support as I'm in retirement. Just assume that change will occur.

00:07:57:23 - 00:08:41:18
Josh
But hopefully you've been set up for success around it. Before I hand to judge who'll take us through the Age Pension, I'd just like to double down on one of those points that I made that your income needs, your spending habits, and the way you look at money could very well change over your retirement. And what you'll see is based on where you are in your retirement, certain needs and expenses will get higher, such as care costs and health costs and thinking about aging support, whereas other things may actually disappear from your requirements, including a lot of areas like travel.

00:08:41:19 - 00:09:16:05
Josh
For example, please know that your income what you will need year from year is not static. It is not the same. It will change and you will need to be flexible to that. Underpinning all of this though, is for many of us the Age Pension and to take us through that in more detail. I'll hand over to Jash and following on from Jash, we'll hear from April to talk about a lot of the non-financial things we should be considering.

00:09:16:07 - 00:09:49:01
Jash
The Age Pension is a provision that many people from the age of 67 are able to receive to help supplement their income in retirement, over and above what they might be drawing from their superannuation. Over this next little segment here, I'm going to take you through all of the ins and outs of the Age Pension, and really bust some of the myths and misconceptions that might arise in terms of who is able to receive the Age Pension, what sort of amounts you might be able to receive, and what thresholds you need to abide by in order to receive a payment.

00:09:49:03 - 00:10:10:18
Jash
So let's go through this in a bit more detail. As I've mentioned, this is a payment that many Australians from the age of 67 are able to receive. There is an income test and asset test provisions that you do need to meet that as well, as well as the residency requirement of at least ten years of residency in Australia.

00:10:10:20 - 00:10:32:21
Jash
When it comes to applying for the Age Pension, this can actually be done three months before you turn 67, so it's important to get your paperwork in order before turning 67 so that these payments can begin as soon as you pass that milestone of 67 years of age there. In terms of how much you might be able to receive.

00:10:33:00 - 00:10:57:10
Jash
We've just got on the screen here what the maximum amounts are, which as a single person is about $1,200 a fortnight, which equates to about $31,000 per annum. And as a couple you can receive about $900 each, or around $1,800 a fortnight combined, which then gives us a yearly income of about $47,000 per annum combined as a couple.

00:10:57:12 - 00:11:16:12
Jash
Now, keep in mind that they are the maximum payments that you might be able to receive as a single or a couple, but how much you actually will receive depends on your levels of income and assets that you do have while you are in retirement. So let's go through this in a bit more detail in terms of the test itself.

00:11:16:14 - 00:11:40:21
Jash
So when it comes to the assessment for the Age Pension, they do have a look at your assets as well as those of your spouse as well. Centrelink. Does information share with a lot of other departments such as the Australian Tax Office, Transport and Main Roads etc. so they do have a pretty good idea of what assets you hold and what sort of income you are receiving.

00:11:40:22 - 00:12:07:03
Jash
So it's always best to be honest when you are completing your Age Pension application. If your spouse is still working, their income is going to be counted as well as any assets that they have aside from any money in their accumulation superannuation account while they are under the age of 67. The first test that Centrelink or Services Australia will apply it to you is the income test.

00:12:07:05 - 00:12:36:08
Jash
So they're having a look at all of the different incomes that you are receiving and then assessing it against the thresholds to see if you do qualify for a payment underneath the income test provision. If you are able to pass the income test, so you are under the maximum threshold, then they move on to the assets test to have a look at what assets you are currently holding and whether or not they are meeting the thresholds for you to be able to receive a payment under the assets test.

00:12:36:10 - 00:13:02:09
Jash
Once you've been determined through the income test and Assets test, what will actually happen is the Services Australia will have a look at which under which provision your payments are less, and that is the payments that you would receive. So if you were receiving more under the income test but less under the assets test, whatever amount you receive from the assets test is the level of support you would receive from the Age Pension, and vice versa.

00:13:02:10 - 00:13:22:24
Jash
If your payments from income test were going to be lower than what you received from the assets test, then that is the payments that they would use to formulate how much you receive from Age Pension there. So let's get into a bit more depth as to what is included in these different tests. The first one again is the income test that gets applied.

00:13:23:01 - 00:13:48:00
Jash
So firstly, if you are still working or having any sources of income coming through, whether it be from a job or from a business, these will be counted. And as I mentioned earlier, also income that your spouse is receiving as well. If you have financial assets, there is a special type of assessment made on these things called deeming, which determines how much income you're receiving from these financial assets.

00:13:48:01 - 00:14:05:13
Jash
We'll go through that in a bit more detail in a second. They also have a look at any other sources of income that you might get, whether they be from international sources or even other investments such as holding investment properties and the like.

00:14:05:15 - 00:14:27:24
Jash

In terms of the income test. So there are certain limits that you need to be under in order to receive a full or part Age Pension. Now, the first lot of figures that I bring up is how much you are able to receive per fortnight in order to be able to receive an Age Pension payment. So as a single person, your income needs to be less than $226 a fortnight.

00:14:27:24 - 00:14:57:19
Jash
And as a couple you can have a combined income of just under $400 a fortnight, $396 a fortnight to get the maximum Age Pension payment. However, if you are over these limits but you are under as a single person, $2,627.80 a fortnight, and as a couple combined, under $4,016.80, you can get a part payment through the income test.

00:14:57:21 - 00:15:24:06
Jash
If you are over these limits per fortnight, then that's where you may not be able to get any Age Pension payments. However, if you are receiving income through working, there is a work bonus that you might be eligible for. And again, we'll go through this in a bit more detail in a second. Now, for each dollar that you own over those lower thresholds there, you actually lose $0.50 in Age Pension payments.

00:15:24:08 - 00:15:46:17
Jash
So for example, as a single person, if you were to earn $227 in that fortnight, you're $1 over the limit there, which means your pension would actually be reduced by $0.50 from the full rate. And tapers away until you reach those maximum thresholds, at which point the payments would cut out or you would not be eligible for one.

00:15:46:19 - 00:16:05:16
Jash
So that was per fortnight. If we just have a look at this over a year, then you can get a bit more of an idea of how much you might be able to earn across a financial year and still get some Age Pension as a single person. It's getting close to $6,000 over the course of the financial year, there 5876.

00:16:05:20 - 00:16:39:06
Jash
And as a couple combined, it's a bit over $10,000 there. So 10,296 in order to get the full Age Pension through the income test. And again, if you are under the maximum threshold, which as a single person is a bit over $68,000, there $68,322.80. And as a couple combined, it's a bit over 100,000 $104,436.80. So as long as your yearly income is less than that, you may be eligible for some Age Pension payments.

00:16:39:08 - 00:16:59:24
Jash
However, the important thing to note is with the income test, it is assessed each fortnight. So if your income is a little bit sporadic or there's some fortnights where you might get more income and some fortnight's where you might get less income, you could see your payments fluctuate from Age Pension if you are going to be paid through the income test there.

00:17:00:01 - 00:17:22:20
Jash
So even though your yearly amounts might be less than those maximum thresholds, depending on how much you are earning each fortnight, some fortnight's you might get the maximum payment, some fortnights you might get a part payment and other fortnight's you might not get any payment at all if you are over the threshold for the fortnightly limits that when it comes to the income test.

00:17:22:22 - 00:17:49:20
Jash
So now let's get into this work bonus, which is a provision that does allow you to earn some income without it affecting the income test for Age Pension. And this provision is that the first $300 a fortnight of income that you earn through work doesn't actually count towards the income test. And this can actually bank up each fortnight $300 a fortnight to a maximum of $11,800.

00:17:49:22 - 00:18:14:06
Jash
Everyone that starts on the Age Pension also starts off with a $4,000 bank built up when it comes to the work bonus, which means that you can start working straight away and until you start eating into that $4,000 and then an additional $300 a fortnight, you might be able to still continue receiving the full Age Pension while you are working there.

00:18:14:07 - 00:18:37:05
Jash
So that one there does allow people to still work in retirement without it affecting their Age Pension. It all, of course, depends on how much you are going to be working, but over the course of a year it could allow you to earn close to $12,000 without any impact to your Age Pension. Next, we'll move on to the assets test.

00:18:37:08 - 00:18:59:22
Jash
So when it comes to what's included, you might have heard me mention earlier that your principal place of residence is not actually included for the assets test in most circumstances, and it's generally everything outside of that. So when we have a look at what assets are included, it is your superannuation balance. And in the case of a spouse only once they turn 67.

00:18:59:22 - 00:19:25:15
Jash
So again, if they are under the age of 67 and the money is in an accumulation account, it can actually be exempt from means testing. But otherwise other monies in superannuation accounts will be assessed as well as money that you do have sitting in a bank account. They do have a look at your value of your motor vehicle trading value, and then also your home contents at fire sale value.

00:19:25:17 - 00:19:53:07
Jash
Other things that do count include things such as any annuities or pensions that you are getting from superannuation, as well as any other financial investments that you might have. And that's where they have that assessment called deeming, which is applied to those financial investments. There. Any inheritances or deceased estates that you might receive are also going to be included as well as real estate again outside of your principal place of residence.

00:19:53:10 - 00:20:17:22
Jash
So in terms of that exemption, as long as your home is on less than two hectares, which is about 20,000m², your principal place of residence is excluded from the assets test for Age Pension. It doesn't matter if you're on a $500,000 home or a $5 million home. As long as it's on less than two hectares, it is not going to be assessed for those who are living on more than two hectares.

00:20:17:22 - 00:20:40:23
Jash

So maybe you've got large acreage or farmland. Just keep in mind that some of that property might actually be assessed as having a determined value there, which could then affect you when it comes to the assets test. So in terms of the threshold for the assets test, there are different thresholds depending on whether or not you are a home owner or not.

00:20:41:02 - 00:21:09:10
Jash
So if you are still renting in retirement and are not a homeowner, you have slightly higher thresholds to compensate you for the fact that you don't own a home in retirement. But first, let's have a look at those who are home owners. So as a single person home owner, in order to receive the maximum rates of Age Pension, you do need to have assets of less than $333,000, and as a couple needs to be less than $499,000.

00:21:09:12 - 00:21:39:14
Jash
So keep in mind that's excluding the value of your own home. As long as you are living on less than 20,000m² of land there. So we're looking at things outside of that, which, as I've mentioned, are things like your bank balance, super account, motor vehicle, home contents and other financial investments that you might have and other assets. Now in order to get a part pension, as long as your assets as a single person homeowner are less than 733,500, you can be eligible for some payment.

00:21:39:15 - 00:22:10:04
Jash
And as a homeowning couple, you can have just on or just above $1.1 million in assets outside of your own home and still potentially get a part Age Pension payment there. So 1,102,500 as a home owning couple, once you go over these limits though, that's when you are over the assets test threshold. And no payment is possible for you because you have gone over the amount of assets you are allowed to hold and get a payment from Age Pension.

00:22:10:06 - 00:22:55:05
Jash
So that's for our homeowners. As I've mentioned with the non homeowners, there is a different test like the income test. There is a bit of a taper rate here where for the assets test, for every $1,000 you go over the minimum threshold, you actually lose $3 a fortnight from Age Pension or $78 a year. So again, if I just refer to the single person, if they had assets totalling $334,000, their $1,000 over the minimum thresholds there, which means that because their $1,000 over their Age Pension payments is going to be $78 less for the financial year, then compared to the full rate of Age Pension that they could receive.

00:22:55:07 - 00:23:15:12
Jash
So for the non homeowners. So because you are renting, you do have a slightly higher threshold and still be able to get an Age Pension payment. So as a single person you can hold $600,000 of assets and still get the full payment. And as a couple it's $766,000 of assets you can hold and still get the full payment.

00:23:15:18 - 00:23:45:07
Jash
Then we've got those taper rates there. We can get a part Age Pension for a single person, just over $1 million mark there, $1,000,500. And as a couple there, if you're not owning your own home, $1,369,500 worth of assets to still be able to receive some Age Pension there, if you go over those thresholds, that's where, again, no payment would be made because you are over the limits to be able to be eligible to receive a payment.

00:23:45:11 - 00:24:11:03
Jash

And as I referred to on the previous slide there, you've got that taper rate where for every $1,000 you go over the lower threshold there, you start receiving $78 less a fortnight in age $78 less per annum in Age Pension payments. Now, I mentioned earlier and I referred to this special way of assessing financial investments called deeming.

00:24:11:05 - 00:24:31:05
Jash
Now, the reason that this is done is because your financial investments could be receiving different amounts of returns, depending on what type of financial investment that it is. Money that you've got in the share market could be returning differently to money that you hold in a bank account, which could be different again, to money that you hold in a superannuation account, and so on and so forth.

00:24:31:07 - 00:25:04:01
Jash
So rather than having to record and report the different returns that you receive from all of these different financial assets, services just applies a blanket rule on all of these financial investments so that they are all assessed to be receiving the same amount. You can see there as a single person, the first $66,800 worth of financial assets that you hold is deemed at the lower rate, which is 1.25%, with the remainder of those financial investments then assessed as returning 3.25%.

00:25:04:03 - 00:25:34:00
Jash
If you are a couple, you can have a higher amount there 110,600 combined worth of financial investments as a couple, where it's only being deemed at that lower rate of 1.25%, and then any amounts that you hold over and above that is then assessed at that upper rate of 3.25%. Now, if we compare these deeming rates to what actual returns you might be able to receive from your financial investments, you might find that you could actually get a higher return.

00:25:34:00 - 00:26:06:05
Jash
So, for example, the money that you've got in the share market or in your superannuation account and potentially even bank interest might actually be getting you higher returns. And what those deeming rates are actually are. So you might actually find yourself being better off where your returns are actually more than what they're being assessed as returning. But to keep it nice and simple for Services Australia, rather than having to report all of your different returns, it's just going to be one blanket set of returns for all of your financial investments to keep it nice and easy.

00:26:06:07 - 00:26:30:02
Jash
Another thing to keep in mind is something called gifting, where you are allowed to gift some of your money away and it not impact how much you receive from the Age Pension. Now this limit and it's the same whether you are a single or a couple. This limit is $10,000 per financial year, and you have a five year total that you can give away, of $30,000.

00:26:30:02 - 00:26:53:18
Jash
And that is a rolling five year period there. So whether you do $10,000 and then skip a year, do another $10,000 gift, skip a year, and then do another $10,000 gift, or you do $6,000 a year over five years. That's the ways that you might be able to remain under those thresholds there. Now, in terms of gifting money or assets away, you can gift more than those limits.

00:26:53:18 - 00:27:17:00
Jash

That's not a problem. However, if you gift away more, those amounts are still going to be counted as part of your assets for up to five years. So that is something to keep in mind when it comes to gifting this money or assets away, that the value of that could still count towards your assets test. Which means that while it doesn't reduce your payments, it just means moving forward.

00:27:17:00 - 00:27:43:23
Jash
You may not get as much because your assets are being assessed at a higher amount than what they actually are due to your giving away large amounts of your assets there. So when it comes to giving away your assets, they do assess this and actually go back five years as well. So if you were to give away something within the previous five years, it is still going to be assessed as part of the assets, there as well.

00:27:43:23 - 00:28:08:20
Jash
So if you're going for Age Pension at age 67, for example, anything that you've been giving away from age 62 up to age 67 will still be considered as gifts and it will be applied against those thresholds there. So if you are planning on gifting, maybe get some advice on what might be the best way to do so that you are not impacting yourself for your Age Pension moving forward there.

00:28:08:22 - 00:28:30:08
Jash
The last thing I wanted to talk about, which is something which might still be applicable even if you can't get any payments from Age Pension due to your level of assets and income, is the Commonwealth Seniors Healthcare Card, which actually has much higher income thresholds when it comes to be able to be eligible for this payment or card.

00:28:30:10 - 00:28:55:02
Jash
So for the Commonwealth Seniors Healthcare Card, the income thresholds are a lot higher. Whereas a single person you can earn a bit over $100,000 per annum. So $101,105. And as a couple you can have a combined income there of $161,768. And if you are a couple separated by illness, the money is even higher. Again there where the threshold is over 200,000.

00:28:55:07 - 00:29:30:03
Jash
So $202,210. So if your income is over the limits for you to be able to receive a payment under the income test. But it is under these limits, you might still be able to receive the Commonwealth Seniors Healthcare Card, which could in turn give you things such as cheaper medications and the like. So while you may not be able to get the full benefits from the services Australia and the Age Pension, there might still be a provision in place there where there is some benefit to you when it comes to your health and medications through the Commonwealth Seniors Health Care Card.

00:29:30:05 - 00:29:55:06
April
Lot of great information there from Jash on the Age Pension. My name is April and I'm here to talk to you about some stories, really that, I want to share with you throughout my 14 year journey within superannuation. So I first started in the contact centre, and now I am working within education. And one of those really important factors of your retirement.

00:29:55:06 - 00:30:17:18
April

Yes, it is financial aspect of retirement, but it's also your well-being. So I want to talk to you about protecting yourself in your retirement. So I'm going to talk to you firstly about your well-being. So we'll talk a little bit about your day to day and how you can keep yourself fit and healthy and active, also protecting yourself from others.

00:30:17:18 - 00:30:39:06
April
So we're going to look at scams and things to really consider, especially when you're putting on things like a power of attorney. And then I want to talk to you a little bit about estate planning. So looking after, you know, our loved ones when we do pass away. But let's firstly focus on the change of when we come from work to retirement.

00:30:39:09 - 00:31:01:22
April
And I want to just really share a few stories in this segment here. There was a gentleman, that one of our colleagues said that they saw at the bus stop very regularly with their briefcase going to and from work, and they couldn't wait until they retired. So what they did is, you know, the Monday when our colleague turned up at the bus stop, he was no longer there.

00:31:01:24 - 00:31:26:20
April
And he said, when I retire, I'm going to do all the odd jobs in the house now. He did all the odd jobs. He painted the house, he did some renovations. He even put a lick of paint on the, the kennel for the dog. But then he found himself quite bored in retirement. So our colleague found this gentleman back at the bus stop with his briefcase because he hasn't really prepared for his retirement.

00:31:26:21 - 00:31:47:04
April
So it is really, really important for you to consider if you're entering into retirement or if maybe you're in retirement and you may have not considered what you might want to do in your day to day. I want to share a few things with you to consider. There was a couple that I met only, two weeks ago, actually.

00:31:47:06 - 00:32:23:23
April
The gentleman and the lady, they both retired and he actually found himself wanting to do a lot more. So he bought himself a cattle farm. So he bought himself a cattle farm. He put a container on that farm. And effectively, he's been hammering away to try and get this container liveable so that his wife wants to come and stay out on the cattle farm with him, and also bring all his grandchildren and his children to the farm, whereas his wife, I spoke to his wife as well, and she said, look, I really cannot stand going out to the cattle farm.

00:32:23:23 - 00:32:51:14
April
She didn't like the smell and she wanted to, you know, stay at home and create or design jewellery that she sells at the marketplace. So those are two very different, retirement plans for two different people within a couple situation. But I know for my own parents, my dad, when he retired, he entered into retirement at the age of 55 due to total and permanent disablement.

00:32:51:14 - 00:33:16:14
April
So out of everyone, you know, of his friends, he was, you know, the least prepared for retirement and entering into retirement. So a lot of the times he just stayed at home, you know, did the odd job around the house and just waited for my mum to get home. But when my mum retired at 67 because she could have access to Age Pension, like Jash has mentioned earlier, she was fully prepared.

00:33:16:14 - 00:33:37:13
April
So she had looked all in the area where the senior clubs were and she joined the clubs and now once a year I see them doing ABBA concerts and they're singing and they're dancing on stage, and I only picked him up a few nights ago with their booze and bad manners. So they are thoroughly enjoying retirement. And I just want to kind of highlight these two different stories.

00:33:37:13 - 00:34:00:06
April
Whilst one person may be able to keep themselves entertained with by buying a cattle farm, he might have had a lot more money. But my parents are having a fantastic time in retirement and they're living off the full Age Pension, so it really does depend on what you want to do in your retirement. Also, when you are planning on spending your money, spend it.

00:34:00:06 - 00:34:22:23
April
As Josh mentioned earlier on in the piece, our expenditure tends to go down in our later stage, in our frail stage of retirement. So we have our active phase where we want to do more passive stage when we're winding down, and then our frail stage. Now when you are doing a retirement plan and you're putting that together, look at life expectancy, which is about mid 80s for a lot of us.

00:34:22:24 - 00:34:50:01
April
And when you speak to financial advisors, they'll also add another five years buffer on the end of that. Because as Josh mentioned at the start, longevity can be a risk for some people as well. So when you are planning, consider that life expectancy is around mid 80s. But then, you know, you may want to add a couple of years buffer when you are planning, or particularly if you've got all your family members living till over 100 years of age.

00:34:50:03 - 00:35:12:17
April
So from today, I want you to go away and think about what you want to do on your Monday, Tuesday, Wednesday, Thursday, your week, your month, your year, your decade, what that's going to look like for you. And those spenditure changes over time. So can you maybe do a little bit more travel, particularly in your earlier phase, your active phase of retirement?

00:35:12:19 - 00:35:34:17
April
You know, do you want to maybe, you know, a bit of a sea change, you might move house, you might start volunteering to take up some of your time, you know, look at the hobbies. Like I said, that lady, she creates her own jewellery and sells them at the market. I know my mum. She's crocheting all these different bookmarks and sewing bags together, you know, keeping herself busy.

00:35:34:17 - 00:35:59:08
April
So really look at the things that you can do. What keeps you interested and keep you active in your retirement. Because that is really, really important. Now, the other part of protecting yourself is protecting yourself from scams. And we want to let you know that we will never call you from an unknown or a blocked phone number. We will never give you a call and ask for your member online details.

00:35:59:09 - 00:36:21:07
April

Okay, that is your private information. We will never call and also ask for your bank details for any payments over the phone. So be prepared that if you get a phone call that you might question, just hang up and give us a call back to our contact centre and just say, hey, did you call us? Because I had this funny phone call and I wasn't quite sure.

00:36:21:07 - 00:36:42:12
April
So please, if your gut tells you to not answer the call or answer any questions, you hang up and you call us because we want to make sure that you are safeguarding your money. Another thing as well is a, I guess, be aware of elder abuse. And I know, you know, a lady, her brother, they both had powers of attorney on their mother's estate.

00:36:42:15 - 00:37:06:03
April
Her mother, went to a nursing home. She had dementia, and she noticed that her brother was actually taking money out of the account to pay for his day to day shopping, living expenses, etc. so wasn't really making sure that they were working in the best interest of their mother. So, you know, that took, you know, a lot of lawyers to look at that.

00:37:06:03 - 00:37:24:06
April
So please be aware that especially if you've got, you know, if you're trusting someone with power of attorneys, that you are making sure that you can look at things like, is my bills being paid on time? Do I have food in the fridge? Who's looking after me? Is somebody abusing their power that I have put in their hands?

00:37:24:06 - 00:37:47:21
April
So that's just another thing to highlight and mention. Just to be mindful of. You might not have it within yourself personally, but you might see it in a friend. So just wanting to highlight that that does actually happen in retirement, which is very unfortunate. Then planning ahead for your loved ones really and for yourself. So estate planning I want to talk about now, have you got a will in place?

00:37:47:21 - 00:38:10:21
April
Because if you've got your will there, it notifies us or notifies your estate who you want your funds to be paid to. You can also put through an enduring power of attorney. This allows somebody to effectively. If I look at your superannuation, they can handle your financial affairs. They can maybe take money out of your account on your behalf or yourself.

00:38:10:23 - 00:38:38:02
April
Enduring guardian. This is someone you trust with your medical decisions. So this person might make the decision for potentially where maybe you are incapacitated to no longer make those decisions. And they might say you do need full time care. Somebody that you trust. You can put these enduring guardians on there as well. There's also advanced care directives. So this is where you can actually nominate how far you want your medical procedures to go.

00:38:38:02 - 00:39:04:17
April
So you can say, look, at this point I just want to I don't want to do further operations or procedures. I want to just ride this illness or injury out. So you can also put advanced care directives in, put a financial plan in place. I know my mum, she's got a folder of all of her, you know, the will, the enduring power of attorney and enduring guardian and advance care directive.

00:39:04:18 - 00:39:21:00
April
She's got all this in a folder with her bank details, with her insurance details, basically everything we need to know. She goes, April, make sure you know it's in this top drawer here at home. So have that available. Have that ready for your loved ones. If in the event something happens to you, they can just go straight to that top drawer.

00:39:21:02 - 00:39:47:15
April
They have a folder with all of your information that they need. To, to work out, you know, what, you're what you're needing. There's also nominating beneficiaries. Now this is really important within your super. It's your estate planning within your super. Now why is it important? It's so that you are making sure that your right assets are paid to the right people, at the right time, in the right way.

00:39:47:17 - 00:40:12:11
April
So if we don't have a nomination on the account, it can actually take a lot longer to actually process the your money to come out of your account. So look after your loved ones as well. Who can you nominate? What is a binding death benefit nomination? A binding death benefit nomination? Says that you are wanting your balance of your account to be paid out to.

00:40:12:13 - 00:40:35:10
April
Maybe you've nominated your spouse or your spouse and your children as a percentage. So you're nominating a lump sum to be paid out of your accumulation defined benefit income account, or your lifetime pension, you're nominating that amount to come out of super and to be paid to a certain person or people. A reversionary beneficiary is something that you can have on an income account.

00:40:35:11 - 00:40:58:23
April
Now, these are really important because, you know, in earlier education sessions we talk about, you know, the ability to put in money after the age of 75. Like contributions wise, it tends to see some. We don't really have that opportunity to add money to super anymore. So if we wanted to make sure maybe myself and a couple keep our money within the super environment, say I pass away.

00:40:59:00 - 00:41:19:13
April
You know, if I don't have a reversionary on there, then my, then a lump sum gets paid out to my partner, might sit in a bank account, and they might not have the opportunity to put that money back to super and be invested within the nice, concessional taxed environment. So this is where people put on maybe their loved ones.

00:41:19:13 - 00:41:45:21
April
You can nominate one person for your funds in an income account, or you might have income accounts through a defined benefit or a lifetime pension, which is called the spouse protection. Effectively, your account then becomes their account so they can keep it within the super system and they can keep their money invested. So please think about estate planning advice for yourself and making sure you and your loved ones are looked after.

00:41:45:23 - 00:42:16:24
April
Who can you nominate on a binding death benefit nomination that you've got here at Australian Retirement Trust? A spouse, a child, someone in an interdependent relationship with you and interdependent relationship with you is

someone who might share your financial burdens. You might live together and have a close relationship, or you can have a financial dependent. If not, if you don't have any of those, what you can do is you can leave it to a legal personal representative where it gets paid as per your will or your estate wishes.

00:42:17:02 - 00:42:46:05
April
Okay, so some people like to leave some money to charity, so if that's what they want to do, maybe charity and a neighbour is not on this list. They say in my will I want my money to go to, this charity or this neighbour or somebody that's not actually on this list here now, important as well. A lot of the questions that we do receive is what taxes will be paid, by the person where the money is being payable to.

00:42:46:07 - 00:43:22:20
April
So the tax is payable to beneficiaries will depend on two components on your account, whether those funds are taxable and whether those funds are tax free. So dependent great news for them. They actually get the money paid out tax free however non-dependent. Now these could be adult children, grandchildren siblings, friends, charities. So somebody who is not really a financial dependent on us or spouse, for example, then we actually have to pay taxes on the taxable component of the account.

00:43:23:00 - 00:43:45:24
April
So if we have a look at how much we pay based on those two tax components, tax free component that'll be paid to us, tax free. The taxable component. However, though if it's going to a dependent they don't have to pay taxes. However, if it might go to an adult child who's an independent, they pay 17% tax on that taxable component.

00:43:46:02 - 00:44:17:07
April
And this is where it's important to maybe consider estate planning advice, because there is some ways that they might look to reduce these taxable components. So you can always talk to Estate planning advisers. If it's really important for you to make sure that your estate is looked after and in order for your loved ones, but you don't have to leave your money to your, children if that's maybe what you're looking at doing, you can see the benefits of your money being spent while you are living.

00:44:17:10 - 00:44:35:23
April
So, you know, I know that we had a colleague here. He liked tap dancing, and his grandma, when he was younger, used to pay for him to do tap dancing. Now she's no longer with us anymore. However, he always remembers her, because he loved his tap dancing and she always used to pay for those sessions for him.

00:44:36:00 - 00:44:53:13
April
So think about how you can enjoy the money now, instead of just leaving it where you don't see the benefits of people spending their money. If you've got some money and, you know, I guess I want you to re-listen as well to what Josh has talked about in the gifting for Centrelink, if that might be an issue for you.

00:44:53:15 - 00:45:16:01
April
But consider, you know, you might be volunteering at a charity, you might want to give some money to a charity. And I will call a friend of mine. She actually, goes to Africa and raises money to put in water tanks, so that might be something you want to do. So put in water tanks in Africa and actually see the benefits of who it helps within the community.

00:45:16:03 - 00:46:19:14
April
So these life changing experience you might want to spend that inheritance that they would receive now. So think about your lifestyle versus the legacy that you want to also leave behind. But what we'll do now is we'll go to a quick short break and I'm going to welcome Josh to the table with me.

00:46:19:16 - 00:46:44:14
Josh
Welcome back. And April, this is the session I really love because as you've done, it's where we hear the stories. It's where we have members who just come and thank us and we get to actually see after many members who come to events, maybe a bit concerned, maybe a bit worried, maybe a bit confused that they come back to the events actually sharing with us what they're experiencing, don't they?

00:46:44:17 - 00:46:49:18
April
Yes. They actually treat us as part of their retirement plan. They I've seen many of them.

00:46:49:18 - 00:46:51:03
April
Come back in a row.

00:46:51:05 - 00:47:06:11
Josh
So can I ask with thinking about that, you've probably, presented at hundreds of member events over the years. Is there a type of story or a specific story that has actually stuck with you?

00:47:06:13 - 00:47:27:19
April
I guess one that that that comes to mind is, there was a lady and I talked because I had started in the contact centre. Been here 14 years. I, I saw a lot of member accounts. And when I saw people that were passing away, I saw a lot of people passing away with more money than the date that they actually retired.

00:47:27:20 - 00:47:53:09
April
So what they were, and this is even despite having an income account, so they might have been drawing down 5% of their money and getting a 7% return. So their passing away again with more money than the date they retired. I spoke to a couple and that story kind of resonated with them. However, we also need to, I guess, highlight past performance isn't necessarily an indication of future performance.

00:47:53:09 - 00:48:08:02
April
But what they said is something that, I enjoyed because we do tend to find that, you know, retirees squirrel away their money, she said. I think we can spend more of our money, and I think we can enjoy our early retirement.

00:48:08:03 - 00:48:48:20
Josh
It's really an important consideration. I think when we go to thriving in retirement, that's what we're talking about, that I think naturally, we all tend to get quite conservative in retirement, that we think about how my investing can serve conservatively. How am I saving my money? That's not necessarily thriving or enjoying it. And I think the other thing to consider is that, and I know even thinking with my own parents and situation, that that's money they've saved for themselves, that's money that they've saved to enjoy in their retirement.

00:48:48:20 - 00:49:03:11
Josh
It shouldn't be money that they've saved for us kids. And, mum has made it very clear, you know, since dad's passed away, mum's made it very clear that we'll get whatever's left. And she doesn't expect that they'll be.

00:49:03:11 - 00:49:04:10

She'll enjoy it. That's what it's there for.

00:49:04:12 - 00:49:32:01
Josh
As she should. So can I ask then? We covered off a lot within that, and a lot of it has resonated with me as you'd be aware, I've recently lost my father. I've seen mum almost rediscover her own retirement. It was a hard period, but mum has discovered life in a different way. Missing dad dreadfully, don't get me wrong.

00:49:32:01 - 00:49:55:05
Josh
But, you know, her journey has moved to a different direction. You talked a little bit. I love the idea of the cattle farmer, and the wife is the jewellery maker. But we often do say members who maybe have thought about their own retirement, but as a couple haven't necessarily discussed it or planned for it. That's quite common for us, isn't it?

00:49:55:05 - 00:50:14:10
April
Very, very common. And I think that's what you do need to do is you need to plan together, but also know that, you know, some couples, the, the cattle farmer, for example, jewellery maker, they did enjoy their own space. They enjoyed coming back together. He enjoyed a couple of nights out at the cattle farm. She enjoyed some quiet moments on her own.

00:50:14:10 - 00:50:22:06
April
But yeah, I think that's sometimes you also realize, hold on, I'm retired and now I actually have to spend every day with my spouse. Do I like them still?

00:50:22:08 - 00:50:22:20

Like.

00:50:22:20 - 00:50:25:03
April
How are we going to enjoy our days together?

00:50:25:04 - 00:50:48:08
Josh
Yeah, I just think it's fascinating. We actually did a piece of research a few years ago, and I can't remember the actual numbers now, but in the top ten responses, have we actually said, what are your biggest concerns in retirement and in the top ten responses? I actually think it was one of the top two or three was spending more time with my spouse or partner.

00:50:48:10 - 00:51:11:11
Josh

It really is something that that I don't think we consider. The other thing that struck with me, with some of what you talked about with thriving in retirement is I would or almost suggest to many of you, if you're not yet in retirement, start living those plans. Now. We do have members who come to us who they retire on a day.

00:51:11:11 - 00:51:44:08
Josh
They start their retirement on the Monday, for example, and almost don't know what gives them purpose, almost don't know where to start or almost get trapped in this. Just not really pushing forward with plans. And the reason why I raise all of that, I think it's really important. And I think about this in my own case, although retirement is still many years away, I am starting to do in my life now what I absolutely know I'll do in retirement.

00:51:44:08 - 00:52:18:22
Josh
It's starting to make sure that I'm already in some ways mentally preparing, but also thinking a bit about how I just want to change some of my behaviours and ways. So I think it's also important, as you approach retirement to approach that change and think about that change. You made some really important points, April, around protecting yourself and thinking, especially as we're seeing the rise of threats, the rise of people trying to get access to data into money.

00:52:19:01 - 00:52:40:06
Josh
Can you just restate I think it's really important, maybe some of those areas that how we wouldn't contact you or where you should expect, as we see more people probably trying to access your super malicious ways. How can members know we're protecting them?

00:52:40:08 - 00:53:00:15
April
Yeah. Look, I mean, even if you go through and join member Online, you've got a multi-factor authentication there already. That's, relatively quite new. So definitely you've got your protection through your member online. Don't share your information as well through remember online. But as I said, we're never going to call and ask you for your bank details.

00:53:00:15 - 00:53:25:12
April
We won't call from an unknown number. If it sounds dodgy, it probably is dodgy. So please give us a call just to clarify, to say, hey, I got a call. And it's also nice for us to know as well. So for us to go, all right, this person has been contacted. We can then put extra security on your account, because it might be someone that you know that has taken on your identity and called the contact centre and got information.

00:53:25:14 - 00:53:40:05
April
You know, we have our own processes as well in the contact centre to make sure that we do keep the money safe. But, yeah, it's really important to know that if your gut says it's probably not right, it may not be right. So definitely look into that.

00:53:40:06 - 00:54:07:14
Josh
Thank you. And I think too it is about as April said protecting your loved ones. And if again, I can maybe reflect on my own personal experience with dad passing away last year after quite a long illness, April talked around different areas of estate planning, whether it being having guardianships in place, whether it be having advanced directives in place, whether it just be making sure your will is up to date, please take those steps.

00:54:07:14 - 00:54:26:08
Josh
These are often things that we leave for another day. They're often things that we say are too hard for us to think about now. And it means that there will be a point where they need to be used or enacted that that they not there for us. And it means it's a bit of a rush and a bit of a scramble.

00:54:26:13 - 00:54:51:21
Josh
Take it from me personally, it's really important to have those things set up. It also means I think it's wonderful, in your case, April, that you've openly had these discussions with your mum in particular, but with your parents around, knowing where paperwork is, knowing where things are. I think as a child, a it gives you clear direction, but your parents had actually gives them assurance and certainty.

00:54:51:22 - 00:55:01:13
April
I think they're probably the, the, the whole plan itself. She's completely reassured that everything's fine. Probably our biggest concern is us remembering the drawer.

00:55:01:15 - 00:55:25:09
Josh
Well, that's what I was going to say. You don't come across as meticulous as your mother. Is that a fair observation? Yeah. Knowing you. Well, they were certain things you were saying about your mum. Where I'm thinking that's not April. So, April, I'm very conscious of this wrapping this up, but probably two things to call out. Firstly, a lot of questions coming in on the Age Pension.

00:55:25:09 - 00:55:50:18
Josh
We understand that Jash did cover off a lot of information. This will be available as a video after this event, so please do watch that back. Also, there's some wonderful information on the Age Pension and services that you can use on our website. And also you can access the government website as well for additional information. So please do with a lot of the questions coming in.

00:55:50:20 - 00:56:19:10
Josh
They can certainly be answered to in that way. The other thing to be aware of is questions also still coming in around things like investments. And it's always constant area of questions. We actually have our annual member meeting coming up, which is a great way to not just get an update on the fund, including around things like protection and financial protection, but we've also got it's a very big part of that, a lot of investment information.

00:56:19:10 - 00:56:47:16
Josh
So really great way after this to continue that learning journey. But it's April, I'll probably come to you for a closing thought. Again, we've been doing a lot of storytelling here, or you certainly have in the session, which has been wonderful closing ideas or calls to action or a summary that you'd give our viewers and listeners to think on.

00:56:47:18 - 00:57:11:10
April
I think it is really planning and I mean probably those that are working. I know one of our colleagues says he's going to join bowls club. He's going to do that. He's going to retire before he retires. Effectively, he's going to have his social crew. But a lot of people that do enter into retirement don't necessarily have that backlog of bowls, friends that they've accumulated over time.

00:57:11:10 - 00:57:28:10
April
But look in your area, even look in social media. Is there like any walking groups in the area, particularly a lot with, there's loneliness when you've when you're a single and you're not within a couple. So look for walking groups in your area, seniors in your area. I know that's where Mum and dad go and they love it.

00:57:28:12 - 00:57:37:11
April
So yeah, just look at your social network within your area and how you can get involved in that. If you are finding that you are quite lonely in retirement.

00:57:37:13 - 00:57:57:24
Josh
I love I go to the gym quite often during the week, and I'm actually a very young member of our gym, or I feel very young, but I have a lot of wonderful friends there, and I'm very lucky to share in the experience of a lot of retirees who come to the gym. And it is just a wonderful community.

00:57:57:24 - 00:58:07:04
Josh
And, I like to feel that I'm part of their retirement journey as much as they're actually part of me fulfilling my life at the moment.

00:58:07:05 - 00:58:24:19
April
I just want to know, before you finish up that one, because I know we do the cardio challenge, it's a it's a ride that we sponsor from Cairns to Cooktown. And I met a gentleman who was 81 years of age, and that was the first time that he took up cycling. So I was cycling with him from Cairns to Cooktown.

00:58:24:19 - 00:58:30:03
April
Yes. So whether you join the gym, whether you jump on a bike, you know, keep yourself active as well.

00:58:30:04 - 00:58:56:00
Josh
I think that's fantastic. Yeah. Well thank you very much. April. And you're soon heading off on the next cardiac challenge. So very good luck with that. But to all of you, this has been a long journey, but hopefully an interesting one and also an enjoyable one for you. I'd like to thank all of you for being part of this, but I'd like to also thank our wonderful crew and support that we've had here.

00:58:56:00 - 00:59:16:06
Josh
We've had a wonderful team here helping us with this production, as well as our colleagues who have been helping us with answering Q&A throughout all of these sessions. So thank you to them. Without them, we just wouldn't be having this event for all of you. But keep engaging. So as I said, we've got our annual member meeting coming up.

00:59:16:06 - 00:59:43:01
Josh
We also have our wonderful digital program, Take the Wheel. And lastly, we have our great podcast and other pieces of education available to you. Take access to all of it, and we hope also to see you out on the road. We'll be doing a number of events over the coming months leading into Christmas, so if you've not already registered, jump onto our website, check out where we're coming to around the country.

00:59:43:02 - 01:00:48:22
Josh
We'd love to meet you in person. And to that, I thank you all for your time. Keep safe, stay well and we all hope that you get to thrive not just in retirement but in your life today. Thank you.

01:00:48:24 - 01:00:49:06