

## PLAN TO LIVE THE RETIREMENT YOU DESERVE

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THINGS TO THINK ABOUT  
FUTURE PLANNING  
YOUR FINANCES  
MORE HELP



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# PLAN TO LIVE THE RETIREMENT YOU DESERVE

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So, you're thinking about retiring, hey? Congratulations on a lifetime of hard work. You deserve to enjoy this next season of your life.

Preparing for retirement is a big milestone, and with many different options available, this LifeGuide will help give you an overview of some of the key things you'll need to do to make the transition from work to this new chapter of your life as smooth as possible.



## THINGS TO THINK ABOUT

There's lots to think about when you're nearing retirement age – like whether you'll keep working, what you'll do with your newfound time and how you'll manage your finances (and those of any dependants or a partner).

### MONEY

Whether you have grand plans for your retirement or are looking for a humble and relaxing later stage of life, money is necessary. There are many money-related things to consider when retiring – from how much you'll actually need, to how you'll protect or grow your funds and what to budget for. To understand your current financial position, visit the Australian government's [Net Worth calculator](#).

There's more on money and personal finances on [page 5](#) of this LifeGuide.

**Other things to consider include:**

### LIVING ARRANGEMENTS

When you retire, your living situation may change (or need to) depending on:

- How much money you have saved (including superannuation)
- Whether you own your home
- Your health and need for assistance

### BENEFITS

When you retire, you may be entitled to some extra benefits from the government too. These will likely depend on your income and assets but may include:

- Concessions on travel or healthcare
- Pensions
- Government loans
- Tax offsets

You can read more about these by visiting the [MoneySmart website](#).

You'll also find there's a network of support groups, recreation groups, clubs and opportunities, such as volunteering, available for retirees.

### KEEPING BUSY

Going from working to retirement can be a big shift – and it can leave some people feeling without a purpose. For this reason, you may decide to step back gradually, and continue working a few days a week while you adjust to retirement. This can be a great way to stay involved in your work, without having to take on full responsibility.

It's also important that when you do retire fully, you keep yourself busy (to an extent). This might include catching up with friends or family, travelling, making time for a hobby, like painting or learning a language, taking up a sport, like Pilates or bowls, or volunteering at a local charity.

### TRAVEL

Do you dream of jetting off to Italy? Or jumping into a caravan and taking off into the outback? Holidays are a great way to enjoy your retirement, but they can also be costly.

**You'll need to think about:**

- Where and how you want to travel
- How long you wish to travel for
- What costs are involved (like petrol and hotel fees)
- How frequently you intend to travel

There's more on ways to manage your money on [page 5](#).



## FUTURE PLANNING

Hopefully, over the course of your working life, you will have accumulated a decent amount of money through superannuation and can live a comfortable retirement.

If you need more income than you think you can generate or are entitled to (through a full or part pension), you have two choices:

- Boost your nest egg
- Invest with the aim of greater return (but this may carry greater risk)

You will also need to consider the impact inflation will have on your retirement plan. For help with this, the government's [Retirement Planning Tool](#) can be found on the [MoneySmart](#) website.

While there's no set retirement age in Australia, there is a minimum age at which you can access your superannuation (usually between age 55 and 60). This is called a preservation age.

If you reach this milestone, but want to keep working, you may wish to make a transition to retirement (TTR) strategy – which can allow you to access some of your money or supplement your income if you reduce your work hours. It's important to note though, a TTR plan means you are accessing your superannuation funds early, which will result in less money when you do retire. For more information on a TTR visit the government's [MoneySmart](#) website.

ANZ also has a number of resources available to help meet your superannuation and pension needs, including funds and general information. You can find more information on the [ANZ website](#).

### THE PENSION

To receive the pension, there are a few rules you must first meet. In 2021, the Australian government updated the Age Pension requirement to:

- 66 years and 6 months for people born from 1 July 1955 to 31 December 1956 (inclusive)
- 67 years for people born on or after 1 January 1975 (this will be the Age Pension age from 1 July 2023)

You'll also have to take an income and asset test, plus be an Australian resident for at least 10 years in total. For more details on this, visit the [Services Australia](#) website.

### INVESTING YOUR LUMP SUM

For many people, retirement can come with a lump sum payment. And while this can open up a world of exciting possibilities – it's important you properly consider what you'll do with it, first. There are also things like tax implications and deciding where you'll invest your money that you'll need to address, too. Some of the biggest considerations include:

#### Tax

When you receive a large sum of money, the rate you're taxed at differs depending on where the money comes from (e.g. a redundancy versus an inheritance). If your payment is related to a redundancy, there are concessional rates that may apply. For more information, visit the ATO's [redundancy payments](#) page. Alternatively, check out our LifeGuide on [Managing Redundancy](#).

#### Time

If you're nearing retirement age or have already retired, you probably won't want to take too much of a risk when it comes to investing. To make an informed decision, research different types of investments and understand your likely returns. Some of the main investment classes include term deposit accounts, shares and property. You can find more details in our LifeGuide, [Investing For Your Future](#).

#### Super

Depending on your eligibility, you may be able to use your money to make a personal super contribution and claim a tax deduction. This contribution will be subject to a 15% tax rate. You can find more information on this by visiting the [ATO website](#).

#### Downsizing

It's no surprise that when you retire, your priorities tend to change. For some, this might mean downsizing or moving somewhere that better suits your needs. And if you receive a payout, you may choose to invest your money into a new home. Make sure you consider the location, amenity and future value of a property before investing. And remember, purchasing property means your funds will be tied up and hard to access in the short-term, should you need. There's more information on this in our LifeGuide, [Buying Your New Home](#).



## RETIREMENT VILLAGES AND AGED CARE

If you're considering entering a retirement village or aged care home, it's important to know how they differ.

Retirement villages are estates purpose-built for people of retirement age (usually over 55). They typically offer self-contained living options with services like catering, cleaning, sports and social gatherings available, too.

Aged care facilities support older Australians with everyday needs, depending on their required level of care. This might include aiding with showering, meals, medication and house cleaning. To enter a government-funded aged care facility, you'll need to undergo an assessment.

Note: you can trial an aged care facility by undertaking a period of respite.

## INSURANCE

You want to protect your hard-earned money, especially if you have or are about to retire. That's why having insurance, and the right level of cover, is essential. You may also need to review certain insurance policies you already hold if they are no longer relevant or if the type of cover you need has changed.

Some types of insurance you may need to consider or review include:

- Income protection
- Life and critical care insurance
- Health insurance
- Contents insurance

For more information, visit the Australian government's [MoneySmart](#) website.

Or to explore ANZ's range of insurance policies (and what they cover), visit the [ANZ website](#).

## EMERGENCIES

As you get older, and to ensure your retirement is as stress-free as possible, it helps to have a plan in case of an emergency.

The below checklist covers some of the key things you should prepare, or at least tell a loved one about, just in case.

- The name and number of your regular doctor
- A list of any medication you take
- Details of any allergies, illnesses or medical history
- The name and number of your emergency contact and/or next of kin
- Any decisions you have made regarding your health or body (such as organ donation)
- Contact details for your Power of Attorney

It's also a good idea to organise a will, if you haven't already got one – this way you and your loved ones will have peace of mind in the event something serious happens to you.



# YOUR FINANCES

## BUDGETING AND EXTRA COSTS

Budgeting is a critical part of retirement. Knowing how much money you have and how long you need to make it last will help set you up now and for the future. So, whether you're spending money on your weekly grocery shop, a holiday or a loved one's birthday, a budget will help you better manage your spending. This is especially important if you no longer have a steady income.

ANZ has a raft of [budgeting tips and tools](#) to help make budgeting as easy as can be.

## INVESTING IN YOUR FUTURE

Investing can be a good way to save and make money. But investment platforms, like the share market, can also be tricky to navigate. It's important to consider what, where and how you plan to invest your money and the amount of time you have available.

Think about when you'd like to achieve your money-related goals and what they look like – such as buying a new home or traveling. Will spending money on one affect the other? Other things to consider include:

- What type of investment are you opting for?
- What industry is your investment in? And how are they performing?
- What timeframe do you ideally want to invest for? Is there anything that could impact this?
- How volatile/safe is the investment?
- Have you got expert advice on how to best invest your money?
- Is it worth borrowing against your home or getting a margin loan?

Before you invest in anything it's a good idea to speak with a qualified financial planner who can give advice that's best suited to you. More information on getting a financial planner can be found below.

For more information about investing, check out our LifeGuide on [Investing for Your Future](#).

## FINANCIAL ADVICE

If money isn't your thing, don't fret – there's people who can help. Seeking professional advice on your finances is a smart move and can help lay some strong foundations for your retirement.

## FINANCIAL PLANNERS

A financial planner is someone who's qualified to advise you on your money and what you should do with it. They'll take into account your income, goals, lifestyle and circumstances and help create a plan that works for you.

The government's [MoneySmart](#) website is a great place to start if you're looking for a planner or other financial resources.

## ANZ FINANCIAL WELLBEING PROGRAM

If you're looking for some helpful insights, tips or tools then check out the ANZ Financial Wellbeing program – a free online resource designed to help you become better with your money. Complete modules at your own pace, regardless of who you bank with, or sign up for a 6-week challenge and receive helpful information straight to your inbox.

Read more about how we can help boost the power of your finances at [anz.com.au/financialwellbeing](https://anz.com.au/financialwellbeing)

## THINGS YOU CAN DO TO HELP YOUR FINANCIAL SITUATION

### Manage debt

It might not be possible to pay off everything, but it's a good idea to have a clear pay-back plan and understand how long you will be in debt. If you have multiple debts, see if you can combine them under one personal loan and at a lower interest rate. You may be able to do this via your mortgage.

### Refinance or lock in a good home loan interest rate

With Australia's housing market undergoing a major shift in recent years, locking in a cheaper interest rate on your home loan can help save money.

### Put a limit on your credit cards

Don't fall into the trap of spending outside your means. Put a cap on your credit card limit (or cancel it, if you don't need it!)

### Stick to your budget

It may sound simple but sticking to your budget is one of the best things you can do to keep your finances on track.



## MORE HELP

If you need some extra support or information about retiring and the years ahead, the below contacts may be useful.

### Services Australia

Services Australia is the government agency responsible for payments and other services, including the Age Pension.  
[www.servicesaustralia.gov.au](http://www.servicesaustralia.gov.au)

### MoneySmart

MoneySmart has information about managing the cost of living and funding your retirement.  
[www.moneysmart.gov.au](http://www.moneysmart.gov.au)

### Australian Securities and Investment Commission (ASIC)

For further resources about superannuation and the types of funds you can have.  
[www.asic.gov.au](http://www.asic.gov.au)

### Retirement Australia Living

Retirement Australia Living has resources for seniors on topics including health and wellbeing, travel and living arrangements.  
[www.retirementaustralialiving.com.au](http://www.retirementaustralialiving.com.au)

### COTA (formerly Council on the Ageing)

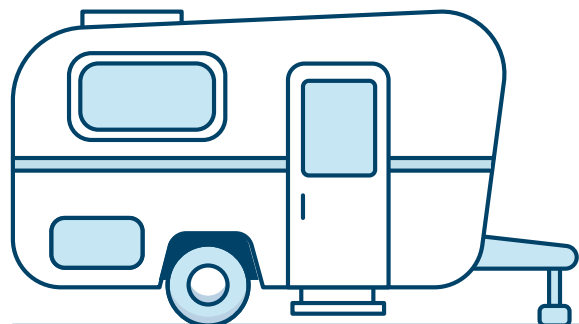
COTA helps advocate for issues affecting older Australians.  
[www.cota.org.au](http://www.cota.org.au)

### The Australian Taxation Office

The ATO has a range of fact sheets available regarding the tax implications of different investments.  
[www.ato.gov.au](http://www.ato.gov.au)

### The Financial Planning Association of Australia

For help with disputes, as well as information about choosing a financial planner near you.  
[www.fpa.com.au](http://www.fpa.com.au) or 1300 626 393







## ABOUT LIFEGUIDES

ANZ has a proud history of helping customers across Australia and New Zealand, especially in times of change. Through these LifeGuides, ANZ is furthering its commitment to the broader community by providing general resources and useful information about key life moments – helping make them a little easier on you.

Important Information: The information set out above is general in nature and has been prepared without taking into account your objectives, financial situation or needs. By providing this information ANZ does not intend to provide any advice about your employment rights, any financial advice or other advice or recommendations. You should seek independent employment, financial, legal, tax and other relevant advice having regard to your particular circumstances.



