



SUPERANNUATION

About Superannuation

Superannuation is still the largest single investment any of us will make in our lifetime - typically second only to home ownership.

It is also the most tax-effective way to save for retirement.

Why you need super?

With Australia's ageing population the Government will not be able to provide a comfortable retirement for everyone. So to be financially secure, you will need to self-fund your retirement.

When to start saving?

Your financial superannuation benefit not only depends on when you start investing, but also on the returns you can achieve on your investment. The obvious message here is to start saving for the long term as soon as you can and choose an investment that matches your risk profile and investment timeframe. Start accumulating your superannuation as soon as possible, to take advantage of both the available tax concessions and the effects of compounding returns. Of course it is never too late to start investing in superannuation but you may have some catching up to do.

How much to save?

That depends on how much income you think you'll need in retirement. Settle on an annual income figure and work backwards,

i.e. how much would you need to save to earn that income. Remember to use conservative estimates when looking at annual rates of return - it is better to be on the safe side than to leave yourself short.

Superannuation Estate Planning

Estate planning needs to take account of all your assets if it's to be effective. You may wonder, therefore, why superannuation rates a special mention.

One reason is that your superannuation payout is likely to be the biggest financial asset available to your family when you die. It may even be worth more than your home, so it needs to be thought about very carefully.

A second reason is that on your death superannuation is treated differently from other assets. While your house, your car, your valuables and most other investments form a part of your estate if you die, that doesn't happen automatically with your superannuation.

Thirdly, superannuation is highly regulated by the government because of its tax advantages. The tax rules that apply to your superannuation when you die are not the same as those applying to other assets, so superannuation needs to be dealt with specifically in your plan.

Finally, unlike most other assets, you can easily add to your superannuation by

“topping up” your life insurance cover to pay a larger benefit if you should die. This extra flexibility in superannuation is very useful in *estate planning*. Your financial adviser can help you use that flexibility to shape your plan precisely to your objective.

Don't wait until it's too late

Anyone who has superannuation should also have some sort of estate plan. It doesn't need to be complex. Just a few

simple preparations now, can eliminate uncertainty and possible hardship for those you leave behind, as well as avoiding unnecessary tax.

If you would like to take advantage of our free consultation or would like to know more about our services please contact us on (07) 3832 6020,
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