

## **Are you ready for retirement?**

These seven questions, from Bridges, our financial planning partner, will get you thinking along the right track.

Most of us look forward to the enticing days of retirement. Having the freedom to do what you want, when you want and the time to indulge those interests and passions that have been put on the back-burner during your working life.

But how many of us actually sit down to really think about how we will live life in retirement and how we will afford it? It may seem daunting at first, but once you start to give it some serious thought you can quickly gain motivation to turn your vague dreams into concrete goals.

These seven questions will get you thinking along the right track:

### **1. What will you actually do in retirement?**

Many of us may instinctively answer this question by saying, 'I can do whatever I like'. While essentially true because you'll have the freedom of time, it's vital you get more specific about it.

For example, will your activities include:

- Spending more time with kids and grandkids?
- Pastimes, sports and hobbies?
- Travelling in Australia or overseas?
- Part time work?
- Voluntary work?
- Involvement in club or church activities?
- Gardening or working around the home?

Once you start to go into detail it may help you (and your partner, if relevant) to consider how you will make the transition and what financial resources you may need so you can realise your goals.

### **2. How much do you know about your current superannuation?**

Super may well be your most important investment in terms of retirement lifestyle, but many people leave it too late to find out how much they have or how their money is invested.

Do you know where all your super is? Do you have multiple funds from previous jobs? Do you know how much you have accumulated in total? Do you know how it is invested?

These are all questions we would know the answer to if it was our bank accounts we were talking about, but for some reason, super is not taken as seriously.

A financial planner can help collate information, recommend action and consolidate your position to get you on the right track.

### **3. How much will you need for day to day living?**

Most people will, of course, have a reduction in living expenses in retirement, but do you know how much less you will need to survive on? You may need more money than you think. The best way to deal with this question is to project a possible budget that you could follow once retired. Knowing your expenses is an important step to take before you can effectively plan your savings and investment strategy in the years leading up to retirement.

#### **4. What are the 'big ticket' items you want to splurge on?**

Been dreaming of a holiday unit at Noosa? Or that round the world trip? Or maybe a new boat? Then why not turn these dreams into concrete goals. Once you have your dream items identified you can then quantify the cost and plan your retirement strategy around how you can accumulate enough to afford what you want.

#### **5. Have your 'disaster proofed' your retirement plan?**

Your retirement goals and budgeting will give you a guide to what you need to accumulate and will help you determine the correct investment strategy to get there, but the whole box and dice will normally depend heavily on you continuing to earn income right up to retirement. What if something stops you from doing that? An illness or injury could put you out of action and reduce or eliminate your capacity to save and invest.

Even though family and mortgage commitments may be reducing or ceased altogether, your income earning ability still needs to be insured and lump sum benefits such as trauma insurance should be considered to make your retirement plan self-sustaining if the worst happens.

#### **6. Do you intend to rely on social security?**

Many people make the assumption that they will receive a pension in addition to what they provide for themselves through their retirement savings, but do you really know what your Centrelink entitlements will be? Are you familiar with the assets and income tests? Do you know how to structure investments to maximise your benefits? Now would be a good time to become familiar with how you will be affected. Rules are changing too, so you need to keep up-to-date, or get advice from a professional financial planner who can examine your personal situation.

#### **7. What state is your estate in?**

An up-to-date Will is an essential part of keeping your affairs in order, but estate planning goes beyond this, even if you only have modest resources. Issues such as having an Enduring Power of Attorney, Guardianship and an Advance Care Directive are essential and should be organised as early as possible to alleviate stress and worry for your partner and family.

Many people are also oblivious as to how their assets and estate will be treated tax-wise when it is passed on to beneficiaries. Your wishes may be thwarted if you have not structured your affairs properly, so make sure you have a professional look over your situation.

#### **Seek advice**

There is obviously a lot to take on board here, but a Bridges financial planner can relieve stress by giving you a proven system to assess your situation and plan effectively. There's no need to go it alone and a Bridges financial planner can help to simplify issues and make decision making a lot clearer.

**Take the next step**

To discuss your financial situation, make an appointment with a Bridges financial planner.

We have an established alliance with Bridges, to provide our customers with financial advice. Bridges has been helping Australians with financial advice for 30 years.

A Bridges financial planner will develop a plan specifically for you; one that's tailored to your needs and circumstances to help you achieve your goals.

To make an appointment with a Bridges financial planner, call 1300 665 553 or email us at [info@wecu.com.au](mailto:info@wecu.com.au). The initial consultation is complimentary and obligation free.

Bridges Financial Services Pty Ltd (Bridges). ABN 60 003 474 977. ASX Participant. AFSL 240837.

This is general advice only and has been prepared without taking into account your particular objectives, financial situation and needs. Before making an investment decision based on this information, you should assess your own circumstances or consult a financial planner or a registered tax agent.

Examples are illustrative only and are subject to the assumptions and qualifications disclosed.

Part of the IOOF group

In referring customers to Bridges, Woolworths Employees' Credit Union does not accept responsibility for any acts, omissions or advice of Bridges and its authorised representatives.