Transition to Retirement **Pension**

GROUP

Helping committed clients achieve and maintain financial security

WHAT IS A TRANSITION TO RETIREMENT PENSION?

A transition to retirement pension allows you to take money out of your superannuation pension account and make payments into your wallet to ensure you take the same take-home pay after sacrificing your salary into your accumulation account.

WHAT ARE THE BENEFITS OF A TTR?

- Access some of your Super while you're still working
- Take home the same income payments
- Continue to grow your super while you're still working
- Minimise taxation by paying some of your salary into your super before paying tax while boosting your Super savings at the same time (Depending on MTR).

AM I ELIGIBLE FOR TTR?

You can start a TTR once you have reached your preservation age – which is the age in which you can access your super; Preservation ages can be found below:

Date of Birth	Preservation Age
Before 1 July 1960	55
1 July 1960 - 30 June 1961	56
1 July 1961 - 30 June 1962	57
1 July 1962 - 30 June 1963	58
1 July 1963 - 30 June 1964	59
After 30 June 1964	60

DISADVANTAGES OF A TTR?

- Not all Superfunds will offer TTR's
- You can only withdraw 10% or less of your TTR balance each financial year.
- You must withdraw a minimum amount of 4%

EXAMPLE OF A TTR STRATEGY

The two most common transition to retirement strategies are:

- Reducing working hours and top up cash flow with income from a transition to retirement pension, or
- Continue working, salary sacrifice employment income, and top up cash flow from a transition to retirement pension.

It can also be used as a way of tax savings. An example of this is a couple with one working and the other not working. The partner working undertakes a TTR come the age of 60 (as they can withdraw the funds tax free at that age) they continue working normal hours and withdraw the maximum amount available and re-contribute it to their partner's superannuation fund. This strategy reduces the taxable amount of their superannuation savings and is a benefit for adult dependants who will be taxed on the taxable amount when inheriting it.

FS360 - What does being financially secure mean?

It means assessing your personal and business goals and developing a plan to achieve these.

We have identified 12 key areas to help you become financially secure:

1. Goals & objectives
2. Estate plan
3. Risk plan
4. Asset protection plan
5. Taxation plan
6. Debt plan
7. Retirement and succession plan
8. Business plan
9. IT Plan
10. Marketing Plan
11. Superannuation plan
12. Investment plan

Setting goals and objectives and having strategies to achieve these is an essential element of becoming financially secure. Once you know what you are aiming to achieve and how you are going to get there, we then need to make sure you have a strong foundation in place to protect you, your family and other investments.

A strong foundation needs an estate plan, risk, plan, asset protection plan, taxation plan and debt plan. With the foundations in place we can then work on the strategies to achieve your goals and objectives. It may seem out of order that we have the retirement and succession planat number 7 rather than 12. It is important that this is considered early and a plan is put in place. This assists to plan for this financially as well as keeping the communication lines open on the topic.

12 Steps *to becoming* Financially Secure

1. GOALS AND OBJECTIVES

Picture yourself in 10 years time... Where do you want to be? How are you going to get there? Being clear on your goals & objectives ensures you can develop a strategy to achieve them.

2. ESTATE PLAN

"What will happen when I'm gone?" Only assets owned in your name are covered by your will. Your Estate Plan protects your family from the potential threats that your Will does not.

3. RISK PLAN

Your Risk Plan addresses whether you need to save or insure to protect your family's financial security in the event of an injury, accident or death.

4. ASSET PROTECTION PLAN

An Asset Protection Plan makes sure your assets are owned in the right names or entities so you limit the risk of them being exposed to creditors.

5. TAXATION PLAN

A Taxation Plan structures your affairs so that you legally pay the least amount of tax and retain more of your income.

6. DEBT PLAN

A Debt Plan ensures your assets aren't over exposed to debt and structures your debt to maximise tax deductibility of the interest.

7. RETIREMENT PLAN

Retirement is setting the date when you can choose to stop work. Your Retirement Plan details the income and assets you need (in addition to superannuation) to retire and outlines the steps to get there.

8. BUSINESS PLAN

Your business value is the one asset or investment that you have full control over. How does the business cashflow, profitability and end value fit with your overall plan? Review the 10 characteristics of what makes a great business to help your business reach it's full potential.

9. I.T. PLAN

Your data, your email, your devices – they play a key role in the smooth running of your business. Backups, workflow and ongoing maintenance of technology can be a game changer.

10. MARKETING PLAN

Promoting your business to potential clients has many working parts. Generating enquiry and building your brand is key to your business success.

11. SUPERANNUATION PLAN

Many people miss out on the enormous tax benefits of superannuation. A Superannuation Plan will ensure you have a strategy to produce greater wealth at retirement.

12. INVESTMENT PLAN

An Investment Plan will increase your asset base, while focusing on preserving your capital and managing your risks, to meet your personal and financial goals.

We offer a free no obligation meeting to review your situation. Call us today on 1300 204 781 and take advantage of this valuable offer.