

## Financial health check on your **SUPERANNUATION**

TO HELP ENSURE A HEALTHY FINANCIAL FUTURE, WE'RE PROVIDING YOU WITH FINANCIAL HEALTH CHECKS. IN THE FIRST OF THIS SERIES, WE EXAMINE SUPERANNUATION.



**I**N THE SAME WAY that you train at the gym to improve your future health, superannuation is about providing for a healthy financial future. The following health check may help you take the necessary steps to ensure you are financially set up for retirement.

**SYMPTOM 1: You are unaware of how much superannuation you need to survive once you stop working.**

**DIAGNOSIS:** Peter Lord, the managing director of Cha Ching, which is a free website aimed at simplifying your finances ([www.cha-ching.com.au](http://www.cha-ching.com.au)) says 'It has been estimated that a retired couple needs an annual income of approximately \$53,500 and a single person approximately \$39,000 to set themselves up for a comfortable retirement lifestyle; one that might see them travel, continue with private health insurance, and enjoy their golden years in the manner they choose. So, if you want to enjoy a golden 30 years of retirement you are going to need over \$1,000,000 accumulated in superannuation.'

**SUPER TIP 1:** 'If you don't know where to start, get professional advice from someone who is licensed to help you sort it out.' – Canna Campbell, director of SASS Financial ([www.SASSFinancial.com.au](http://www.SASSFinancial.com.au))

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*Note: This article does not constitute financial advice, you should see a qualified Financial Advisor to discuss your personal situation before embarking on any changes.*

**SYMPTOM 2: You think you should top up your super but you're unsure how much you should be contributing.**

**DIAGNOSIS:** Neil Shelswell, CFA and financial advisor at Life Plan Financial Advisors ([www.life-plan.com.au](http://www.life-plan.com.au)) says if you have the funds available, then you can make your own contributions to your super fund and in doing so, you may be eligible to receive the Government co-contribution where they will match half of every (after tax) dollar you add to your super. These funds from the government are capped annually at \$500 per person, so making a \$1,000 contribution will allow you to maximise this benefit. By doing this for a 30-year-old who earns less than \$31,920 per annum for 35 years (for example), this would increase their retirement savings by \$139,144 by the age of 65 years. Alternatively, there is also the salary sacrifice method, where you inform your employer that you would like to pay some of your pre-tax salary directly to your super. It is most likely worth seeking professional advice to work out which option best suits your individual circumstances. Also be aware that you don't have access to the money in your super account unless you meet a condition of release.

**SUPER TIP 2:** '81% of Australians do not receive financial advice. Seeking the help of a professional may result in a better deal.' – Russell Medcraft CFP, founder and managing director of Find My Super ([findmysuper.com.au](http://findmysuper.com.au)) and chairman of the Self-Managed Super Institute ([www.selfmanagedsuper.com.au](http://www.selfmanagedsuper.com.au))

**SYMPTOM 3: You have so many super accounts you're not sure where to start when it comes to rolling them all together.**

**DIAGNOSIS:** You're not alone – the average Australian has five super funds. Patrik Vachan, principal and financial advisor at Life Plan Financial Advisors ([www.life-plan.com.au](http://www.life-plan.com.au)) says these are the steps you should follow to consolidate them:

#### **Step 1: Locate all your existing funds**

Collect all the super statements you may have. If you think you might have some lost super, go on the ATO's 'Super Seeker' web site ([www.ato.gov.au/superseeker](http://www.ato.gov.au/superseeker))

#### **Step 2: Choose ONE super fund to consolidate all your accounts into**

To choose, do your research, educate yourself and see what the experts recommend based on your personal circumstances.

#### **Step 3. Transfer your benefits**

Once you have chosen a super fund you are happy with, download the superannuation transfer form from the ATO website.

If this all seems too time consuming, then a financial advisor may be able to help. Go to [www.fpa.asn.au](http://www.fpa.asn.au) to find a qualified person in your area.

**SUPER TIP 3:** 'Australian's are paying \$1 billion in unnecessary fees and commissions every year. Consolidate your super accounts and save.' – Russell Medcraft ([findmysuper.com.au](http://findmysuper.com.au) and [www.selfmanagedsuper.com.au](http://www.selfmanagedsuper.com.au))