

ARE YOU IN  
YOUR FIFTIES  
OR SIXTIES?



**EVOLUTION**  
BUSINESS + PERSONAL ADVISERS

# FINANCIAL PLANNING AT EVOLUTION

Even though you are over 55 the importance of having a financial plan cannot be underestimated.

Having a comprehensive plan in place will allow you to:

- Achieve your financial and non financial goals
- Manage your income and expenses more easily
- Reduce debt
- Minimise tax
- Invest for the future
- Prepare for a comfortable retirement
- Ensure that you understand the planning process
- Feel more secure about decisions taken
- Have someone to help keep you & your plan on track



## HOW DO I START?

**At Evolution, starting to plan is easy, as our advisers offer an obligation free initial discussion over a complimentary cup of coffee in our office.**

We can assist you establishing goals and setting a course to achieving them.

Because we understand you may have a busy schedule at this point in your life, we are happy to cater by travelling to your work or residence if preferred.

And of course, any subsequent fees will be disclosed to you and agreed by you before we proceed with the related work.

Don't be one of the 86% of Australians in their 50's that are not financially prepared for retirement.

Become financially prepared by planning towards your retirement lifestyle by taking advantage of superannuation and taxation strategies that are available.

By your mid 50's retirement certainly comes to the fore. There is still plenty of time to purchase assets, borrow to invest or contribute to superannuation to ensure that you are on track for a comfortable retirement.

You need to have a financial plan that can be set & measured so that you continue to be on track towards your desired outcome.

Evolution Wealth can help you put in place a financial plan or strategy that can significantly impact on your retirement savings.

**Many people do not even think about accessing financial advice until they have accumulated assets and are approaching retirement but a financial plan is about much more than that.**

# KEY ISSUES FOR OVER 55'S

## HOW CAN I REDUCE MY TAX?

A number of key areas are available to be used:

- **Salary sacrifice for expenses**
- **Salary sacrifice for superannuation**
- **Use of transition to retirement strategy**
- **Purchase of a share portfolio with borrowed funds**
- **Purchase of a rental property**
- **Purchase tax effective investments**
- **Avoid unnecessary tax on superannuation & insurance proceeds**

## DO I USE EXCESS FUNDS TO REDUCE DEBT OR INVEST?

This question comes up regularly & there is an exercise to work showing which alternative would provide the best results for you. Sometimes delaying the decision to invest until after you pay off your home may see you with only a very small window of time to actually invest:

- Should I pay more off my loan?
- Should I contribute more to my super fund?
- Should I set up additional investments outside super?
- Should I use the equity in my home to provide additional funds to invest?



The average Australian retirement payout for 60-64yo was \$112,600 for women and \$198,000 for men.

To earn \$30,000 per annum in retirement you would need approx. \$482,000 in super benefits [excluding any Centrelink contribution].



## PROTECTING MY FAMILY AND ASSETS

At this stage in your life you should be in a position to start to accumulate wealth through home ownership, superannuation balances, rental properties or simple investments.

These assets are being accumulated as a result of your ability to be able to earn an income so that these funds can be applied firstly for family needs then applied to various possible investment options.

Whilst most people understand the benefits of insuring their house or their car fewer people understand the financial impact of suffering an injury, illness or death.

At Evolution we can assist you with:

- Explaining the financial impact on your family if suddenly you cannot generate an income
- Preparing quotations & explaining the different types of insurance available
- Discussing with you the right mix of insurance for your situation
- Advice on whether insurance should be held inside super or outside super



**Some insurance policies offer Level Premiums which do not increase as you get older. If you take one of these policies out while you are younger, you can save thousands of dollars over the long term.**

## SUPERANNUATION FOCUS

Superannuation is likely to become one of your largest assets. It is important that you understand what you have & where it is invested.

Other key areas are:

- How much do I have?
- What are my current contributions?
- What is my exposure to risk asset?
- What should I be invested in?
- How long until I retire?
- Can I contribute more?
- What is my expected benefit at retirement?
- Will I live comfortably on this amount?
- Who will help me plan my retirement?

Our planners can be with you every step of the way to ensure that you attain your expectations.

## RETIREMENT

Once you have decided to retire we will still be with you to ensure a smooth transition. Matters will still arise such as:

- Should I manage my own super ?
- Can I help my children get established?
- Can I live the lifestyle I want?
- Am I entitled to any Centrelink benefits or the Health care card?
- Who will review my investments for continued suitability?
- How do I ensure my assets are distributed to the right people at the right time?
- Who can help me with Aged Care advice?

## WILL YOU RETIRE COMFORTABLY?

For 100 people who reach normal retirement age:

- 1 will be wealthy
- 8 will be financially independent
- 9 will still be working
- 18 will be dead
- 64 will be financially dependent on social security

## WHERE DO YOU EXPECT TO BE?

- Whether to pay for insurance using your superannuation
- Reviewing insurance policies to ensure they remain appropriate.



**Wealth is not a measure of how much money you earn, it is how much money your money earns. Understanding the true meaning of wealth will help you achieve a true feeling of success.**

## HOW MUCH MONEY DO YOU NEED IN RETIREMENT?

If you are planning for retirement it is difficult to know, "How much is enough?"

A good rule of thumb in determining your retirement needs is 60-70% of your pre-retirement income.

The table below shows the level of capital required assuming a retirement age of 65 years.

<b>DESIRED RETIREMENT INCOME</b>	<b>CAPITAL REQ'D (6% EARN)</b>	<b>CAPITAL REQ'D (9% EARN)</b>
\$60,000	\$994,639	\$808,144
\$40,000	\$643,093	\$538,762
\$30,000	\$482,320	\$404,072
\$20,000	\$321,546	\$269,381

\*Figures are indexed at 3% pa to reflect the effects of inflation. Calculations are based on the life expectancy of a 65 year old female [22 yrs]



## **WHEN WILL I ACHIEVE MY GOALS?**

At Evolution, we utilise financial modelling software to project your financial situation up to retirement and beyond. We revisit these projections at regular intervals to give you the best opportunity to reach your goals. As you get older your needs continue to change & we will be there to help you implement any changes that may be required.

## **AM I ON TRACK?**

We recommend financial strategies and/or investments with an end goal in sight. However, without regularly reviewing these they can underperform or become irrelevant, as the assumptions used at the outset may now have changed. At Evolution, we pride ourselves on our ongoing service to our clients, after all that's why we exist.



## WE EDUCATE OUR CLIENTS AND HELP THEM MAKE INFORMED DECISIONS ABOUT THEIR FUTURE.

So whether you're just starting out or approaching retirement, we will help you navigate through financial products and complexity by giving you a written plan that can give you greater control over your financial future. And the sooner you get started, the better.



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