

# Retiring in 12 months or less.

## Retirement checklist

Retirement is exciting; it can also leave you a little apprehensive. What's next for you? Are you planning a big trip, perhaps throwing yourself into a new hobby or spending more time on an old one?

Whatever it is, having a few extra dollars may help you be just a little more relaxed. These tips may help.

If you are just about to retire and you don't already have a Financial Planner, you should seek professional advice. The last thing you need now is to make a decision, which could negatively impact your retirement income.

Because everyone's situation is different the following is not advice. It's a general guide of some areas to consider with your Financial Planner – there is likely to be many others.

### 1 – Take stock

Find out where you are at financially right now. List your assets: including your home, savings, cars (caravans, boat etc) and your investments (managed funds, shares, property, cash management accounts, term deposits and superannuation).

Then list your liabilities: mortgage, credit cards and other debts.

Deducting your current liabilities from your current assets will give you some idea of your net worth.

#### [Net worth calculator](#)

([www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/your-net-worth-calculator](http://www.moneysmart.gov.au/tools-and-resources/calculators-and-tools/your-net-worth-calculator))

### 2 - Establish your retirement budget

You need to consider how much it is going to cost you to live your ideal retirement and also factor in any one-off expenses such as a major trip or a new car. Remember there will be some expenses that you will no longer have, for example the cost of travelling to work.

### 3 - Decide how you want to access your superannuation after retirement

This could be either as a lump sum, an income stream or a combination of the two. This is an important decision and you should only make it after getting professional advice.

As an outline of things to work through let's look at the following example.

Sally is 60 and about to retire. She has a retirement nest egg of \$1.1 million. Sally plans to reduce her nest egg by \$100,000 to buy a new car, put in a new kitchen and go on a trip to Europe.

Apart from those expenses Sally estimates she needs \$60,000 per year to live her desired retirement. Sally could invest her nest egg at 6% with a fixed rate of return to receive an investment income of \$60,000 each year.

This investment would generate a fixed income stream as long as the initial investment amount remained untouched and the interest rate did not change.

However, we haven't factored in inflation and taxation. Sally may also decide to gradually draw down some of her nest egg. This means the figure will gradually diminish along with the level of income it can generate. The timing and size of any withdrawals need to be made with a view to your life expectancy and potential other needs, such as buying into an aged care facility.

**Note:** The calculations in this example should be used as a guide only and assumes you will generate your entire income from your lump sum.

Retirement is complex, unless you have the expertise to manage your own investments you need advice. You should seek expert advice from an ANZ Financial Planner.

### 4 – Consider how many years you may need to fund

Considering your mortality is not a fun exercise but it plays a part in your retirement planning.

According to Australian Institute of Health and Welfare figures the current life expectancy for women in Australia is 84, for men it's 79.

You may find a longevity calculator gives you something to think about when planning how long your nest egg will need to last. There are a range of calculators available online which could give you an idea of how long your money will need to last.

## 5 - Consider options to boost your superannuation nest egg

Look to take advantage of any tax concessions available when making "extra before tax" contributions to your superannuation.

You may also want to consider the benefits of making additional after-tax contributions to your superannuation.

If you are under 65 you may be able to bring forward the next two years of super contributions. This will mean you can contribute up to three times the capped rate and enjoy the tax advantages. However, if you do that you cannot make further additional contributions for the next two years so it is a strategy which people often use immediately prior to retirement as opposed to several years out. You should seek professional advice.

If this still won't get you to your desired retirement income then you may need to consider options such as selling the family home and downsizing or altering your retirement plans.

If you are over 55 you could consider [Transition To Retirement](http://www.anz.com/personal/ways-bank/work-life-money/retirement/transition-retirement/) (www.anz.com/personal/ways-bank/work-life-money/retirement/transition-retirement/) which is a strategy that can help you boost your superannuation or ease your way into retirement by cutting back your working hours.

## 6 – Clear your bad debt

Either now (if you can), or immediately after retirement, you should consider clearing any "bad" debt. This means any debt that isn't against an asset which is providing an income or growing at a rate faster than the costs of holding the debt.

## 7 – Review your insurance coverage

You may currently have insurances you don't need (such as income protection), for example you may no longer have dependants and so life insurance may not be needed. However, there may be other areas which need attention, such as your health insurance and the protection of your assets. Whatever your situation, if it's been a while since a professional reviewed your insurance now is a good time to get that done.

## 8 – Review your Will

Things change, your family situation may have altered, there may be new grandchildren to consider. If it's been a while since you reviewed your Will a major milestone like retirement is a good time to make sure it's suitable and represents your wishes.

## 9 – Consider appointing a Power Of Attorney

There are various options but you may want to consider giving a close relative the power to make decisions on your behalf if you were to lose the ability to make them for yourself.

## 10 – Check to see if you are eligible to receive any benefits

You may be self-funded, or receive a full or part pension, either way there could be Government benefits available. You can check at [Centrelink](http://www.centrelink.gov.au) (www.centrelink.gov.au), or talk to an ANZ Financial Planner who can help identify your entitlements.

A lot of companies provide discounts to older Australians, so even if they are not advertised you should ask. ANZ has a range of benefits and discounts that you may be eligible for including, fee waivers, discounts on insurance and more. Find out about [ANZ 50+ Benefits](http://www.anz.com/over50) (www.anz.com/over50)

## 11 – Find a Financial Planner you can work with and trust

ANZ Financial Planners can provide advice and a personalised financial plan tailored to your needs. They are also backed by the research and expertise of ANZ. Your initial discussion is complimentary and without obligation. [Make an appointment with an ANZ Financial Planner](http://www.anz.com/personal/investments-advice/products-services/financial-planning/). (www.anz.com/personal/investments-advice/products-services/financial-planning/)

## 12 – See a Retirement Banking Specialist

There is more to retirement than just your superannuation. Now is also a good time to get your everyday banking in order to ensure you are maximising your returns and that your banking is as convenient as possible. ANZ's Retirement Banking Specialists know the benefits available to you in retirement and can help you through this transition.

[Request an A-Z Review®](http://www.anz.com/personal/ways-bank/fifty-plus/specialist-support/) (www.anz.com/personal/ways-bank/fifty-plus/specialist-support/)

The information is general in nature and does not take into account your personal objectives, financial situation and needs and you should consider whether it is appropriate for you. ANZ strongly recommends that you seek independent professional advice before making any financial decisions.

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