



Live your dream – make it happen

Helping you transition into retirement checklist

When you are thinking about putting a strategy in place to ease yourself into retirement you want to take a snapshot of your current and future financial needs and commitments. Can you afford to transition into retirement? This checklist aims to provide you with a few simple tips and strategies to keep in mind to assist you to reach your retirement goals.

Plum recommends that you seek financial advice before making any superannuation or financial decision. Contact a Plum Member Services Consultant on **1300 55 7586** for further assistance or to arrange an appointment with a financial planner.

Step 1 – My savings, budget and financial commitments



What is my expenditure and what income will I need?

Use the summary table below to work out your expenses, financial commitments and the income you need. Alternatively, use our online *Budget planner* (by logging on to the member section of the Plum website – www.plum.com.au). You can list your income and expenses online which can be saved and referred to, or updated at a later stage.

Type of expenditure	Value of expenditure per annum
Fixed expenditure – e.g. mortgage/rent	\$
Variable expenditure – e.g. entertainment/transport	\$
Other expenditure – e.g. credit card debt	\$
Total per annum income required	\$



What are my current savings?

Understanding your current savings patterns can help you develop your budget and savings plan. By listing your assets and any savings you may have, it may help to identify other ways for you to save and gain an appreciation of whether or not using the current savings regime as you ease your way into retirement will still work.

Type of savings/asset	Amount/value
Savings account – e.g. at call bank account	\$
Cash management account	\$
Fixed term deposit	\$
Shares	\$
Home equity*	\$
Other	\$
Total	\$

* Home equity is the difference between what your property is worth and how much you currently owe on your mortgage.



What are my future income commitments?

By using the *Type of expenditure* table outlined above and the *Budget planner*, you now have an indication of your future income commitments. This is a good basis for understanding the income you may require as you ease into retirement. By changing your strategy or income slightly you can gain an appreciation as to whether this strategy will work for you and if you need to make any changes.

It is recommended that you speak with a financial planner about your decision before selling or redirecting any savings or assets. A qualified financial planner may be able to help you to assess your situation and needs, and by listing the value of your current savings and assets in the table above, it may help to paint a picture for your financial planner.

Step 2 – My insurance cover and insurance needs

Protect what is important to you – take a look at this section of the checklist to assess your insurance cover and needs. There may be a few considerations you need to make when transitioning into retirement. Will you be covered if your circumstances change? Do you have enough? These are questions you need to ask and this section of the checklist should assist you.



How much insurance do I have?

Understanding how your insurance benefit is calculated will help you to determine if your current level of insurance meets your financial commitments and needs if, unfortunately, death or disability occurs.

Type of benefit	Your benefit	Your total coverage
Death benefit	e.g. member account + insured component	Automatic acceptance level e.g. \$400,000
Total and permanent disablement benefit	e.g. member account + insured component	Automatic acceptance level e.g. \$400,000
Salary continuance (total and temporary disablement) benefit	e.g. 75% x salary for up to 2 years	Maximum benefit of e.g. \$25,000



Am I covered?

You might also like to think about any other types of insurance cover you have or might need. Below is a list of some of the more common types of insurance cover you could consider when reviewing your financial situation. You can use this list when speaking with a financial planner, who can help to assess your expenses, types of cover you may need and the level of insurance required.

Type of insurance	Do you have this type of insurance cover?	Value	Find out more?
Income protection to age 65	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Trauma cover	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
General home and contents	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Mortgage protection	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Private health	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Home			
Car	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Caravan/boat	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No

Tip: Try the *Insurance calculator* in the *Member* section of the Plum website – www.plum.com.au to help you work out if you're adequately covered. It's easy to use and covers a range of insurance options to help you get an idea of what insurance you may need.

Step 3 – My savings strategy

Now that you have an appreciation of your expenses, insurance needs and current savings patterns now might be a good time to assess the type of savings strategy that suits your needs. If you are thinking of easing into retirement you may like to start by taking a look at the following questions to help you to understand what might be suitable for you.



Personal lifestyle issues

- Do you wish to reduce your working hours? _____
- Can your employer accommodate your desired working hours? _____
- Have you considered what you will do with the extra free time? _____



Cash flow requirements

- How will working fewer hours affect your income? _____
- Do you have other income you can rely on? _____
- Will you need to supplement your income with a pension from your super? _____
- Will you have surplus income and what will you do with it? _____



Tax issues

- What is your personal marginal tax rate? _____
- What is your current and future tax rate? _____

Your tax rate now and in retirement is important. Tax rates dictate whether salary sacrifice is an appropriate savings strategy or whether alternative strategies may be better suited to your needs.

- How much do you have in super savings? _____
- Are there any tax implications you need to consider? _____



Age pension entitlements

- Are you aware of the age pension benefits? _____
- Do you know if you are entitled to any benefits? _____
- Have you seen anyone to determine if you are entitled to an Age pension benefit? _____
- Do you need financial advice? If so, we can arrange an appointment with a qualified financial planner on your behalf.



Your super fund

- Can your super fund help? _____
- Do you need financial advice? If so, we can arrange an appointment with a qualified financial planner on your behalf.

You may also like to check your eligibility for a transition to retirement pension available to you through your superannuation arrangement. Keep in mind, before putting in place a transition to retirement strategy check any fund rules or limitations as well as the advantages and disadvantages of this type of strategy. A financial planner can help to assess what type of strategy will be right for you.

Creating a budget

Use this tool to help you to identify your income and expenses. On the bottom right hand side is a total summary. Total each section and calculate your surplus or deficit.

Income	Monthly
Salary/wages (after-tax)	
Bonus/tax refund	
Interest/dividends	
Rental income	
Other income	
Other income	
Total income	\$

Expenses	Monthly
Housing	
Mortgage/rent	
Gas/electricity	
Water rates	
Council rates	
Food	
Pets (incl. food and vet)	
Telephone (incl. mobiles)	
Home insurance	
Repairs/maintenance	
Furniture	
Other	
Total housing	\$
Entertainment	
Eating out	
Credit cards	
Videos/movies/DVDs/CDs	
Magazines/subscriptions	
Pay TV	
Internet access	
Alcohol/cigarettes	
Holidays/travel	
Sports/hobbies	
Hair/beauty	
Charities/gifts	
Clothing	
Other	
Total entertainment	\$

Expenses	Monthly
Education	
School/tertiary fees	
Uniforms	
Books	
Extra tuition	
Courses	
Clubs/memberships	
Other	
Total education	\$
Transportation	
Car insurance	
Registration	
Petrol	
Car maintenance/services	
Public transport	
Tolls	
Parking	
Other	
Total transportation	\$
Healthcare	
Life insurance	
Disability insurance	
Dental	
Glasses	
Health insurance	
Ancillaries/incidentals	
Other	
Total healthcare	\$

Total summary	Monthly \$	Annual \$
Income		
	Minus	
Housing		
Entertainment		
Education		
Transportation		
Healthcare		
Surplus/deficit	\$	



Where to from here?

In thinking about your next steps, here are a few items you may like to consider:

1. Work through the *Checklist* and complete the sections of most relevance to you, including the *Budget planner* and *Insurance checklist*.
2. Once you have an indication as to your current savings, budget and financial needs, use the *Retirement savings gap calculator* in the *Member* section of the website – www.plum.com.au to identify how much superannuation you may need to achieve the income you want in retirement.
3. Speak to your employer and superannuation provider (Plum) to find out more about your super and insurance cover. Decide if you need additional insurance cover. At the same time you may also like to find out what types of products are available to you to help you to transition to retirement.
4. Armed with your *Checklist* and information concerning your finances, insurance and the kinds of savings strategies you may like to implement, now may be the time to make an appointment with a financial planner. Plum can arrange to put you in touch with a qualified financial planner through AdvantEdge ActivePlan. Simply contact a Plum Member Services Consultant on **1300 55 7586**.



Tip

You might like to take your completed *Checklist* with you when speaking with a financial planner, who can help to assess your next steps in planning for your retirement.



Did you know...

The Trustee of the Fund has an agreement with The AdvantEdge Program to provide financial planning services to Fund members. As a member of the Fund, you can access financial planners on the AdvantEdge ActivePlan* panel. Call **1300 55 7586** to be put in touch with a financial planner for an initial consultation at no cost.

* The AdvantEdge ActivePlan service is delivered by GWM Adviser Services Limited (GWMAS) ABN 96 002 071 749 AFSL 230692 (trading as AdvantEdge). Plum, the Trustee and GWMAS are part of the National Australia Group of companies and do not accept any responsibility or liability whatsoever in relation to any decision made on the basis of this information.

Contact us for more information

If you would like further information, visit the *Member* section of the Plum website:



www.plum.com.au or email us at service@plum.com.au; or



Speak with a Plum Member Services Consultant on **1300 55 7586**.