



What women want Super strategies that measure up...

Research¹ tells us that when it comes to developing a financial plan, women tend to use a planning document or checklist as a road map – a reference to where they are, and where they are going. Use this checklist as a starting point to help you to assess your current situation, financial needs and goals – it's a great document to show your financial planner the direction you are heading. Why not take action now, set aside a few minutes to complete the checklist.

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 future income and what are my commitments?

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	\$

¹ Tribeca – *Planning for women*, August 2006

Hint: Try the *Budget planner* at www.plum.com.au or the one on page 4 for a comprehensive list of expenses.



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 services you may have, it may help to identify other ways for you to save.

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.

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

Women are more likely to be underinsured than men, or to hold no insurance at all. While women account for 44 per cent of the workforce, only 15 per cent hold income protection policies. Less than 30 per cent of death and disablement policies belong to women, with even lower rates for trauma cover.² Do you fall into any of these categories? Protect what is important to you – take a look at this section of the checklist to assess your insurance cover and needs.

What is the formula for my insurance cover?

Understanding how your insurance benefit, provided through your superannuation arrangement, 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

What are my future income commitments?

By using the *Type of expenditure* table outlined on page 2 and the *Budget planner* you now have an indication of your future income commitments. This is a good basis for understanding the income required should an unforeseeable event take place (death or disablement) which will help you to calculate how much insurance cover you may need.

How much will I need to leave for my family if I die?

In the event of your death your dependants will need to meet any upfront costs or expenses. Below is a list of a few such items to keep in mind to help determine if your insurance cover is adequate to meet these requirements.

Type of expense	Amount	Other comments
Funeral expenses	\$	
Repay mortgage	\$	
Repay other debts	\$	e.g. credit cards, loans
Lump sum future income requirements	\$	
Emergency cash fund	\$	

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 might like to consider when reviewing your financial situation. You might like to 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	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	<input type="checkbox"/> Yes <input type="checkbox"/> No
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

² Tribeca – Planning for women, August 2006.

Step 3 My savings strategy

What kind of savings strategy do I want to implement?

Confused about which super savings strategy may be suitable for you? To help, take a look at some of the questions below. Remember, before you make any financial decision, it is recommended that you speak with a qualified financial planner.

Salary sacrifice strategy

- Do I want to increase my super savings in a tax effective manner?
- Am I earning more than \$30,000 p.a?
- Should I make one-off or regular before-tax voluntary contribution(s)?
- If I'm over 50 between 1 July 2007 and 30 June 2012, should I consider making a larger one-off concessional (before-tax) contribution up to \$100,000 to take advantage of the transitional contribution arrangements?

Government co-contribution strategy

- Am I earning less than the higher income threshold (\$58,980 p.a. for the 2007/2008 financial year) to qualify for the Government co-contribution?
- Should I make an after-tax contribution to receive a Government co-contribution or instead consider a salary sacrifice strategy?
- Do I want to increase my super savings in a tax effective manner?
- Do I want to receive a Government co-contribution of up to \$1,500 p.a?

Spouse contribution strategy

- Does my spouse have an assessable income less than \$13,800 p.a?
- Do I or my spouse need to boost our super savings?
- Should I or my spouse make an after-tax contribution to claim a Government co-contribution?

Contribution splitting strategy

- Am I or my spouse likely to have more than the tax-free threshold on the taxable component (currently \$140,000 in 2007/2008) at retirement?
- Do I want to reduce tax on my super benefits before age 60?
- Will I or my spouse retire much earlier than the other?
- Do I want to protect our arrangements against any future legislative changes that may affect high account balances?

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*.
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 to help decide if you need additional insurance cover.
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.

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	\$	



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 are interested in finding out more you might like to speak to your financial planner. If you do not have your own financial planner, a Plum Member Services Consultant can refer you to an AdvantEdge ActivePlan financial planner. Simply call **1300 55 7586**.

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



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

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The information in this checklist is current as at 6 July 2007. Any changes in the law or policy subsequent to this date have not been incorporated.