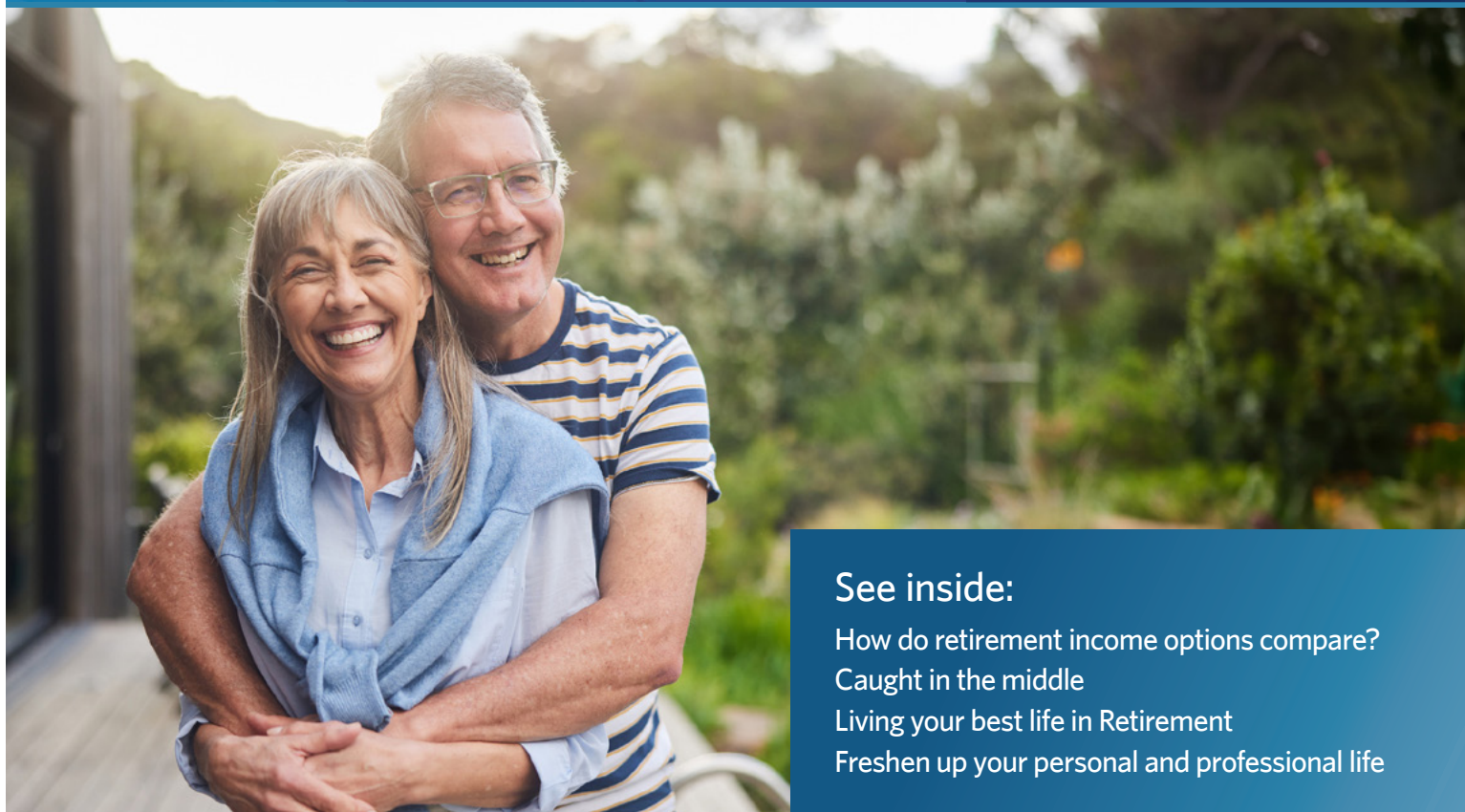


# News from the Nest



## See inside:

- How do retirement income options compare?
- Caught in the middle
- Living your best life in Retirement
- Freshen up your personal and professional life

## Welcome to our Spring edition of 'News from the Nest'

We're pleased to share with you the latest of topical and informative articles to help you Plan, Grow and Protect your wealth.

In this edition, you'll find some fantastic tips on how to make the most of your retirement, and some of the ways to use your retirement savings to support you while you do. We've also included a really important article with some suggestions to support you if you are caring for both older and younger members of your family.

Finally, it's Spring, so why not give your professional life a Spring clean this year!

We really hope you find these articles enjoyable and valuable, and we look forward to seeing you in the 'Nest' very soon.

A handwritten signature in blue ink, appearing to read 'B Stone'.

**Brendan Stone**  
Director – Financial Advice,  
FinNest Financial Pty Ltd.

## Looking for someone?

Here at FinNest Financial, with the help of our fantastic and loyal clients, we've cultivated a thriving business looking after people from all walks of life. So, if you are looking for somebody to help you from a particular profession or service, why not ask us if we can introduce you to one of our clients to assist?

## HOW DO RETIREMENT INCOMES COMPARE?

Retirement is filled with opportunities and choices. There's the time to travel more, work on long-delayed personal projects or volunteer your help to worthwhile causes.



You also have a host of choices to make when it comes to funding your new life away from paid work. Here are four different options to consider.

### Account-Based Pension

An account-based pension (ABP) using your superannuation is one of the most common retirement income options. The amount you receive depends on the balance of your account and the drawdown rate you choose, subject to the minimum pension requirements set by the government.

#### Some considerations:

Tax benefits – Investment earnings, capital gains and withdrawals are tax-free, unless you have an untaxed component within your super.

- **Payment flexibility** – Subject to pension minimums, most super funds allow you to adjust the payment amount and frequency, and even make partial or full lump-sum withdrawals if needed. You can also return to work and continue to receive a pension.
- **Longevity and market risks** – You might outlive your account balance, especially if your withdrawals are high or your investment returns are poor.

### Transition to Retirement

A transition to retirement (TTR) strategy allows access to some of your superannuation while still working, if you have reached age 60 (based on current rules).<sup>ii</sup>

#### Some considerations:

Flexible work options – You can reduce your working hours and supplement your income from your super.

- **Limits on pension rates** – Similar to an ABP, there is a minimum annual pension rate. However, there is also a maximum annual withdrawal of 10 per cent of your TTR account balance.
- **Reduced retirement savings** – Drawing on your superannuation while still working means your retirement savings might grow more slowly.

### Annuities

An annuity is a financial product that provides a guaranteed income for a specified period or for the rest of your life. There are various types of annuities, including fixed, variable, and indexed annuities. You can purchase annuities or lifetime income streams using your superannuation.

#### Some considerations:

- **Predictable income** – Provides a stable income stream, which can be reassuring for financial stability and provide an income for as long as you live.
- **Lack of flexibility** – Once you purchase an annuity, the terms are generally fixed and you cannot alter the income amount. There's a restriction on capital withdrawals or in some instances no access to capital at all.
- **Inflation risk** – Fixed non-inflation-linked annuities may not keep pace with inflation unless specifically indexed to inflation.

### Innovative Retirement Income Stream

An Innovative Retirement Income Stream (IRIS) is provided by a newer range of products. These were introduced after changes to regulations designed to deliver more certainty to retirement income by paying a pension for life without running out of funds.

#### Some considerations:

- **Age Pension benefits** – Centrelink only counts 60 per cent of the pension payments received as assessable income and only 60 per cent of the purchase price of the product counts as an assessable asset until age 84 when it is reduced.
- **Certainty** – Some IRIS products offer a stable guaranteed income stream, providing financial security.
- **No minimum requirements** – IRIS products do not require an annual minimum amount, instead just requiring at least one annual payment.
- **Complexity** – Features vary widely between different IRIS products and may involve complex terms or conditions.

<sup>i</sup> <https://www.ato.gov.au/individuals-and-families/jobs-and-employment-types/working-as-an-employee/leaving-the-workforce/planning-to-retire#ato-Afteryouretire>

<sup>ii</sup> <https://www.ato.gov.au/individuals-and-families/jobs-and-employment-types/working-as-an-employee/leaving-the-workforce/transition-to-retirement>

**Next steps:** How do these different options suit your personal needs and how would they affect your retirement income? Consulting with a financial advisor can help you navigate these choices and tailor a plan that best suits your needs. Speak to us so we can help you structure a plan to fund the retirement lifestyle you've worked so hard for.

## CAUGHT IN THE MIDDLE HELP FOR THE SANDWICH GENERATION



**If you are feeling a bit like the meat in the sandwich you are not alone. The 'sandwich generation' is a growing social phenomenon that impacts people from all walks of life, describing those at a stage of their lives where they are caring for their offspring as well as their elderly parents.**

The phenomenon is gathering momentum as we are tending to live longer and have kids later. It even encompasses royalty – Prince William has been dealing with a sick father while juggling school aged kids (as well as a partner dealing with serious health issues).

### A growing phenomenon

The number of people forming part of the sandwich generation has grown since the term was first coined in the 1980's. It is estimated that as many as 5% of Australians are currently juggling caring responsibilities which has implications for family dynamics, incomes, retirement and even the economy.<sup>i</sup>

Like many other countries, the number of older Australians is growing both in number and as a percentage of the population. By 2026, more than 22 percent of Australians will be aged over 65 – up from 16 percent in

2020.<sup>ii</sup> It is also becoming more common for aging parents to rely on their adult children for assistance when living independently becomes challenging.

The other piece of bread in the sandwich is that as a society we are caring for kids later in life. The median age of all women giving birth increased by three years over two decades.<sup>iii</sup>

And with young people staying in the family home well into their twenties, we are certainly supporting our children for longer. Even after the kids leave the nest, it's also common for parents to become involved in looking after grandchildren.

### Taking its toll on carers

While we want to support our loved ones, when that support is required constantly and intensively for both parts of the family, it can mean that something has to give and that 'something' is often the carer's well-being. Even if you are not part of the sandwich generation but being squeezed at either end – caring for kids or parents, acting as a primary care-giver often requires you to provide physical, emotional, and financial support. It's common to feel it take a toll on your own emotional and physical health, and sometimes your finances as you sacrifice some of your savings or paid work to help your loved ones.

## Support for caregivers

It can be difficult to acknowledge you need assistance but there are a number of ways you can access help.

### Deciding what to get help with

It can feel like there is not enough hours in the day and that's overwhelming. Try to think about what you really need to do and where your time is best spent and consider if you can get assistance with tasks or duties you don't have to do. This may mean outsourcing things like buying a healthy meal instead of cooking or getting a hand with gardening or lawn mowing.

Think about what others could assist with to lighten and share your load.

### Accessing support

There are also support networks out there that exist to take off some of the pressure. Reach out to local support networks via Carers Australia for help identifying mainstream and community supports.

You or your loved ones may also be entitled to government support, under the National Disability Insurance Scheme (NDIS) or My Aged Care. These programs provide funding and resources to help pay for essential care; from domestic assistance with cleaning and cooking, to home modifications, to 24-hour care for those who require more support.

### The importance of self-care

It's vital to take some time out for yourself and make your own wellbeing a priority. Don't feel that it's selfish to take care of your own needs as that's an essential part of being a carer. Resources like respite care and getting support when needed is an important gateway to self-care.

### Managing your finances

Caregiving can put financial pressure on the whole household and has the potential to impact retirement savings. The assistance of a trusted professional can help, and we are here if you need a hand.

**Raising kids as well as supporting parents to live their best lives as they age is becoming more common and can be a challenging time of life. While the act of caring is the ultimate act of kindness – the most important thing to remember is to be kind to yourself.**

<sup>i</sup> <https://info.careforfamily.com.au/blog/sandwich-generation>

<sup>ii</sup> <https://www.sydney.edu.au/news-opinion/news/2023/10/09/confronting-ageing-the-talk-australia-has-to-have.html>

<sup>iii</sup> <https://www.abs.gov.au/ausstats/abs@.nsf/2f762f95845417aeca25706c00834efa/b130815d4b2de356ca2570ec000c1c601?openDocument>

Source: CentrePoint Alliance Prepare for Life Winter 2024



## LIVING YOUR BEST LIFE IN RETIREMENT

If you're nearing retirement age, it's likely you're wondering if you will have enough saved to give up work and take it easy, particularly as cost-of-living increases hit some of the basic expenses such as energy, insurance, food and health costs.

Fortunately, someone has already worked out what you might need.

The Association of Superannuation Funds in Australia (ASFA) updates its Retirement Standard each quarter, which provides a breakdown of expenses for two types of lifestyles: modest and comfortable.<sup>i</sup>

Based on our average life expectancy – for women it is just over 85 years and men 81 – if you are about to retire at say age 67, you will have between 14 and 18 years in retirement, on average and depending on your gender.<sup>ii</sup>

ASFA finds that a couple needs \$47,387 a year to live a modest lifestyle and \$72,663 to live a comfortable lifestyle. That's equal to \$902 a week and \$1,387 respectively.

The figure is of course lower for a single person – \$32,915 for a modest lifestyle (\$628 a week) or \$51,630 (\$986) for a comfortable lifestyle.<sup>iii</sup>

What does that add up to? ASFA estimates that, for a modest lifestyle, a single person or a couple would need savings of \$100,000 at retirement age, while for a comfortable lifestyle, a couple would need at least \$690,000.<sup>iv</sup>

A modest lifestyle means being able to afford everyday expenses such as basic health insurance, communication, clothing and household goods but not going overboard.

The difference between a modest and a comfortable lifestyle can be significant. For example, there is no room in a modest budget to update a kitchen or a bathroom; similarly overseas holidays are not an option.

The rule of thumb for a comfortable retirement is an estimated 70 per cent of your current annual income.<sup>v</sup> (The reason you need less is that you no longer need to commute to work and you don't need to buy work clothes.)

### Building your nest egg

So how can you build up a sufficient nest egg to provide for a good life in retirement? There are three main sources: superannuation, pension and investments/savings.

Superannuation has the key advantage that the money in your pension is tax free in retirement.

Your superannuation pension can be augmented with the government's Aged Pension either from the moment you retire or later when your original nest egg diminishes.

Your income and assets will be taken into account if you apply for the Age Pension but even if you receive a pension from your super fund, you may still be eligible for a part Age Pension. You may also be eligible for rent assistance and a Health Care Card, which provides concessions on medicines.<sup>vi</sup>

### Money keeps growing

It's also important to remember that the amount you accumulate up to retirement will still be generating an income, whether its rentals from investment properties or merely the growth in the value of your share investments and the accumulation of money from any dividends paid.

You can also continue to add to your superannuation by, for instance, selling your family home and downsizing, as long as you have lived in the home for more than 10 years.

If you are single, \$300,000 can go into your super when you downsize and \$600,000 if you are a couple. This figure is independent of any other superannuation caps.<sup>vii</sup>

Source: CentrePoint Alliance Prepare for Life Winter 2024

i Retirement Standard - Association of Superannuation Funds of Australia

ii Life expectancy, 2020 - 2022 | Australian Bureau of Statistics (abs.gov.au)

iii <https://www.superannuation.asn.au/media-release/retiree-budgets-continue-to-face-significant-cost-pressures/#:~:text=The%20ASFA%20Retirement%20Standard%20December,to%20around%203.5%20per%20cent.>

iv <https://www.superannuation.asn.au/resources/retirement-standard/>

v <https://www.gesb.wa.gov.au/members/retirement/how-retirement-works/cost-of-living-in-retirement>

vi Assets test for Age Pension - Age Pension - Services Australia

vii Downsizer super contributions | Australian Taxation Office (ato.gov.au)

**Planning for a good life in retirement often requires just that – planning. If you would like to discuss how retirement will work for you, then give us a call.**

# FRESHEN UP YOUR PERSONAL & PROFESSIONAL LIFE



As the seasons change and the air fills with the promise of renewal, it's the perfect time to have a clean out—not just for your physical space, but for your life and career as well.

Spring cleaning isn't just about dusting shelves and organising files; it's about refreshing your mindset, optimising your processes, and ensuring that both your personal and professional worlds are in top shape. Here are some ideas to help you revitalise your life as we move into the warmer months.

## Declutter your physical and digital environments

Start with your physical workspace. Clear out the clutter that has accumulated over months of hard work. A tidy workspace not only improves productivity but also clears mental clutter, allowing for better focus and creativity. Organise your files, shred unnecessary documents, and create a system that makes everything easily accessible.

Extend this decluttering to your digital life. Clean up your email inbox by unsubscribing from unnecessary emails and set up rules to automatically organise emails into folders. Streamline your phone by deleting unused apps, grouping them by categories as well as reviewing your contacts and deleting old ones. Make sure everything you need is being backed up properly.

## Streamline your life and get organised

Next, it's time to look at where you spend your time. Spring cleaning your life means being ruthless with your time management. It's said that a small portion of our time and effort (20%) generates a significant part of our results (80%) so focus your efforts on those activities that yield the most effective outcomes. Evaluate your commitments and activities—are they truly adding value to your personal or professional growth? Learn to say no to tasks or obligations that don't align with your goals or values. This will free up time for activities that truly matter.

Then it's time to get organised. Allocate time for the important stuff. Review your calendar and update it with both personal and professional commitments. Prioritise self-care and relaxation alongside business meetings and deadlines. This balance ensures you remain productive without burning out and it's vital to have time in your life for the things and people that you care about.

## Polish your skills and connections until they shine

Investing in yourself is key to staying competitive. Commit to ongoing professional development by planning to attend workshops, webinars, or conferences relevant to your field. Think about what areas you need to work on and update your skills and knowledge to stay ahead of industry trends and innovations. This can be as easy as listening to a regular podcast on your commute.

Networking is also crucial. Refresh your professional network by reconnecting with contacts, attending industry events, and actively building new relationships. Your network can provide valuable support, advice, and opportunities for growth.

## Taking the first step to transformation

Spring cleaning your life is not just a seasonal chore; it's a transformative process that sets the stage for success throughout the year. By decluttering your physical and digital spaces, streamlining your life, honing your processes at work, and committing to ongoing growth, you set yourself up for greater productivity, efficiency, and personal fulfillment.

Take the first step today. Start small with one area—whether it's organising your desk or updating your LinkedIn profile. Each step, no matter how small, contributes to the bigger picture of a rejuvenated business and a balanced life.

Remember, spring cleaning is not just about tidying up—it's about creating space for new opportunities, ideas, and experiences. Embrace this time of renewal and watch as your life flourishes.

**Remember, spring cleaning is not just about tidying up – it's about creating space for new opportunities, ideas, and experiences. Embrace this time of renewal and watch as your life flourishes.**

Sources CentrePoint Alliance Prepare for Life Spring 2024

**IMPORTANT INFORMATION:** This document has been prepared by FinNest Financial Pty Ltd. FinNest Financial Pty Ltd ACN 163 390 547 is a Corporate Authorised Representative (No. 440812) of Matrix Planning Solutions Limited ABN 45 087 470 200, AFSL 238256. Financial Services Guide: [www.centrepoinalliance.com.au/fsg/mps](http://www.centrepoinalliance.com.au/fsg/mps)

The information contained in this newsletter is of a general nature only and does not take into account your particular objectives, financial situation or needs. You should therefore consider the appropriateness of the advice for your situation before acting on it. You should obtain and consider the relevant Product Disclosure Statement (PDS) and seek the assistance of an authorised financial adviser before making any decision regarding any products or strategies mentioned in this publication. While all care has been taken in the preparation of this newsletter, to the maximum extent permitted by law, no warranty is given in respect of the information provided and accordingly, neither FinNest Financial Pty Ltd nor its related bodies corporate, employees or agents shall be liable for any loss suffered arising from reliance on this information.



**FinNest**Financial



**Brendan Stone**  
Director – Financial Advice  
Authorised Representative  
No. 440871

To find out how FinNest Financial can help you plan, grow and protect your financial future, please feel free to contact us:

Office address  
Level 3, 67 Astor Tce  
Spring Hill QLD 4000

Postal address  
PO Box 488  
Alderley QLD 4051

Phone  
07 3831 7629

Email  
[enquiries@finnest.com.au](mailto:enquiries@finnest.com.au)  
Website  
[www.finnestfinancial.com.au](http://www.finnestfinancial.com.au)

**PLAN • GROW • PROTECT**

FinNest Financial Pty Ltd ACN 163 390 547. \*Corporate Authorised Representative (No. 440812) of Matrix Planning Solutions Limited ABN 45 087 470 200, AFSL 238256.  
Financial Services Guide: [www.centrepoinalliance.com.au/fsg/mps](http://www.centrepoinalliance.com.au/fsg/mps)