

SUPERANNUATION. CONFUSED? HERE'S WHAT YOU NEED TO KNOW.

What is it?

Superannuation, also known as 'super', can seem complex at first. But put simply, it's just a long-term way to save for your retirement. For most Australians, super builds from our first day of work to the moment we retire. So the more money you put away now, the more you'll have to spend when you stop work.

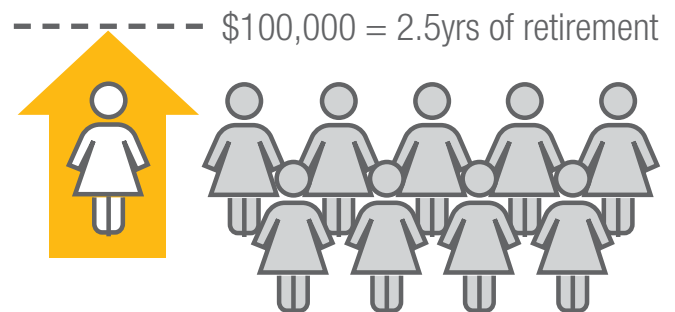
Do I really need it?

Yes! Here's why:

- The Australian Government's Age Pension is unlikely to cover your retirement. It currently pays \$22,000 per year, but studies show a single person needs \$42,000 to comfortably retire for just one year.
- You may not be eligible for the Age Pension.
- You could spend over 30 years in retirement and need your savings to last.
- Super earns compound interest, so it's a way to grow your savings quickly.
- The impact of inflation means goods and services will become more expensive over time. So while you might have enough to live off today, you'll need super to fund your lifestyle in the years ahead.

How much gets put away?

By law, your employer is required to put away 9.5% of your income (including bonuses and commissions) into a super account in your name. This is then managed by a super fund. If you're self-employed, you'll need to set aside some of your wage by yourself. It's up to you how much you invest, but as a general rule, try to send at least 9.5% of your pre-tax income to your super fund.



Just **1 in 10 Australians** have more than \$100,000 in their super accounts

What types of super funds are there?

In general, there are four types:

1. Industry super funds, which are run to profit members.
2. Corporate funds, which are managed and sometimes subsidised by your employer or company.
3. Commercial or retail super funds, which are typically run by banks or insurance companies.
4. Self-managed, which means you take charge of investing your own super.

Which one is right for me?

Just like any big purchase, the key to finding the right super fund is to shop around. Here are some key questions to consider:

- Does the fund have a good track record?
- What fees are charged to manage your money?
- Does it pay commission to its financial planners?
- Does it offer a range of investment options?
- Does it offer life insurance or disability cover?

The Australian Securities and Investments Commission website features some useful and free super comparison websites.

When can I access it?

In general, you'll need to wait until you turn 60 to access your super tax-free. But if you're considering an early retirement, you can work out when to withdraw your super using the **Industry SuperFunds calculator**.

Once you reach the eligible age, you can take out your super as a lump sum, regular 'income' paid into your account, or a combination of both.

Supercharge your super

Super is no different to any other investment, so there are ways to make it grow. You can:

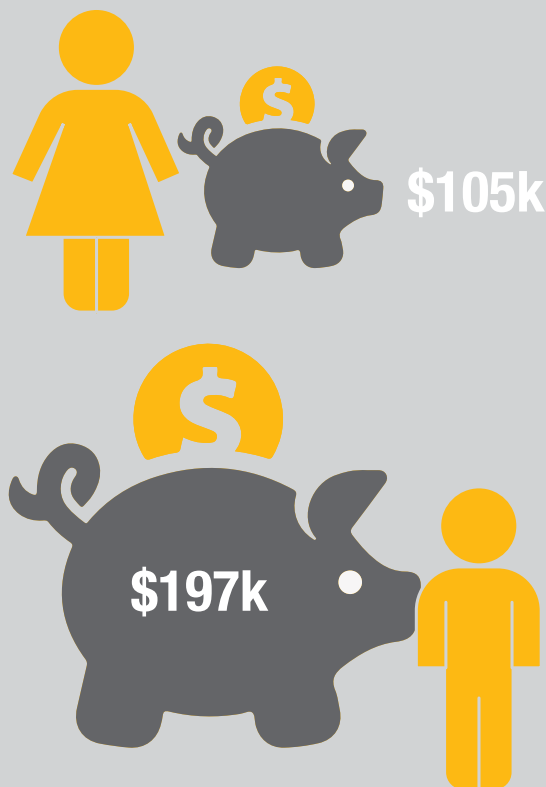
- make extra contributions
- consolidate your super into one fund to reduce fees
- choose how you invest it. Through your super fund, you can choose to make 'higher risk' investments, which means you could make more money by taking on greater risk of losing some in tough economic times.

Useful links

Here are some resources to help you get more out of your super:

- Super investment options: www.moneySMART.gov.au/superannuation-and-retirement/how-super-works/super-investment-options
- How to choose a fund: www.industrysuper.com/understand-super/super-basics/choice-of-fund/
- Track down lost super: www.ato.gov.au/Individuals/Super/In-detail/SuperSeeker/Check-your-super/
- How to maximise your super: www.moneySMART.gov.au/tools-and-resources/calculators-and-apps/super-contributions-optimiser
- Calculate how much you'll need for retirement: www.industrysuper.com/calculators-and-tools/calculators/retirement-needs-calculator/

THE GENDER GAP



Source: The Association of Superannuation Funds of Australia Limited (ASFA)
www.superannuation.asn.au/

Did you know?

On average, Australian men retire with \$197,000 in superannuation, while women have around \$105,000. The good news? It's never too late to secure your future. By getting the right advice and putting a super plan in place, you can make the most of your growing nest egg.



**NATIONAL
DISABILITY
PRACTITIONERS**
A Division of NDS

Contact us:

T 02 9356 3188
E info@ndp.org.au
W ndp.org.au