



How much super is enough?

How much do you need to retire comfortably?

Have you ever thought about what level of income you would like when you retire? Do you know how much super you need to provide that income? In Australia, almost everyone who is working has super. Although employers are required by law to contribute nine per cent of your salary to super, will it be enough to provide you with a comfortable retirement? Just how much super do you need to retire and should you be contributing more now?

A general rule of thumb is that you will need to generate a retirement income of between two-thirds to three-quarters of your final pre-retirement salary. If you wish to have a more comfortable lifestyle in retirement, you will need to budget for a greater level of income. Not only is the amount of super you need dependent on your own lifestyle choices, but you may also have a range of income options in retirement (such as part-time work or income from other investments) that can supplement your income.

Our website contains a super calculator, which will help you to work out what your retirement income is likely to be. It enables you to try out various scenarios and look at how much you need to save to achieve the final retirement income you want.

We strongly recommend that you consult a licensed financial adviser, who will take into account your individual objectives, financial situation and retirement needs.

If you would like us to provide you with the details of a financial adviser in your area, please contact Spectrum Super Customer Service.

Ways to grow your super

With a little careful planning, you can maximise your retirement benefits to help you achieve the retirement lifestyle you've hoped for. Below are a few options to help you along the way.

Consolidate your super into one account

If you have had a lot of jobs, you probably have a number of super funds and are paying several lots of fees. You can benefit from transferring all of your existing super funds into one because it is not only easier to keep track of your super but also may save you money, which means more super for you.

Find your lost super

If you have several super funds, you may have lost track of where they are. There are millions of dollars of lost super recorded with the ATO. If you have lost super, you may be pleasantly surprised at how easy it is to find it. Go to the ATO SuperSeeker online search at www.ato.gov.au/super or contact the ATO on 13 10 20.

Salary sacrifice into your super

Salary sacrifice is a simple strategy that involves paying some of your pre-tax salary as contributions into super through your employer. This can result in a reduction of the total amount of income tax you pay because these contributions are taxed at only 15 per cent. This is lower than the average marginal tax rate. Not only do you pay less income tax, but more of your money is invested for retirement.

Contribute on behalf of your spouse for a tax offset

If your spouse's income is less than \$13,800 pa and you make contributions on his or her behalf, you may be eligible for a tax offset. The tax offset is equivalent to 18 per cent of the first \$3,000 of spouse contributions. The maximum offset of \$540 applies where the spouse's income is \$10,800 pa or less. The eligible spouse contribution limit of \$3,000 then reduces by \$1 for every \$1 of income above \$10,800, reducing to nil when your spouse's income reaches \$13,800.

Boost your super with the Super Co-contribution payment

If you earn less than \$61,920 pa and make additional personal after-tax contributions, you may be eligible for an additional tax-free Super Co-contribution payment of up to \$1,000 pa. People earning up to \$31,920 pa will receive the maximum payment of \$1,000 if they contribute at least \$1,000. The payment then reduces by 3.33 cents for each \$1 of income in excess of \$31,920. No Super Co-contribution payment will be paid where your income is \$61,920 pa or more.

Example

Jane earns \$43,920 pa. If she makes a personal contribution of \$600, she will receive a Super Co-contribution payment of \$600. Jane can contribute more than \$600, but she will still only receive \$600, as this is the maximum amount allowed under the Super Co-contribution scale for her salary level.

To work out how much Super Co-contribution you would get, go to the ATO's website, www.ato.gov.au, and use the ATO Super Co-contribution calculator.

For more information, please visit our website www.spectrumsuper.com.au or call Spectrum Super Customer Service on **1800 333 500**.

Spectrum Super is issued by IOOF Investment Management Limited (IIML)

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