

Healthy, Wealthy and Wise **THE**

IMPORTANCE OF SUPERANNUATION

For many people, retirement seems a long way off so they feel they don't have to worry too much about superannuation and what they will do for money when they are no longer working.

Those closer to retirement might be thinking they should have paid more attention to their superannuation when they were younger.

As taxi drivers are largely self-employed and operate on a bailee arrangement, the best financial advice is to pay 9% of your wages into a superannuation fund that will hold the savings until your retirement.

The thing you need to remember is that the average lifespan of an Australian male is now about 86 and for a woman it's 90, which means you could need your savings to last for a long time after you've retired.

As a rough guide, most people will need 75% of their annual pre-retirement income to support them in retirement. Because everyone's needs are different, it is important that you establish your individual retirement goals to enjoy a happy and secure future.

An increasing number of people are realising that they will need more than the aged pension to enjoy their retirement.

There are different rates of payment of the pension for single people and couples. Your rate also depends on your income, assets, and other circumstances.

In addition, the Federal Government has put in place changes that will gradually increase the age at which you qualify for the pension from the current 65. This

begins in 2017 until it reaches the age of 67 in 2023 and affects anyone born after June, 1952.

Do you plan to travel or do a whole lot of activities you didn't have time to do during your working life? The amount of superannuation you have when you retire will affect the sort of lifestyle you can afford.

Your superannuation could be the biggest asset you have when you finish working, and there are tax advantages that you don't get with other savings and investments.

You may also be able to get death, disability or income protection insurance through your super fund at a cheaper price than if you bought it outside of super.

Don't forget you can also make extra contributions by putting some of your savings into your super account.

The money in your super fund is invested by the fund on your behalf and you can have a say in which investment option your money goes into. You may want to get independent financial advice about the best investment option for you.

If you have worked in a number of different jobs you may have super spread over a number of different funds and it is therefore important to consolidate it in one fund to get the maximum benefit.

You can find lost super by using the Australian Taxation Office's free online search tool, SuperSeeker. Go to www.ato.gov.au and log in to SuperSeeker with your tax file number to do an initial search.

You can find out more about how superannuation works by going to the Australian Securities and Investment Commission website: www.moneysmart.gov.au/superannuation-and-retirement/how-super-works

“ SUPERANNUATION COULD BE THE BIGGEST ASSET YOU HAVE WHEN YOU FINISH WORKING, AND THERE ARE TAX ADVANTAGES THAT YOU DON'T GET WITH OTHER SAVINGS AND INVESTMENTS. ”

