



July e-newsletter

Retirement ~ How much do you need to retire?

Australians are living longer and the average life expectancy is increasing for both men and women.

And with an increased life expectancy so to does the average retirement length increase. In fact, many people are now planning for a 30 year + retirement period.

The key to ensuring a healthy retirement is to plan early and know exactly how much you will need to retire on and enjoy the lifestyle you deserve without the financial stress.

There are three questions you need to ask yourself:

1. How much income per year do you want/need in retirement?
2. How much do you need saved/invested to give you that income?
3. Are you on track to retire with your current Superannuation/Investments?

Based on a 6% rate of return lets look at some figures in the below table. If you would like an income of \$500 p/w (or \$26,000 p/a) you will need to have saved/invested/superannuation balance of \$433,333. If you would like \$600 p/w (or \$31,200 p/a) you will need \$520,000 and so on and so on as outlined below.

Per week	Annual Retirement Income*	Saved / Invested lump sum total*
\$500	\$26,000 p/a	\$433,333
\$600	\$31,200 p/a	\$520,000
\$700	\$36,400 p/a	\$606,606
\$800	\$41,600 p/a	\$693,333
\$900	\$46,800 p/a	\$780,000
\$1,000	\$52,000 p/a	\$866,666

There are a number of strategies to help you build your wealth in preparation for retirement from reducing your tax through additional superannuation payments, salary sacrifice, transition to retirement strategy or gearing to name a few.

McLauchlan & Partners can review your current strategies to ensure you are on the right track AND it's never to early to start.

*These figures do not take into account tax, differing future investment returns and inflation. In 10 years time, your \$52,000 won't buy what it buys today

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