RETIRE READY

A BETTER RETIREMENT
STARTS NOW

Russell Investments

russellinvestments.com.au

WHAT TO DO WHEN RETIREMENT IS ON YOUR RADAR.

You've worked hard to get here. But as retirement approaches, you're probably wondering 'Is my super on track to pay for the lifestyle I want in retirement, how can I get the most out of my super and what are my options when I retire?'

That's what your Retire Ready Meeting is designed to do: offer you clear, simple answers and a path forward.

By the end of the meeting you'll understand where you're heading and how to harness the potential of your superannuation, both today and during retirement.

The Retire Ready Meeting is not a substitute for personal financial advice. But if that's what you're looking for, we can help.

85+ years

Founded in 1936, Russell Investments have over 85 years' experience globally.

$436.1 billion

With billions in assets under management across the globe, you're accessing the same investment expertise many of the world's leading organisations depend on to build long-term financial security for their business and their employees. Assets under management figure as of 31 December 2023.

HELP ME TO UNDERSTAND...

Your action checklist is on page 24.

THE 15/30/55 RULE

RETHINK RETIREMENT.

Throughout your working life, you and your employer put money into your super to save for your desired lifestyle in retirement But that's not where most of our retirement income comes from. Surprised?

55% comes from **investment returns on super after you retire**.

30% comes from **investment returns on super while you are working**.

15% comes from the **original super contributions**.

The 15/30/55 revelation

Russell Investments' global pension experts found that just 15% of an average person's potential income in retirement from super comes from the contributions made while working.

They dubbed this the 15/30/55 rule.

Surprisingly, more than half of our potential retirement income from super comes from investment returns on our super earned after the day we retire.

Invest in your retirement

Knowing that 85% of your potential retirement income can come from investment returns on your super shows the benefit of staying invested during retirement.

This Retire Ready Meeting will help you understand how to:

- Earn your 55%
- Optimise your 30%
- Grow your 15%

*The 15/30/55 rule is based on certain assumptions and is used for illustration purposes only.

SET YOUR GOAL

WHERE AM I HEADING AND AM I ON TRACK?

Setting a goal is an effective way to imagine your ideal lifestyle in retirement and to motivate yourself to work towards that vision. It also acts as the framework for the financial decisions you'll be making as you prepare for the next stage of your life.

Set the foundation

To understand if you're on track for retirement, you need to set a retirement income goal that takes into account:

- When you plan to leave the workforce permanently or reduce your working hours.
- How much you'll spend. Retirement costs can be influenced by many factors, including everyday living expenses to health care, and how often you plan to travel.
- How much you have saved now, and whether you'll qualify for Age Pension payments from the Government.

If the prospect of budgeting and goal-setting makes you break out in a cold sweat, you're not alone.

Quick and easy goal-setting

We've designed the GoalTracker®* suite to fast-track your retirement goal-setting.

In just a few minutes, you can understand the annual retirement income you'll need to live the way you want in retirement, and how your savings stack up.

Getting online to set a goal

First, you tell us a little more about you so we can estimate how much money you're currently on track to receive each year in retirement.

Then, the fun part. Determining the lifestyle you want to live in retirement. To help you visualise your future, we take you through a range of lifestyle categories including travel, leisure, dining out and more. Based on your selections, GoalTracker works out how much you'll likely need to fund that lifestyle, and that's your retirement income goal.

Finally, you can see if your savings are on track, or if you have a retirement income gap to close. You can also simulate the impact additional contributions could make to your super.

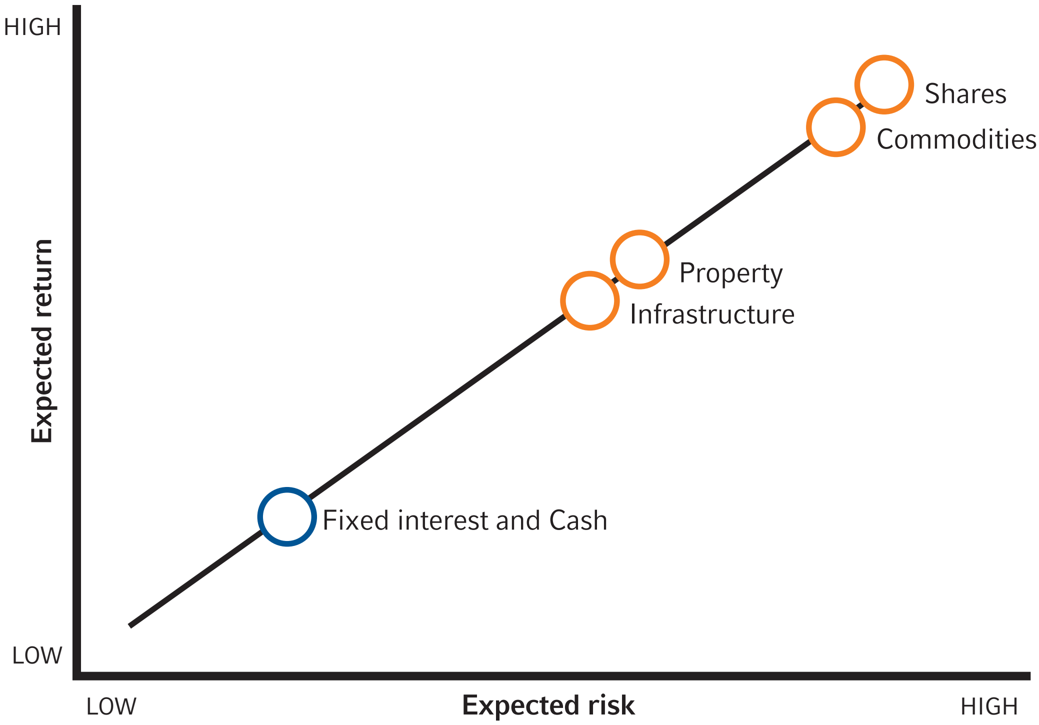
Find out more about GoalTracker at russellinvestments.com.au/goaltracker

Explore GoalTracker at russellinvestments.com.au/login

*GoalTracker is not available for Defined Benefit members.

WHY IS INVESTING IMPORTANT?

How your super is invested can make a huge difference to the amount of income you will receive in retirement. But if you're not an investment expert, choosing the right investments for your circumstances can be tricky.



Source: Russell Investment Management Ltd.

Growth or security?

When considering any type of investment, it's critical to understand the asset classes that make up each option and the relationship between risk and return for each asset class.

Growth assets are designed to grow the value of your investment in the longer term, but often go up and down in value in the short term. These types of assets tend to earn returns in the form of capital growth (as well as some income). Property and shares are growth assets.

Defensive assets are designed to generate low but steady returns over the longer term. Returns are generated in the form of income and generally low or no capital growth. Fixed interest and cash are defensive assets.

Getting it right

You don't want to run out of money in retirement.

That could happen if you choose a defensive strategy that fails to keep pace with inflation. On the flipside, a high growth strategy could mean a balance that goes up and down and keeps you up at night.

The right strategy for investing your super depends on your goals, your investment horizon and your appetite for risk and return.

Your options

Whether you're a hands-on investor or you'd like us to manage your super to your personal situation, we offer a range of investment options for your needs.

Let us manage your investments

Unless you've made an investment choice, you're probably invested in our default GoalTracker Investment option. This award-winning option invests your super based on some information it knows about you such as your age.

And by telling us more about you, for no extra cost, we can help you further personalise your investment strategy to improve the chance of achieving your retirement income goal with GoalTracker Plus.

Read the Investment Guide to find out more about your investment options. Download it at russellinvestments.com.au/investmentguide

Choose how you want to invest

You can set your own investment strategy by choosing from a range of pre-mixed options or build your own.

You can also set a different strategy for your current balance and future contributions.

Get no-cost personal financial advice on your investment strategy over the phone. Visit russellinvestments.com.au/advice

Diversified options

Our multi-asset options make it easy for you to choose an investment strategy that suits you. We manage these portfolios the same way we invest money for some of the world's largest businesses, using our global experience and expertise.

Sector options

Experienced investors can build their own investment strategy using our Sector Options menu. A selection of our sector options menu is below:

Sector options menu

Australian

- Australian Cash
- Australian Floating Rate
- Australian Fixed Income
- Australian Shares

Global

- Global Fixed Income $A Hedged
- Listed International Property Securities $A Hedged
- Global Shares
- Global Shares $A Hedged
- Emerging Markets

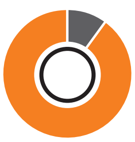
Diversified options menu (available in iQ Super)

High Growth

Suitable for investors who are seeking to build wealth over the long term, and willing to accept the possibility of negative returns over the short to medium term.

- **Investment objective:** To earn a return after expected costs and tax, exceeding CPI* by 4.5% per annum, measured over rolling 5-year periods.
- **Minimum investment timeframe:** At least 7 years.
- **Investment strategy:** Typically, 100% growth investments#. May be exposed to derivatives.
- **Estimated investment fee^:** 0.50% p.a.
- **Estimated indirect costs:** 0.19% p.a.
- **Estimated transaction costs:** 0.10% p.a.
- **Estimated number of negative annual returns over any 20-year period:** Approx. 5 to 6

Growth



Suitable for investors who are seeking to build wealth over the long term, and willing to accept the possibility of negative returns over the short to medium term.

- **Investment objective:** To earn a return after expected costs and tax, exceeding CPI* by 4.0% per annum, measured over rolling 5-year periods.
- **Minimum investment timeframe:** At least 6 years.
- **Investment strategy:** Typically, around 90% growth investments and 10% defensive investments#. May be exposed to derivatives.
- **Estimated investment fee^:** 0.54% p.a.
- **Estimated indirect costs:** 0.18% p.a.
- **Estimated transaction costs:** 0.14% p.a.
- **Estimated number of negative annual returns over any 20-year period:** Approx. 5

Balanced Growth

Suitable for investors who are seeking to build wealth over the medium to long term, and willing to accept the possibility of negative returns over the shorter term.

- **Investment objective:** To earn a return after expected costs and tax, exceeding CPI* by 3.5% per annum, measured over rolling 5 and 10-year periods.
- **Minimum investment timeframe:** At least 5 years.
- **Investment strategy:** Typically, around 70% growth investments and 30% defensive investments#. May be exposed to derivatives.
- **Estimated investment fee^:** 0.55% p.a.
- **Estimated indirect costs:** 0.23% p.a.
- **Estimated transaction costs:** 0.17% p.a.
- **Estimated number of negative annual returns over any 20-year period:** Approx. 4 to 5

Diversified 50

Suitable for investors who are seeking some capital growth over the medium term, and willing to accept the possibility of negative returns over the shorter term.

- **Investment objective:** To earn a return after expected costs and tax, exceeding CPI* by 3.0% per annum, measured over rolling 5-year periods.
- **Minimum investment timeframe:** At least 4 years.
- **Investment strategy:** Typically, around 50% growth investments and 50% defensive investments#. May be exposed to derivatives.
- **Estimated investment fee^:** 0.44% p.a.
- **Estimated indirect costs:** 0.16% p.a.
- **Estimated transaction costs:** 0.18% p.a.
- **Estimated number of negative annual returns over any 20-year period:** Approx. 3 to 4

Defensive

Suitable for investors who do not have a long investment horizon, and whose most important consideration is having a low chance of a negative return over this horizon.

- **Investment objective:** To earn a return after expected costs and tax, exceeding CPI* by 2.0% per annum, measured over rolling 5-year periods.
- **Minimum investment timeframe:** At least 3 years.
- **Investment strategy:** Typically, around 30% growth investments and 70% defensive investments#. May be exposed to derivatives.
- **Estimated investment fee^:** 0.39% p.a.
- **Estimated indirect costs:** 0.17% p.a.
- **Estimated transaction costs:** 0.14% p.a.
- **Estimated number of negative annual returns over any 20-year period:** Approx. 2 to 3

* CPI stands for Consumer Price Index, which is used as a measure of inflation.

\# For more details, login at russellinvestments.com.au/login and read the Investment Guide.

^ For more information about the fee applicable to you, please log into your online account at russellinvestments.com.au/login to read your Insurance, Fees and Costs Guide.

One-step diversification

Each of our multi-asset options are diversified across several asset classes, dozens of underlying funds managed by professional investment managers, and hundreds of underlying assets.

This helps neutralise the risk of any one market, sector, manager or asset class significantly reducing the performance of any option.

How we invest

Russell Investments design, construct and manage investment solutions to achieve specific outcomes for our members.

That means having the conviction to ignore market noise or short-term corrections that drive returns up or down from day to day.

Your money never sleeps. Our team manages and monitors investment portfolios in every major time zone.

Changing your strategy

You can switch between investment options at any time. The first five switches you make in any financial year are fee-free. Your switch will generally take effect three business days after we receive the request.

Before you change your strategy, stop and ask yourself why. Is your desire to switch triggered by a change in your long-term goals? Or are you reacting to short term investment conditions?

Get no-cost personal financial advice on your investment strategy over the phone. Visit russellinvestments.com.au/advice

Stay on track with automatic rebalancing

If you choose to invest in more than one option, you can take advantage of our rebalancing service.

Market movements can change the asset allocation and risk profile of your options. Rebalancing your exposure to your chosen options aims to reduce risk by bringing them back in line with your intended asset allocation.

HOW CAN I MOVE MONEY INTO MY SUPER?

Moving your money into super can be a tax-effective way to accelerate your super savings while you're still working, and an easy way to manage your finances once you retire.

Types of super contributions

There are two main types of superannuation contributions:

Before-tax contributions

Also known as concessional contributions, these types of super contributions include salary sacrifice and employer super contributions.

Salary sacrifice explained

Salary sacrifice involves paying some or all of your salary into super before it is taxed. This is a powerful saving strategy because it effectively converts income tax into extra dollars in your superannuation account.

By 'sacrificing' some of your before-tax salary and putting it into your super, you benefit from a concessional tax rate of only 15% on those contributions, which could be significantly lower than your marginal tax rate.

Limits apply

There is a limit on how much you can put into super each year from before-tax money.

For the 2024-2025 financial year, this limit is $30,000.

This limit is also called the concessional contributions cap. It includes the before-tax contributions your employer makes on your behalf.

Under the "carry forward" rule from 1 July 2018 if you have a total superannuation balance of less than $500,000 on 30 June of the previous financial year, you may be entitled to contribute more than the general concessional contributions cap and make additional concessional contributions for any unused amounts.

The first year you could carry forward unused amounts was the 2019–20 financial year. Unused amounts are available for a maximum of five years, and after this period will expire.

Tax penalties apply if your contributions exceed this limit.

Talk to your employer

It's a good idea to talk to your employer before salary sacrificing into your super to understand what impact this may have (if any) on your employer super contributions.

Download a Contributions Form to set up salary sacrifice.
Visit russellinvestments.com.au/forms

After-tax contributions

Also known as non-concessional contributions, these are super contributions made by you from your own money either as one-off or ongoing payments.

Why boost your super?

Putting your own money into super using after-tax money is an effective way to save, because the investment earnings on your money are taxed at up to 15% rather than your marginal tax rate.

Put simply, this means that investment returns on money invested within super are generally higher than those you'd receive on a similar investment outside super.

Limits apply

There is a limit on how much you can put into super each year from after-tax money.

For the 2024-2025 financial year, this limit is $120,000.

Understanding the Bring Forward rule

The Bring Forward rule allows people under age 75 (at the start of the tax year) to contribute up to three years' worth of after-tax contributions without exceeding the limit.

Making after-tax contributions

You can pay after-tax money into your super using BPAY or cheque.

Find your Customer Reference Number on your annual statement, on the app or online.

Claiming a tax deduction for after-tax contributions

A rule that came into effect 1 July 2017 allows you to claim a tax deduction for after-tax super contributions, as long as you are under 75 years old and meet the work test.

To claim a tax deduction for personal contributions, you must provide us with a valid notice of intent. Get in touch with us to find out more.

Work test for contributions

From 1 July 2022, if you are between 67-75 years old you can make or receive both salary sacrifice and after-tax contributions without meeting the work test, subject to the existing contribution caps.

However, as mentioned above, you still need to meet the work test criteria to claim a tax deduction for any after-tax contributions.

Get no-cost personal financial advice on your contribution strategy over the phone. Visit russellinvestments.com.au/advice

Downsizing? Now you can move some of the proceeds into your super

From 1 January 2023, people aged 55 and over can make a non-concessional (after-tax) contribution into their super of up to $300,000 (a total of $600,000 for couples) from the proceeds of selling their home.

The downsizer contribution can still be made even if you have a total super balance greater than $1.9 million.

CONSOLIDATE

SHOULD I COMBINE MY ACCOUNTS?

Combining your super is simple, quick and can help maximise the potential of your savings by cutting out duplicate fees and costs.

Why pay twice?

You're paying fees and management costs on each superannuation account you hold.

When you have more than one account, you may be doubling (or tripling) some fees.

Extra fees hurt your super in two ways: they're reducing your balance today and they're reducing your future balance, because you have less super to compound and grow over time.

Think carefully about keeping your super in multiple accounts – does it offer you good value for your money?

Need to know

Before you combine your super, you should find out about withdrawal or other fees that funds might charge, as well as any entitlements or insurance cover that might stop when you close an account.

Login online to combine your other super.
Visit russellinvestments.com.au/login

Myth busting multiple accounts

Some reasons for maintaining multiple accounts are solid. Some, however, are more shaky. Let's break it down:

The solid:

- ✔ I want to retain the special benefits I only get with my other fund
- ✔ I'm unable to consolidate due to fund rules
- ✔ My other fund is a SMSF.

The shaky:

- ✘ I'm keeping my other fund to diversify my savings.
  Your investments are already likely to be diversified across regions, asset classes and investment managers. Plus, there is very little risk of any prudentially regulated superannuation fund collapsing.
- ✘ I'm keeping my other fund for the insurance.
  In many cases, you can apply to have your insurance cover in another account, subject to some conditions.

INSURANCE

DO I HAVE THE RIGHT INSURANCE COVER?

Do you have the right level of insurance cover for your current circumstances?

Insurance matters

While most of us insure our homes and cars, we forget about protecting the most important thing of all - our ability to earn an income.

It's important to consider protecting your financial position if you were to become ill or die unexpectedly. This is especially important if you are the main income earner in your household.

Understanding insurance

Insurance cover through your super can offer you valuable peace of mind. So if something happens to you, you'll have a financial safety net in place to take care of you or your loved ones.

Like most members, you probably received some automatic **Death or Death and Total & Permanent Disablement** insurance when you joined. Some members also receive Income Protection insurance. The costs come out of your account balance. You can apply to increase your cover at any time, or choose to reduce or opt out of cover.

Insurance through super is generally easy to manage and cost effective, because we use people power to negotiate competitive prices for quality insurance benefits on your behalf.

Types of cover

Protect your financial position

Death insurance cover pays your beneficiary a lump sum when you die.

Protect your good health

Total & Permanent Disablement (TPD) insurance cover pays a lump sum to assist with rehabilitation and higher living costs if you are totally and permanently disabled.

Protect your pay cheque

Income Protection insurance cover replaces part (usually capped at 75%) of any income lost through your inability to work due to injury or sickness.

Log in online to check your insurance benefits. Visit russellinvestments.com.au/login

Flexible insurance options

Voluntary cover

You have the option to apply to increase your level of cover at any time, or apply for insurance cover. This may be subject to underwriting and approval by the insurer.

Fixing your cover

You can apply to fix your level of insurance cover if you don't want it to decrease as you get older. Instead, the costs of your premiums will increase each year.

Transfer cover from another fund

If you are still under age 60, you can transfer up to $2 million of existing Death or TPD cover you hold with another super fund to your account with us, subject to the insurer's conditions.

Check your Occupational Category

If you aren't a tradesperson or working in a manual occupation, you may be able to reduce your insurance premiums by applying to change your occupational category.

Log in online to see where your super is and combine it in seconds. Visit russellinvestments.com.au/login

Terminal illness

You may be able to access your superannuation benefits (including Death insurance) before your death if you are diagnosed with a Terminal Medical Condition, as defined by superannuation legislation. To access the insured component of your Death benefit prior to your Death you must also meet the insurer's definition of Terminal Illness.

Making a claim

If you or your family need to make an insurance claim, contact us as soon as possible on 1800 555 667. Our team will help you understand what do to and how to do it, and explain every step along the way.

What type of insurance cover do I need... and how much is enough?

There are things to consider when deciding on an appropriate level of insurance. For example, would your insurance bridge the gap between what you'd have and what you'd need if you couldn't work up to your planned date of retirement? How would your expenses change if you weren't entering retirement fit, healthy and able-bodied?

To find the answers, you can either review your financial position, or get in touch with us for an expert assessment at no cost.

Get no-cost personal financial advice on your insurance cover over the phone. Visit russellinvestments.com.au/advice

Paula *is 58 and lives with her partner Sam and their teenage daughter Sarah.*

Paula is the main income earner while Sam, who is five years older, works part time. She is concerned that she might not have enough insurance to maintain her family's financial position if she were to become ill or die during the next four years. Even if Sam were to return to work full time, his income might still not be enough to support the family.

Paula contacts us, and was referred to our Over the Phone Advice Service for a personal insurance assessment. After discussing her financial position and commitments, Paula's adviser recommends she apply for additional Death insurance cover to cover the gap between the insurance she has today, and the insurance she'd need if something went wrong.

After receiving her Statement of Advice in the mail, Paula decides to apply for the extra cover.

BENEFICIARIES

WHO GETS MY SUPER IF I DIE?

Telling us who you want to receive your super helps you have more control over who receives your super and insurance benefits if you die.

A will may not be enough

Nominating someone in your will to receive all or part of your super benefit isn't certain, even if the recipient is a **dependant, your legal personal representative** or **your estate**.

Who can I nominate as a beneficiary?

A dependant can be a beneficiary.

Your dependants may include:

- your spouse (including de facto of the same or different sex)
- your children (including step, adopted, and ex-nuptial children, or a child of your spouse)
- any person who is financially dependent on you
- any person with whom you have an interdependency relationship, including:
  - any person with whom you have a close personal relationship and live with where, one or both of you also provides ongoing financial support, domestic support and personal care
  - any person with whom you have a close personal relationship where, because of a disability, the above requirements of living together, financial support, domestic support and personal care are not able to be satisfied.

Your legal personal representative or estate can be a beneficiary.

You can nominate your legal personal representative (the executor or administrator of your estate) or estate as a beneficiary.

Think carefully about your nomination.

When deciding who you want to receive your benefits, consider the difference between a payment going directly to a dependant and to your estate.

If a payment is made to an individual it does not form part of your estate.

Payments made to your estate can be subject to family provision claims (challenges to your will) and to claims from your creditors. Any payment made directly from your super fund to a dependant cannot be subjected to these claims.

Preferred or binding nomination?

A preferred nomination tells the Trustee who you would like to get your benefits. It is not binding on the Trustee. If you die, the trustee of the super fund will collect all the relevant information about your personal situation before deciding who should receive the benefit. The trustee will consider the wishes you expressed in your nomination, but it's possible your benefit will not be paid as you had nominated.

A binding nomination is, as the name suggests, legally binding on the Trustee. As long as you nominate valid beneficiaries, your benefit will be paid as you nominate. This can result in a faster payment, because the trustee only needs to confirm your nomination is valid and collect certain administrative documentation before paying your benefit.

Binding nominations to the Trustee expire every three years.

If a binding nomination expires, the nomination remains in place but becomes a preferred nomination.

Nominating or updating your beneficiaries

It's important to keep your beneficiary nominations up to date so the right people receive or are considered for your benefit if you die.

Login online to check your beneficiary details.
Visit russellinvestments.com.au/login

Tom *nominated his wife Rita as his beneficiary when he joined.*

Later, Tom and Rita divorced and he formed a de facto relationship with Silvana. They had a daughter named Chloe together.

Not long after Chloe was born, Tom called to talk about his insurance cover, and we suggested he consider updating his beneficiaries to reflect the change in his personal circumstances.

He submitted a new binding nomination, naming Silvana and his daughter as his sole beneficiaries.

When Tom passed away unexpectedly, his superannuation and insurance benefits were paid to Silvana and Chloe, his dependants, as he intended.

WHAT IS A TTR STRATEGY AND HOW COULD I USE IT?

A transition to retirement strategy allows you to access some of your super while you're still working, helping you save on tax and giving you the flexibility to retire on your own terms.

How can I use it?

Transition to retirement strategies can let you take advantage of age-based tax breaks.

A transition to retirement (TTR) strategy can be used in different ways as you approach retirement:

- ✔ **Use TTR to reduce your working hours, not your income.**
  If you move to part-time employment, TTR income can supplement a reduced wage.
- ✔ **Use TTR to boost your super in your final working years.**
  Use a TTR strategy to dial up salary sacrifice contributions, then top up your take-home pay with TTR income. This can boost your balance by converting PAYG tax you'd otherwise be paying into super.
- ✔ **Use it to improve your cash flow ahead of retirement.**
  If you need to improve your cash flow position ahead of retirement, you can use TTR to do this. But be aware this can deplete your retirement savings.

Am I eligible?

To be eligible to use a TTR strategy, you need to:

- have reached your preservation age

withdraw between 4% and 10% of your retirement income account balance each year.

Learn more about using transition to retirement strategies.
Visit nationwidesuper.com.au/ttr

Preservation age

Your **preservation age** is the age at which you can begin to access your super. If you were born after 1 July 1964, that will be age 60. If you were born any earlier, you will have already reached it.

Is a TTR strategy right for me?

TTR has proven to be a useful financial planning strategy for many people who are looking to maximise the benefits super can offer leading into retirement. The tax advantages can be compelling.

An effective TTR strategy involves striking the right balance between your super contributions, your TTR income payments and your required cash flow.

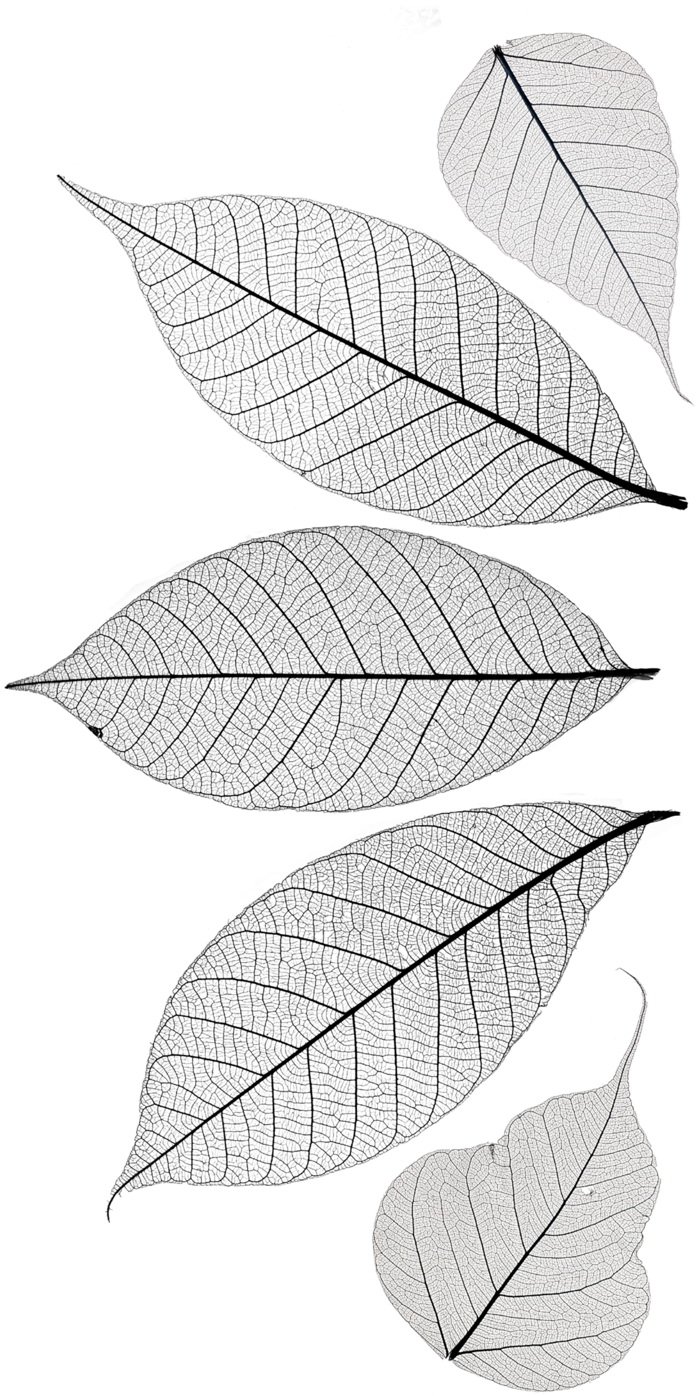
One of the main limitations of a TTR strategy is that you can only access your super in the form of an income stream, and this is subject to minimum and maximum payment limits. You’re unable to withdraw a lump sum until you meet a condition of release, such as turning age 65 or retiring after your preservation age.

We suggest you seek professional financial advice before putting a TTR strategy in place to ensure it meets your needs and you strike the right balance. As a member, you can get this at no cost to you.

No-cost TTR advice

Link Advice, our over-the-phone advice partners, have the expertise, skills and experience to help you assess and optimise a TTR strategy in line with your own personal goals and objectives.

Get no-cost personal financial advice on whether a transition to retirement strategy is right for you, over the phone. Visit russellinvestments.com.au/advice



TRANSITION TO RETIREMENT CASE STUDY 1.0

PETER MAKES A LIFESTYLE CHOICE

Using a TTR strategy, Peter is able to reduce his working hours and reduce tax—without reducing his lifestyle.

Peter is 63. He has $400,000 in his super. He wants to ease into retirement by scaling back to working three days per week – reducing his gross income from $80,000 to $48,000 per annum, and his take-home pay from $63,612 to $42,132.

After talking to us about a transition to retirement strategy through our iQ Retirement product, he decides he wants to use it to maintain his take-home pay.

By salary sacrificing $24,480 of his gross income into super, he's able to maximise his before-tax contribution limit of $30,000 in 2024/2025. The income payments from his pension, offset the reduction in his take-home pay. From a tax perspective, using a TTR also delivers tax savings of $2,044.80 per year.

	WITHOUT TTR	WITH TTR
Gross income (full time)	$80,000	$80,000
Gross income (three days)	$48,000	$48,000
Less salary sacrifice	$0	$24,480
Taxable income	**$48,000**	**$23,520**
Less tax payable*	-5,868	-151.20
Add pension amount	$0	$18,763
Take home pay	**$42,132**	**$42,132**
Superannuation position		
Employer SG contribution	$5,520	$5,520
Salary sacrifice contribution	$0	$24,480
Total contribution	**$5,520**	**$30,000**
Less contributions tax	$828	$4,500
Less pension payment	$0	$18,763
Net Super position	**$4,692**	**$6,737**

* Includes the medicare levy of 2% (lower rate applies if "low-income earner"), and is net of low income tax offset. Peter is able to access between 4% and 10% of his iQ Retirement account balance. The above scenario is based on 1 July 2024 superannuation and taxation rules and is used for illustrative purposes only.

TRANSITION TO RETIREMENT CASE STUDY 2.0

MARIA BOOSTS HER BALANCE

Simply by using a TTR strategy, Maria is able to boost her retirement savings by an extra $4,010 per year.

Maria is 62. She earns $70,000 per annum. She intends to keep working for another few years and has $220,000 in superannuation.

After finding out about transition to retirement, she decides she wants to use this strategy to boost her savings without reducing her total take-home pay. She sets up an iQ Retirement account, which allows her to use a TTR strategy while still accepting contributions from her employer.

Maria salary sacrifices $21,950 of her gross income into super to maximise her before-tax contribution limit of $30,000 in 2024/2025.

This keeps the same take home pay and saved $4,010 in tax and then added this to her super savings.

	WITHOUT TTR	WITH TTR
Gross income	$70,000	$70,000
Less salary sacrifice	$0	$21,950
Taxable income	**$70,000**	**$48,050**
Less tax payable	-$13,188	-$5,885
Add pension amount	$0	$14,647
Take home pay	**$56,812**	**$56,812**
Superannuation position		
Employer SG contribution	$8,050	$8,050
Salary sacrifice contribution	0	$21,950
Total contribution	$8,050	**$30,000**
Less contributions tax	$1,208	$4,500
Less pension payment	$0	$14,647
Net position	**$6,843**	**$10,853**

* Includes the medicare levy of 2%. Maria is able to access between between 4% and 10% of her iQ Retirement account balance. The above scenario is based on 1 July 2024 superannuation and taxation rules and is used as for illustrative purposes only.

HOW DO I PAY MYSELF AN INCOME IN RETIREMENT?

Converting your super into regular income keeps your money working hard for you, while you take it easy. It's your money, and you stay in control.

What will I live on when I retire?

You may have heard of our retirement income system having three pillars. These pillars are:

1. The Age Pension

The Government Age Pension is a universal meanstested and publicly funded pension offering a safety-net level of income, including longevity risk protection.

2. The Superannuation Guarantee

A compulsory saving scheme funded by employer contributions for eligible employees, for retirement, death or disability.

3. Voluntary savings

Self-funded savings outside superannuation, as well as top-up contributions to superannuation made by you or your employer.

The tax benefits of saving through superannuation were put in place by the Government to encourage more people to fund their own retirement, rather than relying on the Age Pension.

In reality, most people will draw their retirement income from a combination of the three pillars

Stretching your savings

For most people, the days of withdrawing all your super when you retire are long gone.

Retirement income products (also called Account Based Pensions) convert your superannuation savings into regular income payments.

Your money stays invested, and because investment earnings are tax-free, your money has the opportunity for greater growth.

Put simply, tax benefits mean that money invested in superannuation may last many years longer for you in retirement than if it was invested the same way outside superannuation.

How does a retirement income retirement (Pension) account work?

You set up a retirement income account and transfer all or part of your superannuation savings into it. The retirement account pays you regular income payments, subject to a minimum payment limit.

It's your money and you stay in control.

Importantly, money you're not spending continues to be invested – just as it was while you were working. Remember the 15/30/55 rule (see page 4 of this booklet for a recap).

Qualifying for the Age Pension

To qualify for a full or partial Age Pension, you or your spouse must:

- Meet the age rule:
  On 1 July 2023, the eligibility age rose to 67 years and
- Be an Australian resident
- Be in Australia
- Satisfy the Assets and Income tests.

While you may not qualify for the Age Pension when you retire, over time as you spend your retirement savings or your circumstances change, you or your spouse may become eligible for a part pension.

When can I access my super?

To be able to access your super you need to meet a condition of release:

- You have reached preservation age and retired
- You have reached preservation age and use a transition to retirement strategy
- You stop working on or after age 60 (but you don't have to retire permanently)
- You are eligible for access on financial hardship or compassionate grounds
- You are 65 years old (even if you haven't retired).

ADVICE OPTIONS

WHERE CAN I GET ADVICE I CAN TRUST?

Getting the right advice now could make a big difference to your financial future. From a conversation to a full financial plan, our advice menu offers you plenty of options.

The value of advice

Most people stand to benefit from financial advice – it's not just for the wealthy. In fact, people with modest savings and assets stand to benefit the most from personal financial advice.

Planning your financial future helps empower you to define and set goals and map out a path to reach them, with support from an expert. It also helps you protect your progress along the way and helps avoid any nasty surprises.

Understanding our advice menu

You can never have enough good advice, but knowing what type of advice best fits your needs is an important step in the financial advice journey. From general information to personalised phone-based and comprehensive advice, you have access to a wide range of options. We're here to help work out which one is right for you.

Many of our advice services are offered at no cost to you, but if you are charged a fee for an advice service, it will be quoted upfront.

General advice options

General information and advice is about helping you understand super and related topics, but doesn't take into account your personal circumstances or needs. It can cover topics like options for investment strategy, contributions, and transition to retirement.

In most cases it's offered to you at no cost.

What are the rates and rules related to super?

What are my investment options?

Are my assets protected if I suffer a serious accident or illness?

How can I take advantage of age-based super rules as I get closer to retirement?

Personal advice options

Personal financial advice is about getting an expert to use their knowledge, skills and experience to offer advice and support that is personalised for your circumstances, goals and desires.

Your options here range from Simple Phone Advice on topics like how to maximise your super, through to the RetireAssist service when you're within 12 months of retiring, and comprehensive advice, that can cover multiple financial issues both inside and outside superannuation.

Simple Phone Advice is offered at no cost to you. Where a fee for service applies for other types of advice, we'll discuss and agree that with you in advance so there's no surprises.

How can I invest tax-effectively inside and outside of super?

How can I optimise my Centrelink entitlements?

Where do I start with estate planning?

A PATH FORWARD

MY ACTION CHECKLIST

After today's meeting we hope you're feeling confident and in control of your superannuation and have a clear path forward.

Here's your record of the things we covered today, and the next steps we'll be taking together:

Meeting Date: ______________________

My Retirement Consultant: ______________________

My Member Solutions Consultant: ______________________

Things you asked us to help you with:		Things you're going to do next:
☐	Set a goal and see if I'm on track to get there	☐
☐	Find out if I'm in the right investment strategy	☐
☐	Find out how I can move money into my super	☐
☐	See where my other super is and combine it	☐
☐	Find out if I have the right insurance cover	☐
☐	Find out what happens to my super if I die	☐
☐	Find out if a TTR strategy is right for me	☐
☐	Consider opening a retirement income account	☐
☐	Find out if financial advice is right for me	☐
☐	______________________	☐
☐	______________________	☐
☐	______________________	☐
☐	______________________	☐
☐	______________________	☐

You can expect your Member Solutions consultant to get in touch within the next week.

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We’re here to help

Our team is standing by to answer your questions and point you in the right direction.

Call:

1800 555 667
Monday to Friday 8.30am to 5.30pm

Email:

retireready@russellinvestments.com

Web:

russellinvestments.com.au/super

IMPORTANT INFORMATION

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