

ENGAGEMENT

Blog – Retirement: Financial Health

The following blog has been prepared by TAL. It is available to use in white-label format for communications and is designed to provide information on positive ways to support retirement.

-BLOG-

What I wish I knew: financial health in retirement

When it comes to making big decisions, having a crystal ball would certainly make life easier. But if you don't have the benefit of this foresight, the next best thing might be understanding the decisions that others in a similar position have made and what they might have done differently if they'd had the benefit of hindsight.

From research by our life insurance partner TAL, pre-retirees shared their expectations as they journey towards the end of their working life, and retirees shared what they wished they'd known prior to retirement. So, given we don't have a crystal ball it's worthwhile seeing what we can learn from their experience.

The research showed that the range of experiences was as different as the individuals themselves, but the unifying factor seemed to be a general lack of understanding of how super works in retirement. While 74% of pre-retirees said they were engaged in managing their financial health, many said they were unclear how to put it into practice by maximising pre-retirement savings or managing their finances in retirement.¹

For those already in retirement, many wished they'd understood the impact of putting more into super before retiring, while others were nervous about the future, not really knowing how much they'd need to live comfortably.

So, to address some of the common concerns we've compiled a list of top tips that could help you on your way to a more secure retirement:

1. Grow your super

The power of compounding is your friend when it comes to retirement savings. If you can afford to contribute extra to super, even small amounts made consistently over time can grow into a substantial sum. You may be eligible for government co-contributions or tax benefits for extra super contributions so it's worth talking to a financial adviser or accountant to see if they apply to your situation.

2. Combine your super accounts

If you have more than one super account, you could be spending more than you need to on fees. You may have lost track of accounts over the years if you've changed jobs so it's worthwhile visiting the Australian Taxation Office (ATO) website at my.gov.au where you'll be able to search for lost accounts and this site can help you consolidate your super. Before consolidating any of your super accounts

¹ What I wish I knew about retirement white paper. (2024).

consider the existing insurance cover you may have in your accounts and whether the fund you are consolidating into can offer the cover amount you need.

3. Set clear goals

Retirement goals will look different for everyone. While some people look forward to a chance to wind down and take things easy, others plan to do some of the things they haven't had time for during their working life like hobbies and travel. Define your retirement goals in terms of lifestyle, travel, healthcare and other expenses. Having a clear vision will help you determine how much you will need to fund the lifestyle you'd like to lead in retirement.

4. Consider retirement products

The Government has announced a Retirement Income Framework, intended to increase individuals' standards of living in retirement, with new retirement products becoming available in the market.

These products can provide an income stream for the remainder of your life, no matter how long you live, to provide confidence that you can spend your money and enjoy your retirement.

Since none of us know how long we'll live in retirement, it's difficult to know whether our super balance will go the distance, causing us to potentially underspend and stopping us from enjoying the lifestyle we can actually afford.

5. Seek professional advice

It's important to get the right advice before you make any financial decisions. The good news is you have a range of options available to you:

There's free financial information, tools and calculators available from trusted sources like the Australian government's [MoneySmart](#) website.

We're always here to help, so get in touch if you'd like to find out more about your financial options in retirement. [\[add links to contacts details and/or tools and calculators\]](#).

If you're looking for professional advice, make sure your financial adviser has an Australian Financial Services licence. You can check on the [Financial Advisers Register](#).

Achieving financial health in retirement is a journey that requires careful planning but by implementing some of these tips and seeking professional advice you can build a foundation that provides you the confidence to enjoy the lifestyle you'd like to lead and peace of mind throughout your retirement years.

-ENDS-

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