

Six steps towards smart super

FOR many of us, our superannuation will be one of our most important assets in retirement. Taking control of your super sooner means you can improve your chances of having a comfortable retirement.

With markets on the way up, what better time is there than now to make the most of potential gains and take control of your super to give you peace of mind over your working life. "It's not hard to make the most of your super, just follow these six steps and remember, not only can you contact your local AustSafe Super regional manager for a hand, AustSafe Super also provides you with access to professional financial advice so you can be sure you are making the right decisions for your future", says Craig Stevens, CEO of AustSafe Super.

Sorting your super out can sometimes seem like a dog's breakfast. Where do you start?

Step 1 – Set a retirement goal.

This means you need to decide roughly how much you would like to live on in retirement. This is very important and it's not hard. If you have a clear figure in your head, you can start to manage your money to meet that. Begin with an end in mind. There is no one figure that all Australians should aim towards, how much you need in retirement will depend on the type of retirement you want to lead. Ask yourself, do you plan to be debt free? Where do you plan to live? Do you plan on holidays? How often will you need to replace your car? What do you spend now and what do you imagine will be different about your spending in retirement?

Setting a retirement goal and then progressing down that road towards the goal will give you that all important feeling of purpose. AustSafe Super knows that to successfully set a retirement goal, members may need access to good advice.

"That's why AustSafe Super has teamed up with Money Solutions," said Mr Stevens. "Members can contact our Customer Service Centre on 1300 131 293 and ask to talk with a Personal Money Coach who can help them crunch the numbers and decide a retirement goal and help them understand what they need to do over time to reach their goal."

Step 2 – Plan to spend.

The next step is to set a spending plan so that you know you can meet your goals. Your goals are the things you want your money to achieve for you. They might include paying off the house, school fees, having a



– Photo: LOUISE KENNERLEY, afrphotos.com

regular holiday or buying that brand new ute!

To organise your money to achieve your goals, set a priority spending plan. To do this, we recommend you set aside a fixed percentage of your income towards meeting these goals first, before you do anything else with your money. To make this effective you might need to direct some money aside into another account. The redirected money can then be used to meet your short and medium-term goals. Your long-term goal of a comfortable retirement should be managed within the superannuation environment. Don't just count on the 9 percent your employer is already paying into your super on your behalf, we believe everyone needs to supplement this. Setting aside a fixed proportion of your income to meet your goals means you are free to spend the rest as you please.

Step 3 – Increase your super.

You now know how much money you would like to retire on and you have set aside a portion of your income to meet your long-term goal of a comfortable retirement. Step three is about using that set-aside amount in the most efficient way. You may be eligible to access 'free money' from the government by making extra super contributions or you may be able to save on tax through an arrangement with your employer. To understand your options and to choose the best

You should look for a fund with low fees and strong long-term average returns.

track for you, it is best to ask the people who know.

"For members of AustSafe Super, we will pay for your first superannuation related issue to be discussed with a Money Solutions personal money coach", advises Craig Stevens. "A money coach can review your individual situation and make a recommendation on the best way for you to increase your super, so you can be sure you are making the right decisions."

If you decide you need additional advice, any fees will be quoted to you upfront. You may be able to fund these fees from your superannuation account, just ask the Money Coach how.

Step 4 – Round up your super.

In Australia today there are more than 30.4 million super accounts and only 11.8 million workers*. Too many Australians are paying unnecessary fees, eroding their retirement savings – it's wasted money. By consolidating

your superannuation into the one account you may pay fewer fees overall, find your super easier to manage and there'll be more super savings for you.

Choose the fund that is right for you and your personal circumstances. You should look for a fund with low fees, strong long-term average returns, comprehensive insurance cover and a fund that doesn't pay commissions to financial planners or service providers. As an Industry Super Fund, AustSafe Super has the right pedigree.

Step 5 – Choose your investment option.

Your super will be automatically invested across a number of assets. The best news for you is that you get to choose from a range of investment options so you are in control of how hard your money works.

To choose an investment mix that is right for you, consider the following:

- How long have you got until you plan to retire?
- How comfortable are you with market ups and downs?
- What average return do you need to achieve your retirement goal?

Superannuation is a long-term investment, so you need to choose an asset mix that provides a good return over the long term and a level of risk that you are comfortable with. A money coach can help you to understand your options and make a decision about where to invest your

money so you feel confident about the future.

Step 6 – Protect your assets.

One of the greatest assets we have is our ability to earn an income. Therefore, a very important thing to consider when thinking about your super is personal insurance. We place great importance on insuring our car, house, boat etc but do not pay great attention to protecting our lives and ability to earn an income.

There are three things that could happen that could see your comfortable lifestyle go to the dogs:

- (i) You live too long, (ii) You die too soon, (iii) You become disabled.

The financial impact of any of these can be enormous – if you have not planned properly. Insurance can be provided within superannuation so you don't have to find the money for premiums from your own pocket, but you need to choose the level of cover that is right for you. However, it's important to be aware of the 'insurance gap'.

Remember, your super is paid out when you die and insurance should cover the gap between what your family needs and your super. Once you know what this gap is you can accurately choose the level of insurance cover you need your super fund to provide. Insurance should be reviewed regularly to meet your changing needs. It is important not to be underinsured and just as important not to pay for insurance that you don't need.

A money coach can help you determine the level of insurance that is right for your circumstances to give you peace of mind that your greatest asset is protected.

Rather than lying low, take the first step to making your super work for you.

Contact AustSafe Super on 1300 131 293 and ask to talk to a personal money coach.

"You can be sure that the advice you receive from Money Solutions is focused on getting results that work for you. They work on a flat fee for service basis and Money Solutions receive no commissions", Craig Stevens reassures members. [*Australian Taxation Office Taxation Statistics 2006/07 www.ato.gov.au/corporate 2007].

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GET MORE SUPER

Did you know that if you round up your super into one account, you could add tens of thousands of dollars to your super balance by the time you retire?

Visit www.roundupyoursuper.com.au for more info and examples of how much more super you could have.



AustSafe Super



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