

# Nearing retirement with substantial super?

If you've been consciously putting money in your super for some time and you now have a healthy nest egg, you could consider a "Transition to Retirement" (TTR) strategy. That's where you continue to work (possibly even part time), and you salary sacrifice more money into your super but top up your income by converting part of your super to an Account-Based Pension.

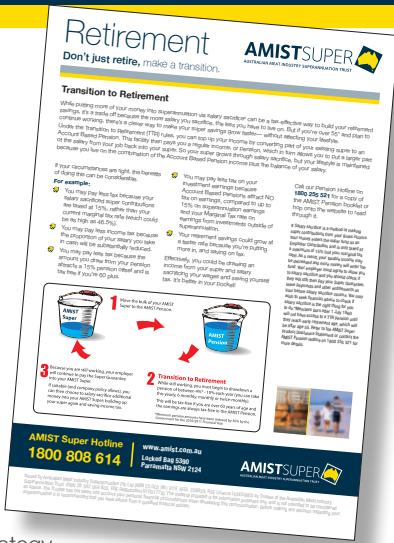
To find out more, download the TTR fact sheet from our website or call us on **1800 808 614** to get some information to help you decide on whether TTR is right for you.

# Remember, AMIST Super is here to help you maximise your super

At AMIST Super, we know that everyone is different. That's why we try to offer as many options as possible to help our members get the most from their super.

## Get some advice

AMIST Super now offers members professional financial advice over the phone. So if you need some information about how to grow your super, whether you qualify for the various government super incentives, or anything else to do with your super, just call the **AMIST Super Hotline** on **1800 808 614** and ask for some help.



## Register your interest in a seminar

AMIST Super can arrange an information seminar at your workplace if there are enough people interested. Register your interest at our website or call the AMIST Super Hotline.

## But what ever you do, start now!

Remember, every little bit helps, so the sooner you start adding to your super the faster it will grow.

## Then you can retire on an AMIST Pension

Remember, AMIST can look after you right through your retirement as well. The AMIST Pension offers the same investment options, great returns and low fees just like you're super.



# Is it time you thought seriously about beefing up your super?



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**AMIST Super Hotline**  
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## Yes it is

If you're over 50 and haven't really paid much attention to your super, now is definitely the time to act. Because it could be only a few years until you give up working completely, so let's make sure you maximise your retirement savings.



### But how?

The good news is that you have options that will certainly help you boost your super.

The following story gives you four examples of what you might consider:

Steve is 55 years old and earns \$50,000 a year working full time. He will continue working until he reaches 66, his age pension eligibility age. His super account balance is \$40,000 and he wants to know what he can do to increase this by the time he retires in 11 years. Steve calls the AMIST Super Hotline and makes an appointment with a financial adviser to find out how he can boost his super. The financial adviser shows him four approaches so he can see the difference each approach can make to his super.



#### Approach 1:

Do nothing - rely only on the superannuation guarantee (SG) contributions his employer makes to his super.

#### Approach 2:

Pay \$20 a week to super from his after-tax pay, so he would also be eligible for a matching Government co-contribution payment to his super.

#### Approach 3:

Pay an amount equal to \$40 a week from his take home pay made up from a mix of after-tax and before-tax money.

#### Approach 4:

Pay an amount equal to \$100 a week from his take home pay made up from a mix of after tax and before-tax money.

The person depicted in this example is fictional.

The following table shows the difference each approach makes to his current account balance of \$40,000, assuming that his super is invested in the same way for each approach and earns a net return of 7% p.a.<sup>1</sup> Where Steve makes extra contributions to his super, in each approach his savings have doubled or almost doubled by the time he turns 66, showing the powerful effect of compounding interest.

	Situation 1	Situation 2	Situation 3	Situation 4
	SG contributions only	Extra \$20 after-tax per week	Extra \$40 A mix of \$10 after-tax and \$43.79 before tax per week	Extra \$100 A mix of \$10 after-tax and \$131.39 before tax per week
Extra super contributions per year	nil	\$1,040	\$2,455 <sup>2</sup>	\$6,327 <sup>2</sup>
Government co-contribution	n/a	\$397	\$397	\$397
Super contributions each year (SG super <sup>3</sup> and extra savings)	\$3,825 <sup>2</sup>	\$5,262 <sup>2</sup>	\$6,677 <sup>2</sup>	\$10,549 <sup>2</sup>
Total extra contributions to age 66	nil	\$11,400	\$22,880	\$57,200
Total extra super savings at age 66	nil	\$22,681 <sup>4</sup>	\$45,330 <sup>5</sup>	\$106,129 <sup>6</sup>
<b>Total super account balance at age 66 (SG super and extra savings to super)</b>	<b>\$144,566</b>	<b>\$167,247</b>	<b>\$189,896</b>	<b>\$250,695</b>

This example shows how putting away extra money can make a difference to your super.

### Imagine the effect if you were to save even more!

1. This expected long term investment performance is based on the historical performance of a fund with the same investment asset allocation as the AMIST Super Balanced option (60% growth and 40% defensive). However, past performance is no guarantee of future performance.
2. This is the net amount going into Steve's super after 15% contributions tax has been deducted from before-tax payments.
3. For simplicity of the comparison, SG contributions are calculated at 9% only for the entire eleven year period.
4. If Steve invested \$20 a week outside of super, earning a net 7% p.a. return but not receiving the Government co-contribution, his investment would grow to \$16,414.
5. If Steve invested \$40 a week (the amount he has less in his take home pay) in the same way earning a net 7% p.a. outside of super (not having the benefit of before-tax savings or Government co-contribution), his investment would grow to \$32,829.
6. If Steve invested \$100 a week (the amount he has less in his take home pay) in the same way earning a net 7% p.a. outside of super (not having the benefit of before-tax savings or Government co-contribution), his investment would grow to \$82,075.

Please note: for simplicity, no tax on investment earnings has been taken into account for these examples.