How does your super compare with others your age?

Have you ever wondered how your super balance compares to others in your age group? Or maybe you're curious about how much you *should* have saved by now to ensure a comfortable retirement? It's not always easy to figure out if your super is on track, but understanding how it stacks up can help you make smarter decisions now that will benefit you later. This article looks into the average super balances for people of different ages and explores how much you may need in retirement.

Average balances of Australians

The Australian Taxation Office (ATO) has released data showing average super balances for different age groups. The data gives a helpful overview of where Australians are at in terms of their retirement savings. Here's how the averages break down:

Age	Averages ($)	
	Men	Women
Under 18	7,666	5,088
18-24	8,069	7,297
25-29	25,407	23,273
30-34	53,154	44,053
35-39	90,822	71,686
40-44	131,792	102,227
45-49	180,958	136,667
50-54	237,084	176,824
55-59	301,922	228,259
60-64	380,737	300,717
65-69	428,533	379,483
70-74	474,898	422,348
75 or more	487,525	416,279

Source: ATO Statistics 2021–22: Median super balance, by age and sex, 2021–22 financial year

continued overleaf

How does your super compare? ... cont

You might be looking at your super balance right now, feeling either satisfied or a little worried about how it measures up to these averages. Remember, averages don't tell the whole story. Your balance can be impacted by various factors like career breaks, part-time work, salary levels, or investment decisions. If you've made additional contributions or opted for higher-growth investment options, your balance may be above average. If it's not quite where you'd like it to be, don't worry – there's still plenty of opportunity to take steps and get back on track.

How much super do you need in retirement?

Understanding what you'll need in retirement can help you gauge whether your super balance is on track. The Association of Superannuation Funds of Australia (ASFA) provides clear benchmarks to define what a "comfortable" or "modest" retirement might look like.

A **modest retirement** covers basic living expenses, with most of the income coming from the age pension. On the other hand, a **comfortable retirement** allows for a higher standard of living, including private health insurance, a reliable car, household upgrades, and leisure activities like holidays.

Here's what ASFA estimates you'll need if you retire at 65, own your home outright, and are in good health:

	Comfortable retirement	Modest retirement
Singles	About $595,000 in super for an annual income of $52,085	At least $100,000 in super, combined with the Age Pension, could provide an income of $33,134 for singles or $47,731 for couples
Couples	Around $690,000 in super to generate a combined annual income of $73,337	

Source: ASFA retirement standard budget for retirees aged 65 to 84 (June quarter 2024)

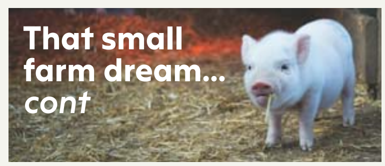
Knowing these benchmarks can help you assess your progress and plan for the future you want.

Are you on track?

Now that you know what the average super balance look like, and you have a better idea of how much you may need, it's time to check where your super stands. If your balance is lower than the targets set by ASFA, don't panic – it's never too late to take action. You can still take steps to boost your super and make it work harder for your retirement.

Consider making extra contributions, whether through salary sacrificing or personal after-tax payments. Reviewing your investment strategy to ensure it aligns with your goals and risk tolerance is also important. If you're unsure about what changes to make, it could be helpful to speak to a financial adviser who can offer tailored advice for your situation.

Super is an essential part of your retirement planning, and understanding where you stand can help you make smarter choices today. Whether you're feeling confident about your balance or realising there's more work to be done, it's always worth taking the time to review and plan ahead. The sooner you act, the more time your super will have to grow – putting you in a better position to enjoy your golden years.



And just to complicate things, the ATO has a discretion not to apply the non-commercial loss rules if it would be "unreasonable" to do so because the business has been affected by events outside the taxpayer's control (eg, by drought, flood, bushfire or some other natural disaster).

This discretion can also be exercised where the business is not expected to make a tax profit in the year, but there is an "objective expectation" that it will make a tax profit within some commercially viable period. However, the exact circumstances in which the ATO will exercise the discretion are also governed by various ATO rulings and policy guidelines.

In summary, most of the non-commercial loss rules are fairly straight forward in principle. However, as with any such matters, the devil is always in the detail – and there is a lot of detail attached to these rules.

So, we are here to help you navigate these rules if you are intending to take on a small farming business (or any other business) on your retirement – or if you intend to undertake any business at any time in your working life as the rules apply to any business activity at any stage it is undertaken.