

# Unwrap your future:

## 12 super tips for a merry and bright retirement



Christmas is a time for giving, but it's also a great time to give your future self the gift of financial security. Here are 12 simple superannuation tips to help you make the most of your super fund – wrapped up with a touch of festive cheer!

### 1. Consolidate your superannuation

If you've worked multiple jobs, you might have multiple super accounts. Consolidating them into one fund can save you money on fees, similar to decorating one Christmas tree instead of several. The good news is that consolidating is easy through ATO online services or your myGov account where you can also search for lost or unclaimed super. Before consolidating, consider potential impacts like the loss of insurance coverage, fees, investment options, and tax implications to ensure the transfer aligns with your needs and adds value.

### 2. Review your investment strategy

Your super is an investment for your future, so make sure it aligns with your goals and risk tolerance. Think of it like choosing the perfect star for your Christmas tree – get it right, and it will shine brightly for years. For self-managed super funds (SMSFs), it's a legal requirement to have a documented investment strategy aligned with your objectives, which must be reviewed regularly. Now is a great time to ensure your strategy supports your retirement goals.

### 3. Check your insurance coverage

Many super funds offer default insurance, including life, total and permanent disablement (TPD), and income protection coverage. It's essential to review your cover to ensure it provides adequate protection for you and your family. If you manage an SMSF, you're also required to consider and document the insurance needs of each member as part of the investment strategy. Seek professional advice to ensure your current cover is sufficient for death, disability or illness.

### 4. Check your fund's performance

Not all super funds are created equal, and performance can vary significantly. Regularly check your fund's performance compared to others to ensure it's performing. If your fund's performance is underwhelming, consider revisiting your investment strategy or switching to another fund that better aligns with your retirement goals.

### 5. Nominate your beneficiaries

Super isn't automatically part of your estate, so it's important to nominate valid beneficiaries to ensure your funds go to the right people. Without a valid nomination, your super fund may decide who receives the benefits, regardless of your Will. Regularly review your beneficiary nominations, especially when circumstances change, to ensure they are up to date and reflect your preference.

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This information has been prepared without taking into account your objectives, financial situation or needs. Because of this, you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation or needs.

## Unwrap your future ... cont

### 6. Make extra contributions

Even small additional contributions can make a big difference to your super balance at retirement thanks to compounding returns. It's like adding an extra treat to a Christmas stocking – small now, but a delightful surprise in the future. In addition to the 11.5% employer super guarantee contributions for 2024/25, adding extra contributions through salary sacrificing or personal after-tax payments can boost your retirement savings. Just be mindful of contribution caps to avoid extra tax. Small sacrifices now can lead to substantial benefits later.

### 7. Salary sacrifice

Salary sacrificing is an efficient way to boost your retirement savings and reduce your tax. By redirecting part of your pre-tax salary into your super fund, you can benefit from lower tax rates, allowing more money to work for you in the long term. It's an easy way to start saving for the future without feeling the pinch today, and over time, compounding returns will help your super grow.

### 8. Claim your government co-contribution

If you earn below a \$60,400 a year and make a voluntary contribution to your super, the government may top up your super with a part co-contribution. The maximum co-contribution is \$500. To receive this maximum amount your income must be below \$45,400 and you must contribute at least \$1,000 as a personal after-tax contribution into super. This is a great way to boost your super savings and is a government bonus, much like finding an unexpected gift under the tree. To be eligible there are several other rules, so check if you qualify and take advantage of this opportunity to grow your retirement savings.

### 9. Explore spouse contributions

If your spouse earns less than \$40,000 pa, you can contribute to their super fund and potentially claim a tax offset of up to \$540. This is a great way to help boost their retirement savings and potentially reduce your taxable income in the process.

### 10. Plan for transition to retirement

If you're nearing retirement, a transition-to-retirement (TTR) strategy could help you make the most of your savings and ease into retirement more comfortably. This strategy allows you to draw down some of your super while still working part-time, supplementing your income without fully retiring. It's a way to boost your savings and ensure a smooth transition to retirement, making your golden years as stress-free as possible.

### 11. Review fees

Super funds charge various fees for managing your money, and these can add up over time, reducing your returns. It's important to review the fees associated with your super to ensure you're not overpaying. Much like trimming unnecessary expenses from your Christmas shopping list, minimising fees helps your super balance grow. Check if you're getting good value for the services provided and whether switching to a more cost-effective option could be beneficial.

### 12. Seek professional advice

If you're unsure about any aspect of your super, seeking advice from a financial adviser can be a great step. A financial adviser can provide tailored advice, helping you navigate decisions about your super, investments, and retirement planning. Think of them as your financial Santa's helpers, ensuring your super journey stays on track and guiding you toward the best financial decisions for your future. It's always worth consulting an expert to maximise the benefits of your super and financial planning. 💰

#### **The last word ...**

By ticking off these 12 tips, you'll be giving yourself the ultimate Christmas present: a brighter and more secure future. Merry Christmas and happy super planning!

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