



Over sixty & working?

 **legalsuper**

2023/24

Transition to Retirement

If you're over 60 and still working, you can get your retirement journey started early by paying less tax, putting more into super and keeping the same take-home pay.

Preservation age

Preservation age is the age when you can generally first access your super. If you're still working when you reach preservation age, a 'Transition to Retirement' account could reduce your income tax and increase your super, while maintaining the same take-home pay. For those aged 60 or older, the amount you can save in tax and add to your super can be significant.

What is a Transition to Retirement account?

A Transition to Retirement (TTR) account provides an income stream from your superannuation account which has your money invested and is earning an investment return with some difference including:

- you can draw down on your money, with regular payments going from your TTR to your personal bank account;
- money in a TTR has different tax treatment;
- different beneficiary options are available;
- you can't make any contributions* to the account once it's established; and
- there's no insurance attached to the account.

* You can continue to make contributions to your accumulation super account.

What is a 'Transition to Retirement' strategy?

A TTR strategy is a tax-effective way of managing your income. A TTR strategy aims to reduce your income tax, increasing your super while maintaining your take-home pay.

How does it work?

1. Your employer makes regular Super Guarantee (SG) contributions into your super account.
2. You make salary sacrifice payments from your wage to your super account.
3. You open a TTR account and transfer a sum of money from your super account into your new TTR account.
4. You receive regular payments from your TTR account, to supplement the income you're salary sacrificing.

Salary sacrifice and TTR payments

Both salary sacrifice and TTR payments (if you're over 60) have beneficial tax treatments. It's these tax advantages, combined with careful planning, tailored to your situation, that can make a TTR strategy effective.

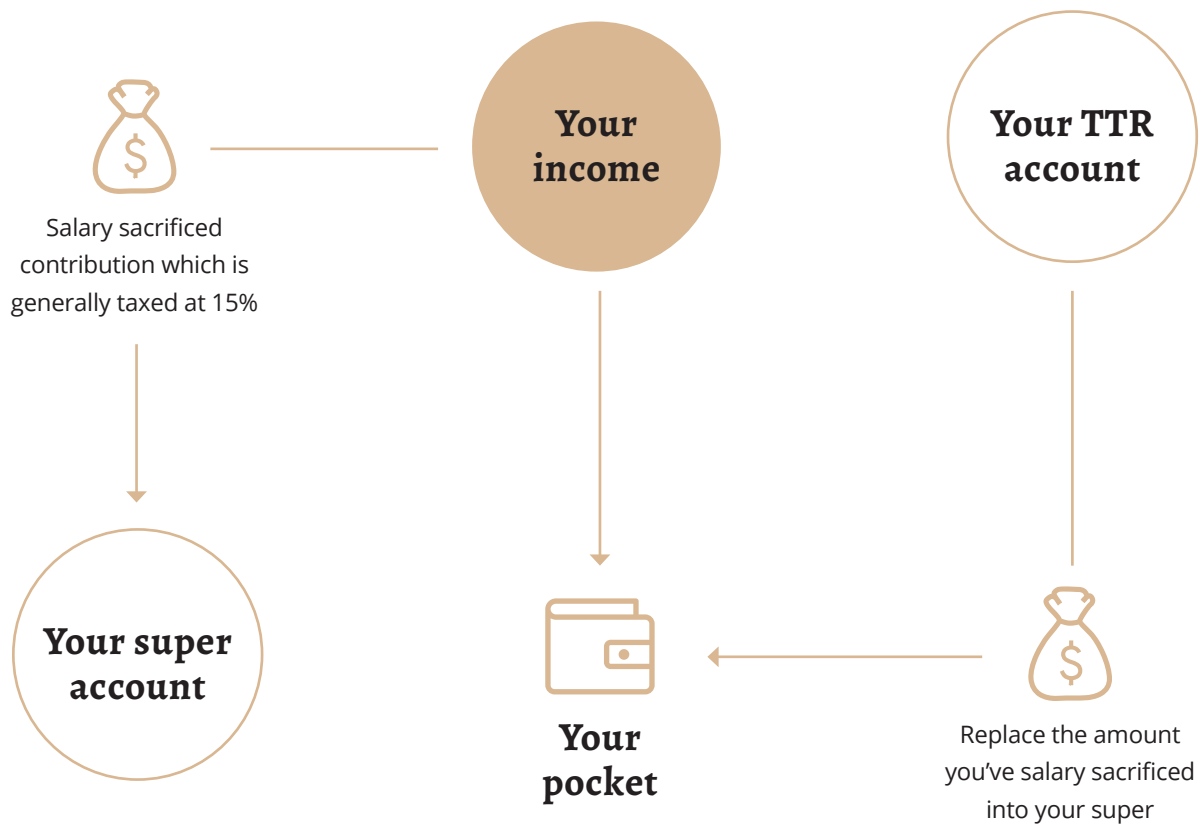
There are many considerations, rules and regulations regarding TTR accounts. Legasuper recommends speaking with your Client Service Manager to understand whether a TTR account will suit your individual circumstances.

Starting a 'Transition to Retirement' strategy

1. Develop a strategy with one of our qualified Client Service Managers.
2. Complete an application for a TTR account, advising us how much to transfer from your super account, how you'd like it invested, and how you'd like to draw it down.
3. Add more to your super account from your pay through salary sacrifice or tax-deductible contributions.
4. Start receiving income with payments from your TTR account to your bank account.
5. Start paying less tax and save more for retirement!

You can close a TTR account at any time by transferring the balance of your account back to your regular super account. There are no set up fees, lock-in contracts or account closure fees. A TTR account is designed to be flexible, for you to make the most out of your super.

Transition to Retirement strategy



Dedicated, unmatched personal service

Meet our team



A check-in with a qualified expert can help you feel more in control about your retirement plans.

Our Client Service team can help you with:

- ✓ Understanding whether a TTR account will optimize your retirement savings
- ✓ Setting up a TTR account and a TTR strategy
- ✓ Choosing appropriate investment options
- ✓ Planning for the years ahead

Transition to Retirement case study

Example

Bronwyn

Age now: 60

Retirement age: 67



Salary: \$85,000 p.a. + super



Employer super contribution: 11%



Super balance: \$175,000

Your pay stays the same

TTR benefits

With a TTR Bronwyn has a similar take home pay and an extra \$33,046 in super by age 67!

Assumptions

Strategy start date: 1 July 2023, relationship status: Single, tax-free component: \$0, TTR starting balance: \$174,000, growth rate: 6% p.a., excludes medicare levy, no other income received.

What's next?

Make an appointment to meet with a Client Service Manager in your area. Everyone's path to retirement is unique and our team can help you understand what could work best for you now and in the longer term. Send us a message or book an appointment via legalsuper.com.au/meeting.

2023/24 tax position summary

	Without TTR strategy	With TTR strategy
Salary (Total Package)	\$94,350	\$94,350
TTR income	n/a	\$17,400
Super contributions	\$9,350	\$35,915
Taxable income	\$85,000	\$58,435
Income tax paid	\$19,792	\$10,504
Super contributions tax	\$1,403	\$5,387
Less tax offsets	\$0	\$123
Total tax	\$19,792	\$10,504
Take home pay	\$65,208	\$65,331
Super balance at age 61	\$192,344	\$197,660
Super balance at age 62	\$211,139	\$220,975
Super balance at age 63	\$231,481	\$245,861
Super balance at age 64	\$253,076	\$272,037
Super balance at age 65	\$275,993	\$299,584
Super balance at age 66	\$300,307	\$328,588
Super balance at age 67	\$326,093	\$359,138

*This contribution amount includes \$8,415 of catch-up concessional contributions


Your super is more


We're here to help

Our experienced team of Client Service Managers is dedicated to building strong relationships to help you achieve your retirement goals. Each member of legalsuper's Client Service team is registered on ASIC's Financial Adviser Register, which discloses where a financial adviser has worked, their qualifications, training, memberships of professional bodies and what products they can advise on.

As a legalsuper member, our Client Service team is available to you for ongoing support. There's no cost and no obligation; simply personalised service whenever you need it.

Request a meeting today, book an appointment at www.legalsuper.com.au/contact

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