

Retirement Budget Planner

Most of us will spend over a quarter of our lifetime in retirement so it is important to plan for it. Have you considered how much income you will need for the lifestyle you want or where this income will come from?

Planning for your retirement

Step 1 – Consider the budget you will need for your retirement:

- Am I budgeting as a single or a couple?
- Where in Australia do I want to retire?
- How long will I need my retirement funds to last?

Step 2 – Consider the type of retirement lifestyle you want:

- A 'modest' retirement lifestyle is considered better than the Age Pension, but you will still only be able to afford fairly basic activities.
- A 'comfortable' retirement lifestyle enables an older, healthy retiree to be involved in a broad range of leisure and recreational activities and to have a good standard of living through the purchase of things such as; household goods, private health insurance, a reasonable car, good clothes, a range of electronic equipment, and domestic and occasionally international holiday travel.

The Budget Planner on page 2 will help you determine the income you need to support the type of retirement lifestyle you want.

How much will you need?

A couple retiring at age 65 and owning their own home would need a lump sum of around \$640,000 to pay for a comfortable lifestyle in retirement while an individual would need about \$545,000.¹ At these savings levels, a part Age Pension could still be used to help meet your income needs (depending on your other assets).

Without a part Age Pension to rely on, retirees would need significantly higher savings to support a comfortable lifestyle. Individuals would need about \$830,000 and couples would need around \$1.18 million or more.²

Are you putting enough money away?

Investing more now, even if it is a small amount can make a big difference to the quality of your retirement in the future.

To check if your super is on track go to our 60 second retirement projection calculator available at eisuper.com.au/calculators.

Seek professional advice

Our financial planners provide advice over the phone, at our offices or at a location near you.



To book an appointment, please call 1300 369 901 or visit eisuper.com.au/appointment.

¹ ASFA Retirement Standard, September 2021.

² The lump sum amounts are in today's dollars and assume retirement on or after Age Pension age. The annual inflation rate used is 4% The lump sum is assumed to be invested in an account based pension earning 7% p.a. The annual income from the account based pension is indexed to inflation and runs out after 25 years. Source: superguide.com.au

Budget Planner

The table below is a guide as to how much retirement income you may need per year and assumes you own your own home.

Expenses (per week)	Couple ³		Single ³		Your Expenses
	Comfortable lifestyle	Modest lifestyle	Comfortable lifestyle	Modest lifestyle	
Car transport and running costs	\$168.15	\$99.22	\$157.34	\$95.33	\$
Food/Groceries and other fresh food	\$215.96	\$178.17	\$124.25	\$96.10	\$
Leisure (including holidays)	\$294.67	\$156.48	\$196.02	\$99.69	\$
Housing (including insurance, rates and maintenance)	\$129.16	\$118.32	\$123.76	\$105.37	\$
Utilities (including electricity, gas and telecommunications)	\$82.32	\$65.69	\$65.28	\$51.76	\$
Health services/medical (including private health)	\$198.79	\$100.27	\$106.07	\$51.86	\$
Household goods and services	\$95.96	\$41.20	\$77.91	\$35.09	\$
Clothing and footwear	\$50.54	\$38.61	\$27.14	\$20.32	\$
Total per week	\$1,235.55	\$797.96	\$877.77	\$555.52	\$
Total annual expenses	\$64,249	\$41,494	\$45,644	\$28,887	\$
Annual Age Pension amount (Maximum \$37,923.60 for a couple (combined) or \$25,155 for single person) ⁴					\$
Income shortage (Total annual expenses minus annual age pension amount)					\$

³ The amounts stated in the table are according to the Association of Superannuation Funds of Australia (ASFA) Retirement Standard as at December quarter 2021. The ASFA Retirement Standard benchmarks the annual budget needed by Australians to fund either a comfortable or modest standard of living in the post-work years. It is updated quarterly to reflect inflation and provides detailed budgets of what singles and couples would need to spend to support their chosen lifestyle. Further information can be found on ASFA's consumer website superguru.com.au.

⁴ The maximum annual age pension rate (including pension and energy supplement) is effective as at 20 September 2021 and is calculated by multiplying the fortnightly amount by 26. Maximum fortnightly Age Pension amount, including pension and energy supplement is \$1,458.60 for a couple (combined) or \$967.50 for a single person.

We're here to help

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