

## How to make working later in life work for you

*Tips for taking a freestyle approach to work and retirement*

The relationship between work and retirement is changing. Nowadays we expect a lot more from our later years than previous generations—we're no longer satisfied with treading water and we want to go freestyle.



But with the pension qualification age increasing,<sup>1</sup> people living longer<sup>2</sup> and concerns about whether we have enough money in our super, we may have to work longer to generate enough income to maintain our lifestyle and enjoy a comfortable retirement.<sup>3</sup>

For an increasing number of Australians working longer in life doesn't mean continuing on the 9-5 treadmill. They are making an active choice to go freestyle, match their career with their passion and continue playing a meaningful role on their own terms.

So after years putting the family first, now's the time to think about your needs and how best to combine your working income with your retirement savings.

### Ways to help you make working longer work for you

- **Change the way you work**—think about going part time, job sharing or consulting.
- Maintain your employability by **marketing your expertise**—network and become your own brand.
- Pass on your knowledge to the next generation by **mentoring young Australians** through a programme like Elderberry.
- Tap into your inner entrepreneur and join Australia's growing band of **seniorpreneurs** by starting your own business.
- Talk to a **retirement coach** about how to move from a full time job to part time work, a small business or retirement.
- Don't **price yourself out of the market**—consider taking a pay cut for the right move.
- Rather than jumping straight from **full-time work into retirement** think through the consequences for your health, social contacts and finances—and how you could make the transition easier, working part time for example..

### Government regulations about what you can do and when

- At 50 you can pay more into your super from your **before-tax salary**—up to \$35,000 pa.
- At 56<sup>4</sup>, you can start a **transition to retirement strategy** to reduce your working hours and maintain your after-tax income.
- At 60, if you can access your **super, it will be tax-free**.

<sup>1</sup> <http://www.humanservices.gov.au/customer/enablers/centrelink/age-pension/payment-rates-for-age-pension>

<sup>2</sup> Australian Institute of Health and Welfare <http://www.aihw.gov.au/deaths/life-expectancy/>

<sup>3</sup> ASFA Retirement Standard—<http://www.superannuation.asn.au/resources/retirement-standard>

<sup>4</sup> Preservation age rises to 56 from 1 July 2015 for those born after 1 July 1960 - while for those born after 1964, the preservation age will rise incrementally to age 60.

- And once you're eligible for the age pension, you can access the Work Bonus, which allows you to keep more of your income or work for short periods with little effect on your pension.

### **Restrictions that can apply**

- At 65, you can no longer bring forward two years' worth of **after-tax super payments** to make a total contribution of up to \$540,000.
- And you may be unable to access **workers' compensation or insurance cover** following a workplace accident.

If you'd like to know more about how to structure your work, lifestyle and finances so that you can go freestyle, talk to us today!

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