RIVKIN

WEALTH ADVISORS

A GUIDE TO RETIREMENT

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What is it About Retirement that is Important to You?

Will your retirement savings and superannuation last at least 30 years or will you be left short? Let's talk about how we can secure your retirement.

This guide will explain the six core principles of a healthy and joyful retirement. Retirement means something different to everyone. For some, retirement might be sailing off to the sunset and lasting well into your golden years. For others, they enjoy working and keeping busy.

What is front of mind for most people when approaching retirement age?

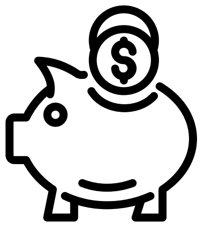
We help our clients control their retirement savings while also managing a giant shift in their personal needs. Whatever your definition of retirement may be, it ultimately depends on how you want to live, how to focus on what's essential, live in the moment, and spend quality time with the people you care the most about. Here are some common questions we see with our clients -

Will I have enough income to fund my lifestyle?

Will my money 'go the distance'?

What do I do now with all of this spare time?

Retirement Assumptions



Here are some common—and dangerous—assumptions that individuals make when planning for retirement:

1. Stock and bond market returns will always be robust.
2. Inflation will be benign.
3. You will be able to work past age 65.
4. You will receive an inheritance.

Can your existing retirement strategy deliver at least $80,000/a or will you be forced to cut back?

The 5 P's of Retirement Planning

We help our clients control their retirement savings while also managing a giant shift in their personal needs. We've put together a framework called **'The 5 P's of Retirement Planning'** which addresses the key points an individual has to consider when planning for retirement -

1. Position

This represents the starting point of your retirement journey. It's about understanding where you currently stand financially, emotionally, and in terms of your life goals.

2. Portfolio

Your financial assets and investments, tailored to support your retirement lifestyle. Discerning what your asset allocation (risk tolerance) is the first step where investing for retirement. Your asset allocation means the probability of incurring a loss and how your returns will vary from year to year.

It's also important to partner with an advisor as to how a portfolio of investments can be constructed so that it is tailoured to your income needs and overall tax position.

3. Plan

A comprehensive financial plan provides the roadmap for achieving your retirement goals. It also outlines what financial strategies are available to you so that you avoid any mistakes and remain on track for your retirement.

4. Performance & Review

Partnering with an advisor involves regularly assessing and adjusting your retirement strategy to ensure it aligns with your goals and whether there are any changes to your circumstances.
The key areas an advisor will focus on are:

- Reviewing investment performance
- Legislative updates and how they pertain to you
- Monitoring cash flow and expenses
- Adapting to life changes (e.g., health, family needs)

5. Play!

Retirement no longer means to disengage from work or life, but to begin again, with a stronger focus on living each day to the fullest.

At Rivkin, we prefer to call it “protirement”, meaning to place yourself ahead into the activities and lifestyle of your choice to continue to pursue the “best years of your life”.

Go out and have fun!

This document is designed to help our clients avoid retirement mistakes that could cost more time, money and paying more in tax and retire on their terms. Curious about what is available to you? Book your consultation with one of our advisors today on (02) 8302 3620.

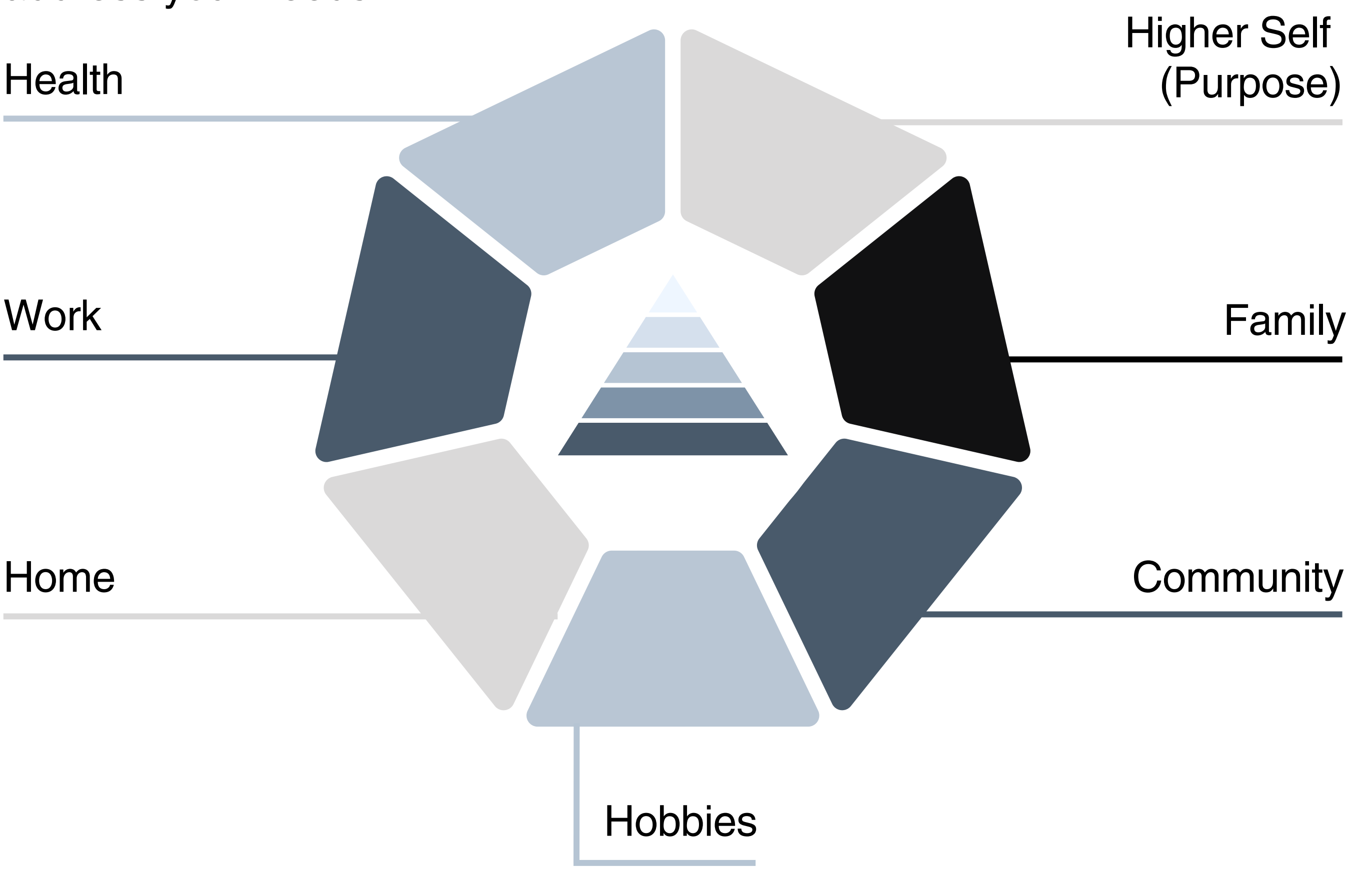
Contents

Principle 1

Understand Your Needs

There are several trade-offs that we make when we transition from the workplace to retiring. Once retired, there *may* be a shift in thinking where a retired couple's concerns change to a lack of purpose, health concerns and losing independence. For many people they attach themselves to an identity associated with working, as work is meaningful. It's therefore important to consider what your needs are in the present and the future and how this may differ once retired.

The diagram below portrays a big-picture overview of the key areas to address your needs:



SMART goals are Specific, Measurable, Achievable, Relevant, and Time-bound objectives. This method helps create clear, actionable plans by defining what you want to achieve, how to track progress, and setting realistic deadlines. It's ideal for long-term planning, like saving for retirement or other financial goals.

Specific

Your retirement goals should be clear and specific. Define what you want to achieve.
*Example: "I want to retire with a holiday every year_*

Measurable

Set measurable criteria to fund your retirement.
Example: "I will require $60,000 to live every year

Achievable

Ensure your goal is realistic given your financial situation.
Example: "Based on my income and expenses, I can save $10,000 a year for the next 15 years."

Realistic

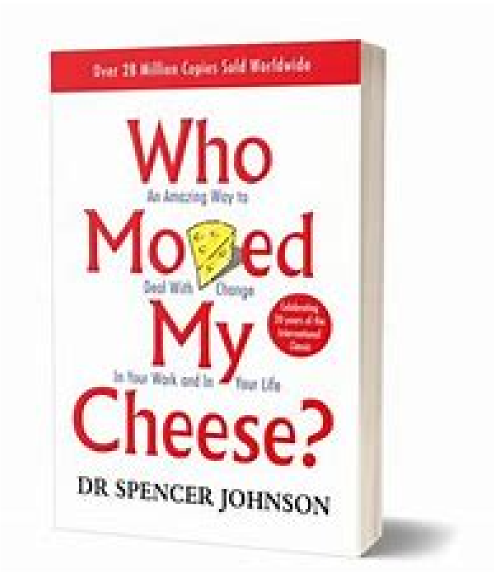
Your goal should align with your long-term retirement vision.
Example: Accumulating $1,000,000 of capital will be sufficient to my needs

Time-bound

Set a deadline for your goal to create urgency and focus.
Example: "I want to retire by the age of 65

Book Recommendation

The book *Who Moved My Cheese* by Spencer Johnson uses a simple parable to illustrate how individuals can manage and adapt to change in their personal and professional lives.



The book emphasizes the importance of being open to change, remaining flexible, and not getting too comfortable with the status quo. It conveys that change is inevitable and that adapting to it proactively can lead to new opportunities and personal growth.

Want to see how your goals can apply to your unique retirement situation? Reach out to a financial advisor for personalised advice.

Your advisor is to understand your needs and motivations, all the while establishing a dialogue as to how your finances can enable you to achieve your retirement goals.

Now that you've clarified your goals, let's explore the financial strategies available to help you achieve them.

Principle 2

What's the best financial strategy available to me?

There's no one size fits all strategy to planning as every persons situation is different. Financial advisors can provide you with a cash flow plan, check your insurance coverage, look for estate planning issues, and help you with ongoing questions particularly to minimising tax, social security (age pension), contributing to your superannuation and how to avoid any small mistakes that may have unintended financial consequences.

Approaching Retirement Strategies

1 Delaying Capital Gains Until Retirement

2 Delaying Income from Related Entities

3 Managing Insurance Costs and Estate Plan

4 Contributing to Superannuation

Your retirement planning strategy usually starts a long way before retirement. For the average Australian, superannuation is the second most significant investment outside the family home. And it's essential to get that right. Partnering with a financial adviser will also provide you with the retirement framework and mentorship that will help transition with the tide.

Want to understand these strategies in more detail and how they can benefit your unique retirement goals? Reach out to a financial advisor for personalised advice. We help identify strategies that sensibly minimize your tax which could ultimately cost you more holidays in retirement.

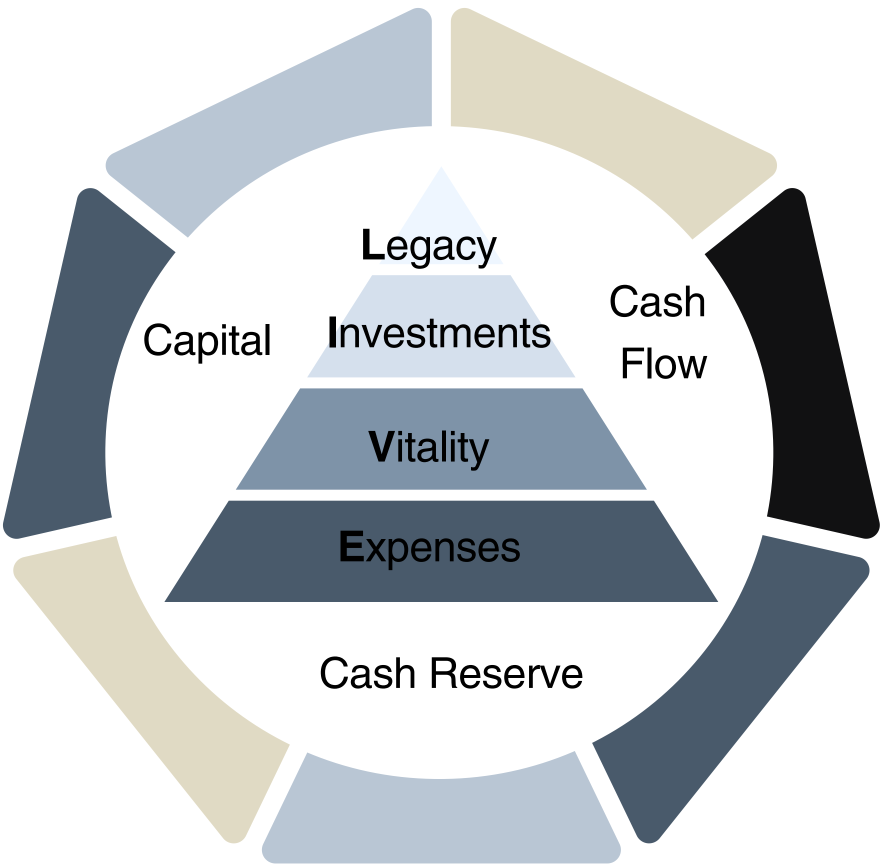
Now that you've considered the financial strategies available to you, let's explore your relationship with money and how it can affect your retirement.

Principle 3

Understand Your Relationship with Money

Money is simply a medium of exchange and stores value. Given that it's a store of value, it's important to keep in mind how it reflects your values.

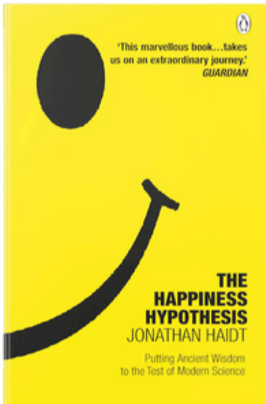
Do you have the capital, cash reserves and cash flow to **LIVE** your retirement?



As a rule of thumb, the total amount of capital you require to be completely financially independent is adhering to the 4% rule. That is to say you divide your retirement expenses by 4%, so for example if your budget is $70,000 a year, the total capital you require is $1,750,000.

It's also important to keep a cash bucket available, which is for any medical emergencies or sufficient cash for 2 years of income in the event of a market downturn.

Book Recommendation



In *The Happiness Hypothesis* by Jonathan Haidt, small habits are discussed in the context of how they contribute to overall happiness and well-being. By focusing on small, manageable changes, rather than overwhelming goals,
we can create sustainable routines that contribute to a happier and more fulfilled life. Haidt emphasizes the importance of finding habits that are meaningful and manageable, as they are more likely to stick and positively impact our overall happiness.

Looking to get really clear on your retirement expenses and how much you need for retirement? Why not put together a retirement road map by being really specific on what makes you happy and how small changes now lead to tangible outcomes over the next 30 years with speaking to one of our advisors?

Principle 4

Your Super Is The Most Important Thing

Your superannuation will be the most tax-optimal place to invest for your retirement. Once you have met a condition of release you're eligible to structure your assets in an account-based pension where you're allowed up to $1.9 million in a tax-free entity.

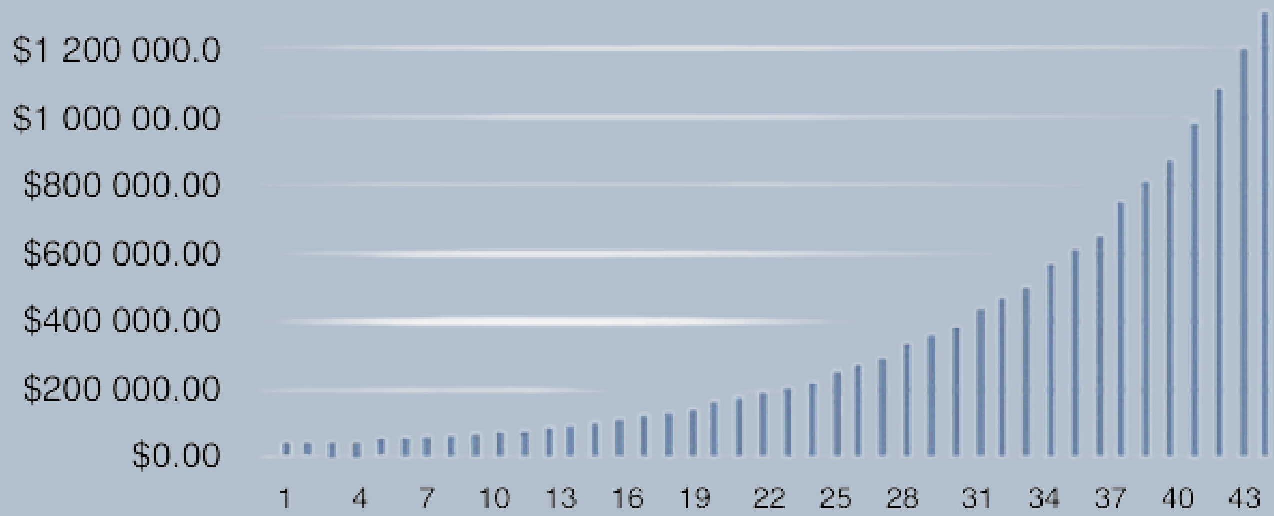
It's important to be mindful of the benefits of compound interest and how time invested works. Consider the following portfolio's as an example:

Assumptions	Portfolio A	Portfolio B
Initial Balance	$10,000	$30,000
Payments per month from employer	$1,200	$1,500
Number of Years Invested	**45**	**35**
Average Return	9%	9%
Total at retirement	$1,114,303.34	$935,985.17

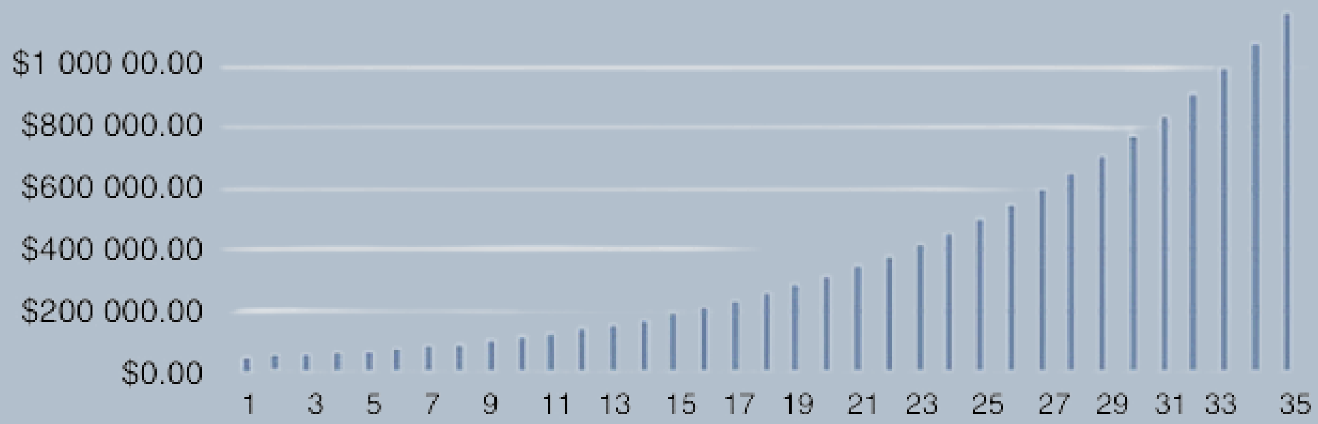
Year	Portfolio A	Portfolio B
1	$12,100.00	$34,200.00
2	$14,389.00	$38,778.00
4	$16,884.01	$43,768.02
5	$19,603.57	$49,207.14
6	$22,567.89	$55,135.78
7	$25,799.00	$61,598.01
8	$29,320.91	$68,641.83
9	$33,159.79	$76,319.59
10	$41,905.15	$93,810.30
15	$71,657.92	$153,315.85
20	$117,436.25	$244,872.50
25	$187,871.88	$385,743.76
30	$296,245.83	$602,491.66
35	$462,992.58	**$935,985.17**
40	$719,553.13	
45	**$1,114,303.34**	

From the table illustrating the previous example, we can see that Portfolio A doubled in value in the 10 years where Portfolio B had stopped investing. From a simple compounding example, we can that investments gain in value exponentially the longer the investments have to mature.

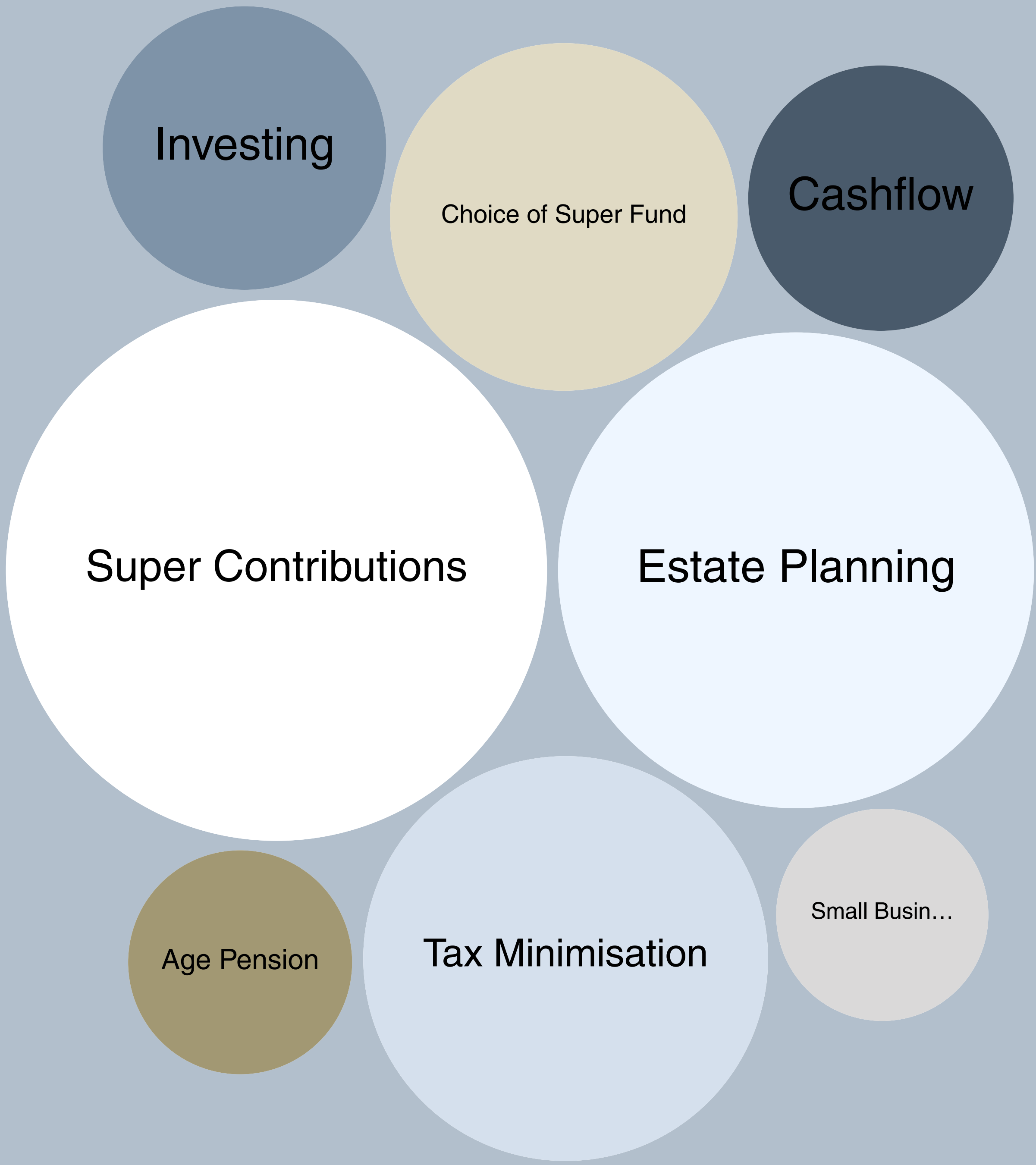
Portfolio A - Superannuation over Time



Portfolio B - Superannuation over Time



As you approach retirement there are a range of possible strategies at your disposable that will enable to fund your retirement in the most tax optimal fashion. It also increases the complexity of structuring your assets and understanding how to mitigate any unintended consequences with your financial strategy is best left to discussion with an advisor. The subject areas are the key domains of a retirement plan and what to consider on the basis of financial needs and complexity.

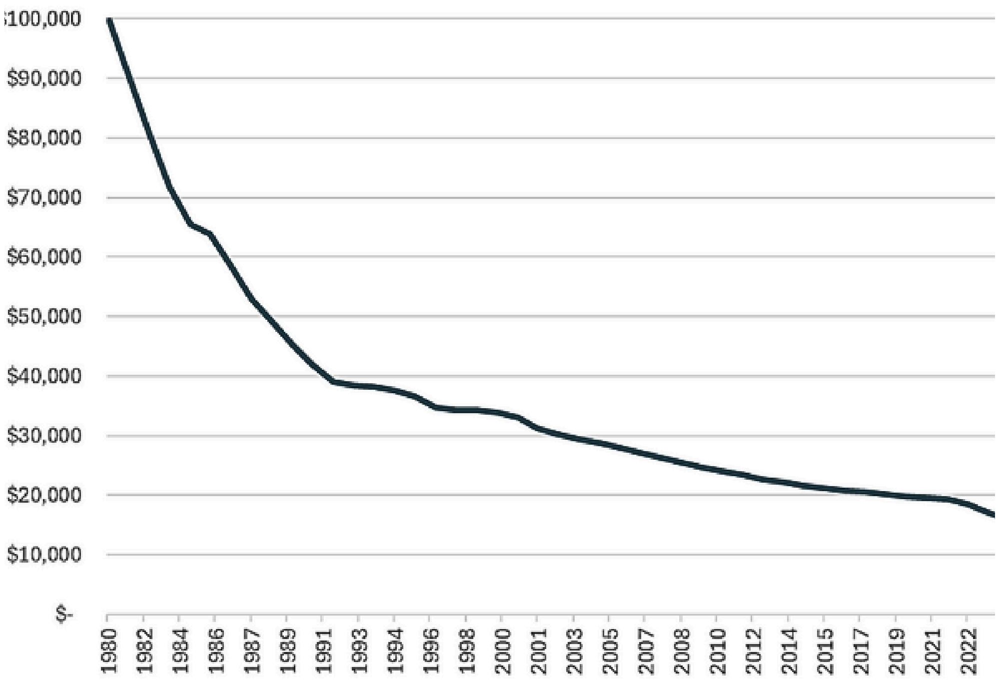


Principle 5

What if Inflation cuts your retirement in half over the next 10 years?

The most significant cost to retirees isn't limited to healthcare, housing or holidays; it's the **hidden cost of inflation**. Inflation is the increase in cost of living every year. Just because you've retired doesn't mean that you cease investing and remain invested in cash.

Inflation over Time



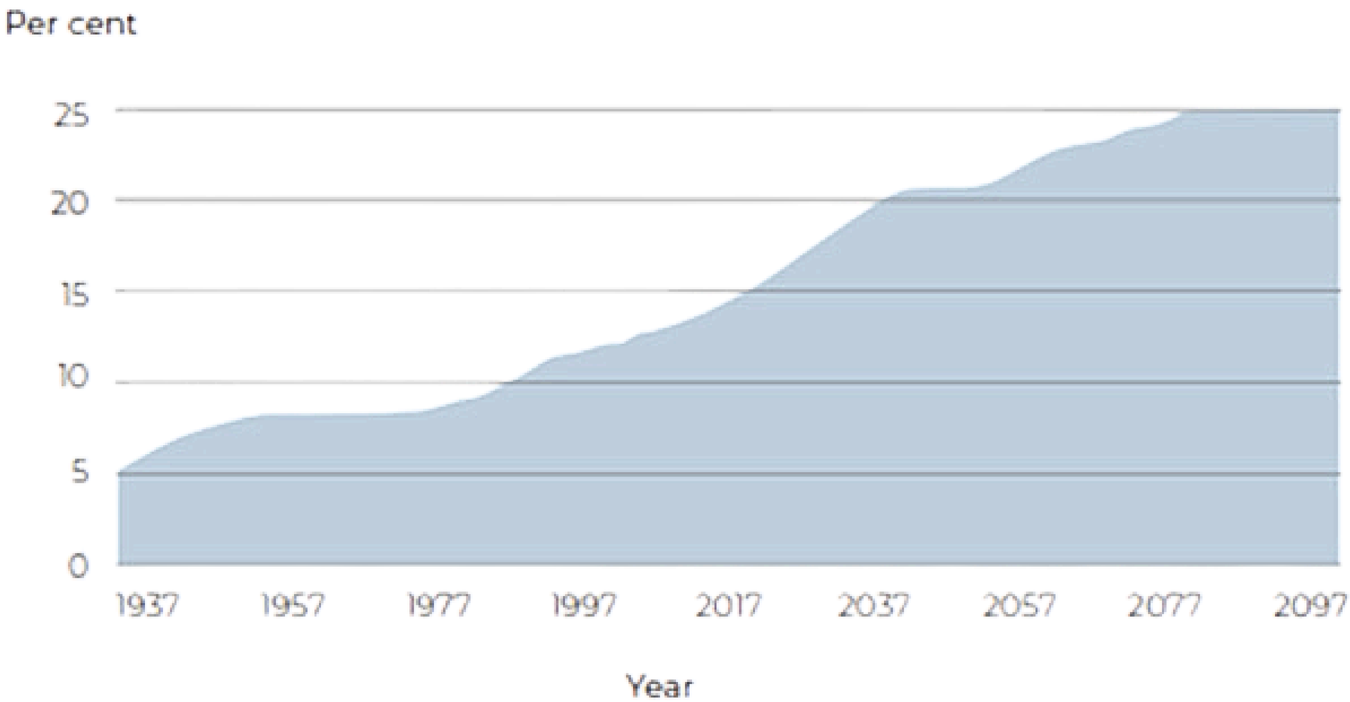
For example, if you had $100 000 in savings in 1980; today, you would have less than $20 000 in purchasing power. It's important to remain invested wisely to address an individual's longevity concerns. In 1800 the global life expectancy was 29 years, today Australian men are expected to live up until 84, while women have a life expectancy of 87.

Principle 6

The Second Innings

Is hanging up the boots something that you want? For some people, not always. For many of us work is meaningful and provides a sense of emotional safety knowing that there's income available and something to do. Statistics show that 1 in 8 'retirees' are continuing to work after retiring and aged over 65.

Proportion of the Australian Population over 65



The Baby Boomer generation has acquired a significant amount of wisdom that can be passed on to the next generations. There's a classic story when Don Bradman as a selector signed off Richie Benaud as the Australian captain. Bradman's advice is succinct and to the point, "leave cricket a better sport having played the game". It's not just the extra pocket money but also time and efforts that are spent mentoring and adding to your own fulfilment.

Are Your Retirement Ready?

We also have a link to our online Retirement Ready Scorecard as per the QR code below. The scorecard will ask you 19 questions assessing your current situation and will provide you with a FREE 20 page report as whether you're on track for retirement and explore any opportunities for personal growth and improvement.

Get really clear on what's available and secure more holidays in retirement

We offer a complementary consultation and talk to your financial needs. As advisors, we have a fiduciary obligation to deliver advice that puts you in a better position. Start today by giving us a call or email us at the following details:

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W www.rivkinwealthadvisors.com.au

Contact

Ready to have a conversation?

Rivkin Wealth Advisors is committed to guiding you with the utmost professionalism and dedicated service as you navigate your financial journey. We look forward to partnering with you on this exciting path towards financial growth and stability.

Jock Evans, Financial Advisor

Jock Evans is a key member of our Wealth Advisor team. With over seven years of experience in the financial services industry, Jock specialises in creating tailored wealth management strategies and investment plans. Holding a Bachelor of Commerce and having studied Financial Planning and Economics at the postgraduate level, he is dedicated to helping clients understand the intricacies of their investments, empowering them to make well informed financial decisions.

Alex Galvin, Financial Advisor

Alex Gavin is a Senior Financial Advisor at Rivkin Wealth Advisors. He has over ten years of experience with focus on helping clients create and preserve their wealth. Alex adopts a client-first approach in crafting prudent financial strategies that ensure that his clients achieve their financial and lifestyle goals. He holds Certified Financial Planner status and an Investment Management Analyst Certificate, while also possesses a Bachelor of Commerce and a holds Master of Financial Planning.

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Retirement Quiz

Are you confident in your retirement plan?

1 = No 2 = Uncertain 3 = Yes

1 I am confident that I am on track to achieve my retirement goals.

1 2 3

2 I am aware of where and how my superannuation fund is invested, the benefits and the risks and can sleep at night if markets crashed.

1 2 3

3 I am aware of how to minimise my personal income tax and how to minimise the tax paid in my estate?

1 2 3

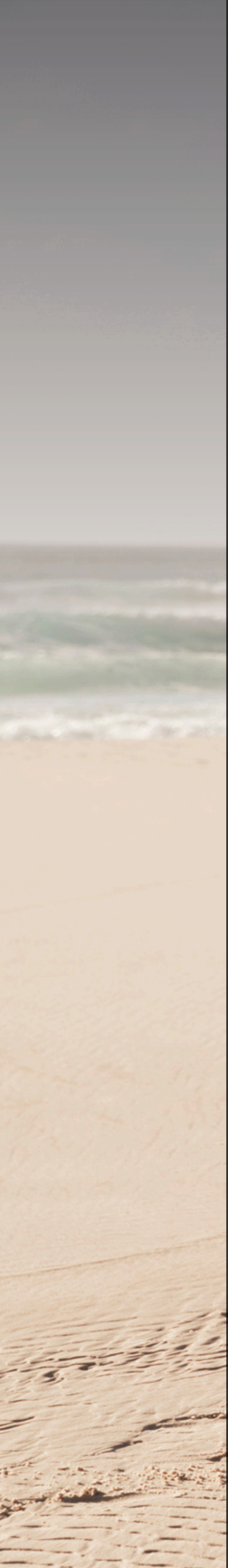
4 I am confident in my investment experience, discipline and knowledge to fund my retirement?

1 2 3

5 I understand the benefits of superannuation and how my retirement savings are structured

1 2 3

Scored under 15? **Contact us today for expert advice.**



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