

A close-up, profile photograph of an elderly man with a beard and glasses, looking thoughtfully towards a bright sunset. The background is a soft-focus landscape of hills and sky. The image is partially obscured by a large, dark blue graphic element in the upper right corner, which features a stylized yellow bird logo.

Retire your way
A planning guide for over 60s

Get set for your next chapter



Turning sixty is an exciting milestone, and one that takes you closer to an even bigger one – retirement! The next few years could be the time to fine-tune your plans and optimise your savings so you're ready for the retirement you want to enjoy.

In this guide, you'll find an overview of some of the considerations and strategies that could make all the difference to your financial confidence and freedom in the years ahead. We'll take a look at the Australian Superannuation Funds Association (ASFA) Retirement Standards so you can benchmark your progress towards your retirement plans. We'll show you how to identify any savings gaps and outline strategies that could help to boost your super savings and enhance your retirement income.

For example, you may like to consider downsizing your home to take advantage of the downsizer contribution. Or you may want to find out how you could work less and still grow your super with a Transition to Retirement strategy. We'll cover all that and more to help inform your retirement planning in the years ahead.

What will your retirement look like?

Understanding the ASFA Retirement Standard

The Association of Superannuation Funds of Australia (ASFA) provides benchmarks for what constitutes a 'modest' or 'comfortable' retirement lifestyle in Australia. These standards can be used as a guide for how much you might need for the retirement you want to enjoy.

1. Modest retirement lifestyle (aged 65–84):

If you want a basic, but acceptable standard of living, as at June 2025, ASFA calculates that a single person would need approximately \$34,522 per year. For a couple, this figure is around \$49,992 per year. This amount should cover basic housing, food, transport and a few modest extras.

 **Single**
\$34,522

 **Couple**
\$49,992

2. Comfortable retirement lifestyle (aged 65–84):

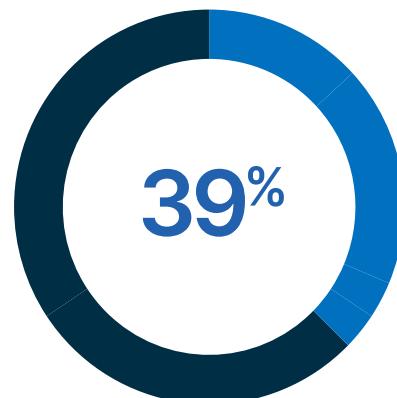
If you want to live more comfortably, with the ability to afford some luxuries, ASFA calculates that a single person would need around \$53,289 per year, while a couple would need about \$75,319 per year. 'Comfortable' might mean you could afford a better quality of housing, with enough money to enjoy dining out, holidays, social and recreational activities, and additional health and personal care services when you need them.

 **Single**
\$53,289

 **Couple**
\$75,319

To achieve a comfortable retirement, ASFA suggests that super balances at age 67 would be \$690,000 for a couple and \$595,000 for a single person.¹

Retirees in Australia using their super as a source of income at retirement.²



 Retirees in Australia relying on their super as a source of income at retirement 39%

1. ASFA Retirement standard, June 2025 superannuation.asn.au/resources/retirement-standard/

2. Australian Bureau of Statistics, Retirement and Retirement Intentions Australia, 2022-23 financial year, Table 6, Sources of income in retirement abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release#data-downloads

Your super snapshot

Do you know what sort of lifestyle your current savings and projected superannuation (super) balance at retirement might deliver for you? It's important to understand where you are now and where you might be by the time you retire.

Complete this [worksheet](#) to help see if there is a savings gap in your super that you may be able to address between now and your preferred retirement age.

How much do you currently have in super?

When do you want to retire?

How much super are you likely to have at retirement?

Moneysmart's [superannuation calculator](#) could help you estimate how much super you'll have.

How much will you need each year in retirement to have a comfortable lifestyle, based on your personal situation?

You can use Moneysmart's [budget planner](#) to help you estimate your expenses.

How much income will you likely receive from super and, if you qualify, from the Government Age Pension at retirement?

Estimate your income with Moneysmart's [retirement planner](#).

Assessing your retirement savings

Once you've used the planners and calculators to get a snapshot of your current and estimated retirement savings, take the time to think about how you would like to spend your savings in retirement.

If you think your account balances and savings are lower than they should be, you may want to consider these options to assess your retirement savings gap and help address any shortfalls.

1. Calculate your annual retirement needs

The calculators and planners are a great place to start when determining how much you might need each year, based on the ASFA Retirement Standard. In addition to your expected income, expenses and desired lifestyle, you should also factor in any larger purchases you may want to plan for such as travel, a new car, or renovations to your home.

2. Evaluate your current savings

Assess your super balance, other savings and investments. Compare this with your projected needs in retirement to identify any gaps. Take the time to explore what your options could be to save more or reduce debts, so you're not taking them with you into retirement. For example, could you reduce any personal loans, credit card debt or your mortgage and then focus on saving more for retirement?

3. Increase your savings

If you have the capacity, you might want to consider making additional contributions to your super at this important time. Currently, you can make pre-tax contributions up to a cap of \$30,000 per year, which includes contributions from your employer. For after-tax contributions, you can contribute up \$120,000 per year. You may also be able to carry forward unused cap amounts for up to three years for before-tax contributions and up to five years for after-tax contributions

- Salary sacrifice contributions:** this is when you ask your employer to pay some of your before-tax salary into your super account. As long as you stay within the \$30,000 pre-tax cap (inclusive of your employer contributions) your salary sacrifice contributions can generally be taxed at a lower rate than your personal income tax rate.

- After-tax contributions:** you may be eligible to contribute up to \$120,000 each year from savings or income that has already been taxed, without incurring additional tax. This could be beneficial if you have already reached the annual cap of \$30,000 for pre-tax contributions and you have some significant savings.
- Government co-contribution:** if your income is below a certain threshold, you may be eligible for a government co-contribution. This could provide up to \$500 per year for making after-tax contributions to your super.

How much are you contributing to your super every year?

**Can you afford to increase your contributions to super?
If so, by how much?**

Downsize your home and upsize your super

Understanding the downsizer contribution

If you own your home and are thinking about selling and moving to a smaller home or making a sea or tree-change, you may be able to take advantage of the downsizer contribution to boost your super savings.

If you are eligible, you can contribute up to \$300,000 per person (\$600,000 per couple) from the sale of your current home into your super fund. This amount is on top of the other contributions caps that apply each year.

This strategy could significantly increase your retirement savings and potentially reduce your taxable income. It may be particularly beneficial if your home has appreciated in value, and you no longer need as much living space.

How could the downsizer contribution work for you?



13,000

people made a downsizer contribution to their super in 2023–24, totalling

\$3.38 billion¹

How much is your home worth? How much money would you have to buy a new home?

If you sold your home, how much could you potentially put into super to boost your savings?

What impact would the contribution have on your super savings?

Would the contribution change your retirement lifestyle from moderate to comfortable?

Use ASFA's **Retirement Standard** to help you estimate.

What could your regular retirement income be with this boost?

Help estimate your income with Moneysmart's **retirement planner**.

1. Australian Taxation Office, Downsizer super contributions data, 7 September 2024, ato.gov.au/about-ato/research-and-statistics/in-detail/super-statistics/downsizer-super-contributions-data

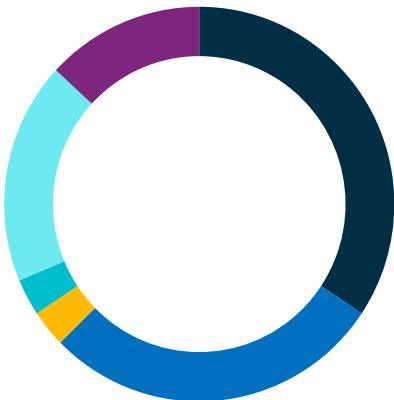
Accessing your super

Thinking about your retirement age

Now you've passed your 60th birthday, you've also reached preservation age. That means you can now access money from your super. But just because you can, doesn't necessarily mean you should. The 'right' age to retire or withdraw your money from super is different for everybody.

If you've planned and saved to self-fund your retirement, without the Government Age Pension, this could be a big milestone for you. Many people, however, choose to keep working and contributing to their super for retirement. Some choose to wait until they reach Government Age Pension eligibility age at 67, before taking that leap into retirement.

Main source of income at retirement for people who retired in Australia in the last 5 years.²



| | |
|-----------------------------------|-----|
| ■ Super | 34% |
| ■ Government pension or allowance | 28% |
| ■ Dividends or interest | 3% |
| ■ Rental property income | 3% |
| ■ Other sources | 18% |
| ■ No income / did not know | 13% |



64

is the average age of people who retired in Australia in 2022.¹

1. Australian Bureau of Statistics, Retirement and Retirement Intentions, Australia, 2022-23, [abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release)
2. Australian Bureau of Statistics, Retirement and Retirement Intentions Australia, 2022-23 financial year, Table 6, Sources of income in retirement [abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release#data-downloads](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release#data-downloads)

Transitioning to retirement

Ready to work less?

As you approach retirement, you may decide that working long hours isn't for you anymore. If this sounds like you, you're not alone. According to the Australian Institute of Health and Welfare, 32% of workers aged 55–64 work part-time hours, while this figure jumps to 51% for those aged 65 and over.¹

If you're thinking about retiring but you're not ready to give up work completely, a Transition to Retirement (TTR) strategy may be an option for you to consider. This strategy lets you access some of the money in your super to meet the shortfall between your old full-time earnings and your new part-time work.

So how does a TTR strategy work? Here are some of the benefits.

1. Accessing super

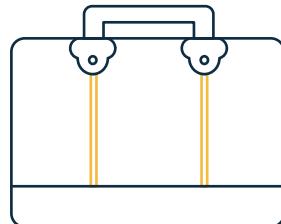
At age 60, you can transfer some of your super into an account-based pension (TTR pension account) and start drawing a regular income from your TTR pension account while continuing to work part-time. This income could supplement your salary and help you adjust to a lower income level.

2. Tax benefits

Withdrawals from your super after age 60 are generally tax-free. This can help you manage your finances more efficiently during your transition. You might also have the option of making salary sacrifice contributions to your super, which will be taxed at the lower rate of 15% up to the \$30,000 annual cap, including your employer paid super guarantee. Keep in mind that any investment earnings in your TTR pension account are also taxed at a maximum rate of 15%.

3. Increased flexibility

A TTR strategy could allow you to gradually scale back your work hours while still maintaining your current standard of living.



It's important to note that with a TTR strategy you can't access all of your super money. If you're considering this strategy, keep in mind that a few rules apply, including:

- Each year, you must withdraw a minimum of 4% of your account balance, and only up to a maximum of 10% of your account balance.
- The balance of your super account is calculated at 1 July each financial year.
- You can't make lump sum withdrawals – you can only receive pension payments (from a TTR pension account) up to your limit.
- Life insurance cover is not available through TTR pension accounts, but you can continue to hold or obtain life insurance through your super account.



TTR planning can be complex, so it may be worthwhile speaking to a financial adviser to determine whether this is right for you.

Visit

Government website, [moneysmart.gov.au](https://www.moneysmart.gov.au) for more information about a TTR strategy.

1. Australian Institute of Health and Welfare, Older Australians, Employment and work, Table 9.2: Proportion of people employed full- and part-time by age group, 2021 [aihw.gov.au/reports/older-people/older-australians/contents/employment-and-work](https://www.aihw.gov.au/reports/older-people/older-australians/contents/employment-and-work)

Government Age Pension eligibility

Will you qualify?

The Government Age Pension is a safety net for many Australians. It's designed to provide a regular income to support older Australians with the cost of living in retirement.

1. Eligibility

To qualify for the Government Age Pension, you must be 67 years or older, be an Australian resident, and meet the income and assets tests. The amount you might receive – either a full or part pension – is based on your personal financial situation.

Keep in mind that the Government Age Pension is not a guaranteed option for everyone who is ready to retire. But that doesn't mean you may not qualify later on. As eligibility is assessed based on your assets and income each year, once you have spent a portion of your super savings, you may be eligible to receive some or all of the Government Age Pension.

2. Income and assets test

The amount of Government Age Pension you may be eligible for decreases as your income and assets increase. It's important to understand these thresholds and how they impact your pension entitlements.

3. Supplementing your income

If you are eligible for the Government Age Pension, you may still want to use some of your super to top up your income, as the Government Age Pension amount is lower than the ASFA Retirement Standard's 'modest lifestyle' benchmark.

Visit

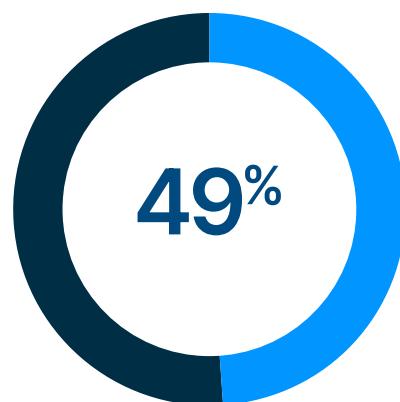
[servicesaustralia.gov.au](https://www.servicesaustralia.gov.au) for comprehensive information about the Government Age Pension, including the income and assets tests.

Around

2.6 million

people received Government Age Pension payments in March 2023.¹

Retirees in Australia relying on a Government Pension as a source of income at retirement.²



■ Retirees in Australia relying on a Government Pension as a source of income at retirement

49%

1. Australian Institute of Health and Welfare, Income support for older Australians, 7 September 2023, [aihw.gov.au/reports/australias-welfare/income-support-older-australians](https://www.aihw.gov.au/reports/australias-welfare/income-support-older-australians)
2. Australian Bureau of Statistics, Retirement and Retirement Intentions Australia, 2022-23 financial year, Table 6, Sources of income in retirement [abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release#data-downloads](https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release#data-downloads)

The benefits of financial advice

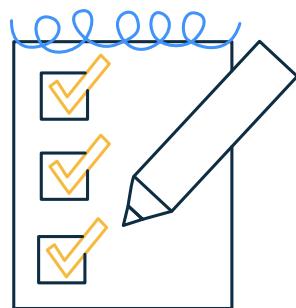
Asking for help if you need it

At this significant time in your life, talking with a financial adviser may provide invaluable assistance in managing your money and planning the retirement you want.

A qualified financial adviser can help you with:

1. Personalised planning

Your financial situation, goals and needs are unique. A financial adviser can assess your personal circumstances and help you develop a comprehensive retirement plan. Your plan is likely to cover income strategies, investment options and risk management. Professional advice can help make sure you're on the right path towards retirement and your nest egg is protected and working hard for you.



2. Retirement income strategy

A financial adviser can help you decide on the best mix of income sources to meet your needs and maximise your income. They can show you how to optimise your Government Age Pension entitlements, manage your super throughout your retirement and advise on Transition to Retirement (TTR) options.

3. Personalised planning

In the years ahead, your circumstances may change and your financial adviser can provide ongoing support and adjustments to your retirement plan, to help ensure it's working hard for you at every stage of your life.



The Financial Advice Association of Australia has an online tool to help you find a financial adviser, allowing you to search by postcode and also their specialty, such as retirement planning.

Conclusion

Fine-tune your retirement plans

As you enter your 60s, the prospect of retirement is becoming an exciting reality. When can you stop working? What will your retirement look like? Will your money go the distance? At this important stage of your life, these are just some of the essential questions to consider.

Even just a few years before retirement, there may be time to maximise your super savings and optimise your retirement plans, to help you look forward with confidence and financial security.

We hope the strategies, calculators and tools we've provided in this guide can help inform and guide your decisions in the years ahead. Now more than ever, it's important to regularly review your retirement plan to accommodate any changes in your circumstances and to ensure that your super and other retirement savings are working as hard as they could be for you.

Engaging with a qualified financial adviser may further enhance your retirement strategy. Personalised advice and ongoing support could help you navigate the opportunities, challenges and the complexities of planning for your retirement.



We're here to help

Visit **acenda.com.au** to explore more retirement planning topics. You can also call us on **13 57 22**.

Please note that while we can't provide you with personal financial advice, we can help you with factual information and general advice about your product(s) with us. We can also help you implement any product changes you've decided on.



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