

Check your wealth health FOR FREE



Do you know how financially fit you are?

Would an understanding of your current financial position help you achieve your financial goals?

In just 15 minutes, you can gain valuable insights by creating your own obligation and cost free, personalised Wealth Report that helps you unlock the answers to:

- How do my finances stack up?
- How am I tracking towards my goals?
- How long will my money last?
- Should I own or rent? What is the impact of my current living situation on my net worth?
- What risks should I consider?

If you have questions about any of the articles in this edition of inTouch, please contact us.

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Are you financially ready for retirement?

The decision around when to retire can, for many people, be one of the most exciting, yet daunting, times of their lives. Do you retire at early so that you can enjoy all the hard work that you've put in, while still in good health? Or do you keep working which gives you more time to build up your retirement savings, but fewer years in which to enjoy your retirement? Whatever your age, here are some simple strategies that you can use right now to get ready for retirement.

Start planning early

It's important that you don't fall into the trap of working full-time, and then one day just stopping. Create a clear retirement plan, the first step of which is to start thinking about what your retirement looks like.

Do you see yourself not working at all, working part-time or perhaps volunteering a few days each week?

You should also think about how you'd like to spend your free time – do you want to spend more time travelling, working on your favourite hobby, or perhaps doing something completely new, like learning a new language?

Determine your income

Once you've decided what your retirement will look like, you can work out how much income you'll need to pay for this new lifestyle. Many people moving into retirement believe that they will spend less when they retire, when actually the opposite can often be true. You may see your spending increase when you first retire, as you start to enjoy your hard-earned money and set up new hobbies, join groups or look to do some renovations around the home. It may then slow down a bit, then rise as the years roll on and you have more health-related expenses.

Build your savings

Once you've worked out the income you'll need in retirement, you should look at how much you'll need to save before you actually finish work. If you wish to retire at age 65, for example, a good rule of thumb is to have 20 times your required retirement income saved up. This will highlight whether you're on track, or if you need to make some changes to your investments, so that you're able to retire with the income you need.

How healthy are your retirement plans?

You might be surprised by how few people nearing retirement have a clear picture of their current financial position. However, given the amount of time and effort that goes into financial management, it's very easy to put it on the back burner and keep it there. This is where a qualified financial adviser can help.

We have tools, such as the [Wealth Report](#), that in just 10 minutes, will give you a personalised snapshot of your financial situation. You'll no longer have to guess about how you're travelling financially, allowing you to more easily identify what you could be doing better, and where your biggest opportunities lie.

Financial advisers help people achieve their financial goals; we would love to talk to you about it too.



Changes to private health insurance rebates

The private health insurance rebate is an income tested rebate that helps with the cost of private health insurance. The new private health insurance rebates from 1 April 2017 are:

	Income thresholds			
	<\$90,000	\$90,001 – \$105,000	\$105,001 – \$140,000	\$140,000+
Singles				
Families	<\$180,000	\$180,001 – \$210,000	\$210,001 – \$280,000	\$280,001+
Rebate				
Age	Standard	Tier 1	Tier 2	Tier 3
<65	25.934%	17.289%	8.644%	0%
65–69	30.256%	21.612%	12.966%	0%
70+	34.579%	25.934%	17.289%	0%
Medicare Levy surcharge				
All ages	0%	1%	1.25%	1.5%

Single parents and couples (including de facto couples) are subject to family tiers. For families with children, the thresholds are increased by \$1,500 for each child after the first.

It is possible that with the new rates introduced on 1 April this may result in an increase in the cost of your health insurance and therefore has an impact on your cash flow. A professional financial adviser has access to tools to help you effectively manage your cash flow so any new or unexpected costs can be factored into your financial plan.



Grey nomads: Retirement on the road

An increasing number of Australians are choosing not to spend their retirement at home. Instead, they're setting off for adventures in the great outdoors. Could this be your dream retirement?

Wandering retirees, known as 'grey nomads', are defining a new kind of retirement lifestyle. In 2016, grey nomads accounted for almost half of visitors at caravan and camping sites across Australia, a 20 per cent increase since 2015.

Road-tripping retirees usually travel with their partners in motorhomes or in cars towing caravans, and stay at caravan parks or free camping grounds.

So, what's the appeal of this peripatetic lifestyle?

For some, it is the opportunity to tick new experiences off their bucket list after a lifetime dedicated to working and raising a family. That can mean travelling far and wide across Australia.

From the 'big lap' to a coastal drive, grey nomads are hitting the road to visit sights such as Uluru, Kakadu, the Great Ocean Road or Shark Bay. Some retirees are making pilgrimages to historical sites such as the National Anzac Centre in Albany, Western Australia.

The nomadic lifestyle may also be a cost-effective way to spend retirement. Grey nomads avoid the hassle and costs of flights and hotels simply by taking their accommodation with them. Some choose to sell their home, enjoying the added freedom from mortgages and utilities bills.

Some even find work on the road – called 'workamping'. Many tourist centres and caravan parks have begun using the skills and experiences of retirees, offering free accommodation or payment for completing tasks such as conducting visitor surveys or doing maintenance jobs. Workamping is also a great way for grey nomads to become part of the local community.

Retirees can even turn their passion into a profession while travelling.

Hobbies such as photography, knitting or painting can supplement the pension or other income. It's simply a matter of putting a notice up at the caravan park or joining the local market.

Retirement can be stressful. Individuals may feel a loss of purpose as they rethink their goals, where they belong and how to spend their days. Becoming a grey nomad can help retirees answer these questions and enjoy a new life of travel at their leisure.

Grey nomads can also become part of a tribe. Each day, grey nomads come together to share happy hour at campsites and caravan parks across Australia. Happy hour is an informal tradition that goes with the lifestyle and can help retirees meet new people.

Before setting off, retirees may need to consider if their finances, insurance policies or estate plans are set up for retirement on the road. A financial adviser can help with this, so the adventurers can focus on other important questions – such as caravan or campervan?

Returning to work? Four things you need to think about

There are many reasons for taking a break from the workforce: to have a baby, look after family members, or recover from a redundancy or illness. Whatever the reason, returning to work can be challenging. Here are some tips that may help give you the confidence you're after.

1. How are your finances?

Before starting a new job, or returning to a previous role, take the opportunity to review your financial situation.

Are all your bills paid? How good is your debt management? You should also update your budget to account for your new income, keeping in mind any changes in expenses such as child care, and ensuring you have savings in case of emergency. This is also a great time to think about income protection insurance.

2. Check your superannuation

Your superannuation savings may have stalled from lack of employer contributions. If you'd like to try to catch up, there are options. For example, you can salary sacrifice part of your pay or you may be eligible for the government's co-contribution scheme.

Spouse contributions may also help, and under the superannuation reforms coming into effect on 1 July 2017, anyone with a partner who earns less than \$40,000 can contribute to their super and may receive a tax offset in return.

3. Stay in touch

While you're still on leave, there are a few things you can do to give yourself a chance of transitioning back into the workforce successfully.



If you plan to stay in your industry or role, make sure you are up to date on the latest trends and insights. Keeping in touch with colleagues and your network is also a great way to show you are engaged in your area.

You may also take the opportunity to learn a new skill, gain experience or take a course. This may indicate to potential employers that you're eager to continue learning. Remember to update your resume afterwards.

4. Talk to your employer

Many people returning to work will require flexible workplace arrangements, such as the ability to work from home or only for certain periods of time. Talk to your employer about this early on, then you can create an arrangement that works for both of you.

If you are seeking a new position and know you will need to work from home some days, research employers' workplace flexibility arrangements. Is there a work-from-home policy?

Is work-life balance encouraged? Seek out companies that offer these policies and keep an eye out for organisations with a return-to-work support program.

Some people find that slowly easing back into work sets up a stronger foundation for long term employment. This may mean going back one day a week, then increasing this to two, three or four days. If you think this may work for you, discuss a trial arrangement with your employer.

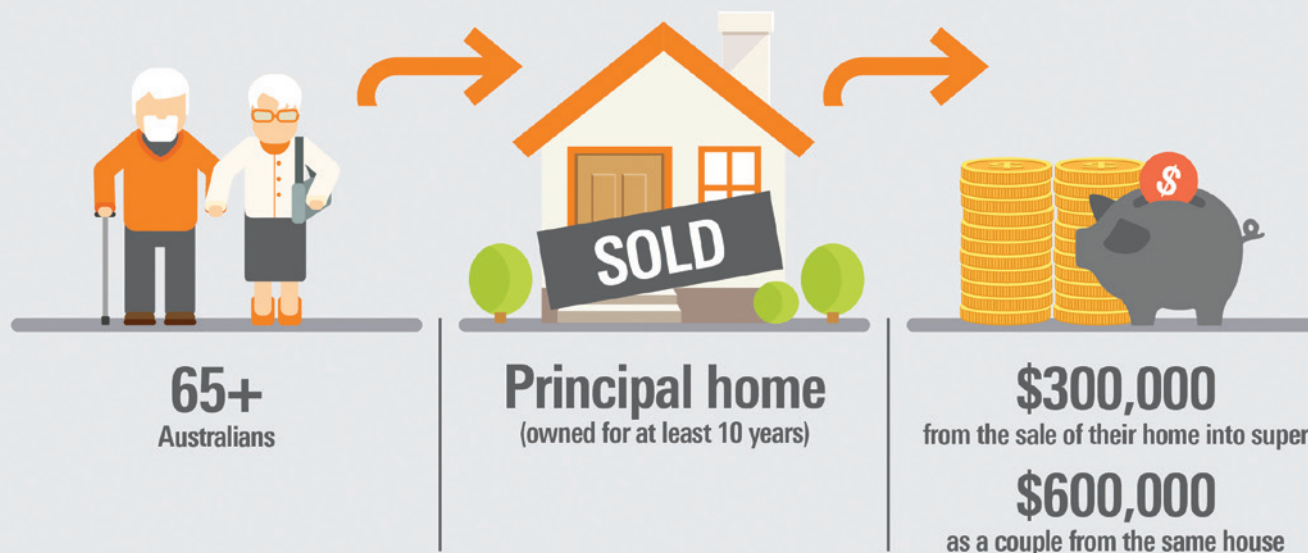
Return to work with confidence

Returning to work after extended leave can be daunting – but it can also be a great opportunity to develop your skills, connect with a community and achieve new goals.

There are many financial aspects to consider, so speaking to a financial adviser who understands the latest reforms and your unique situation may give you peace of mind.

2017 FEDERAL BUDGET ANNOUNCED CHANGES

Contribution of home sale proceeds into super (from 1 July 2018)



NOTE: This announcement is a proposal that still needs to successfully pass through Parliament before becoming law and may be subject to change.

If you think this may be of benefit to you, speak to your financial adviser who can provide more information based on your individual circumstances.

The announcements in this year's Federal Budget are proposals only. These proposals need to successfully pass through Parliament before becoming law and may be subject to change during this process. The current proposal, as outlined in the illustration above, is that Australians over the age of 65 will be able to make a non-concessional contribution of up to \$300,000 into their superannuation fund from the proceeds of the sale of their principal home.

If this change is legislated it may mean your financial plan needs to be reviewed, which we can help you with.

If you think this, and any of the other articles in this edition of inTouch, may be of benefit to you or someone you know, speak to us at Frontier Financial Group so we can provide more information based on your individual circumstances.

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