

Press release

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New calculator lets you see into your retirement future

A new interactive web based calculator has been released by Asset Super to help people considering a transition to retirement strategy in the lead up to full retirement.

Asset Super collaborated with Rice Warner Actuaries to design a state-of-the-art Transition to Retirement (TTR) calculator, which is aimed at those aged over 55 and has features not available from calculators on other websites.

The freely available TTR Calculator is a useful tool for anyone who wants to weigh up a variety of options for their retirement. The calculator highlights an optimal TTR strategy that maximises the benefits available. It does this by calculating the appropriate pension drawdown amount in the 'transition' period, along with a combination of pre-tax and post tax contributions.

The Asset TTR Calculator also takes into account inflation, investment earnings; age pension (if eligible), fees, insurance premiums, and investment strategy.

'One of the key features of the Asset TTR calculator is that it's interactive at every stage, so you can work out a variety of possibilities as you go – and yet its completely user-friendly. You don't need a degree in applied maths to be able to use it!' said John Paul, Chief Executive Officer of Asset Super.

'It also differs from some other calculators in that you can calculate income throughout the transition period and full retirement, identify the source of that income, see the total effect of the strategy on your account balance and, importantly, view how long your income will last once you are retired.'

The calculator requires the individual to enter some basic data. The projections highlight the effect on retirement savings so you can immediately see the difference with and without a transition strategy applied.

'The Asset Super TTR calculator is one of very few in the marketplace that provides projections over a lifetime, rather than just a single year or "transition period only" calculation. It also allows an individual to see expected retirement incomes with or without the Age Pension and to examine the impact longevity may have on their retirement expectations,' said Jeff Warner, Director of Rice Warner Actuaries.

'Too many fund calculators focus on targeting adequate income in retirement through to the user's life expectancy. Yet 50% of us will outlive our life expectancy and hence will

require more income in retirement. By giving an indication of likely longevity after life expectancy age, the Asset calculator allows the individual to better plan for how long they might reasonably expect to need a retirement income.'

'At Asset, we realised that people who were not approaching retirement at the time of the Better Super changes in 2007, may be unaware of the Transition to Retirement option," said John Paul.

"We wanted the calculator to help people get a clear idea of the effect of this strategy. It helps put retirement in perspective because you can enter your own details which you can relate to and alter the variables as you see fit."

"You can choose to work full or part-time in the lead-up to your retirement, still contributing or salary sacrificing into super, while at the same time converting part of your super savings into an income," John Paul explained. "The law allows you to use this tax-effective strategy to get your super growing faster, and give you more flexibility. And the calculator shows you how."

'The calculator is not the only transition to retirement tool offered by Asset. A comprehensive fact sheet and an easy to read product disclosure statement are also available from the Asset website at www.assetsuper.com.au.

'These tools, along with access to financial planning advice combine to keep our members aware of their options and assists them in making informed decisions about their superannuation. That's what Asset is about.'

Contact:

John Paul, CEO, Asset Super,

Telephone: 8923 0503 (direct), 0417 765 213 (mobile)

Email: jpaul@assetsuper.com.au

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