

...WITH FAR
LESS SUPER
THAN THEY
EXPECTED.



Make your future super

No matter what your retirement dream is, you will need money to fund it. We are here to help you reach that dream! Have a look at some of the ways that you can boost your super to make your future as super as possible.

Personal contributions

Every little bit helps. Making personal contributions in addition to the contributions your employer makes will help boost your super significantly. Personal contributions can be made into your QIEC Super account through a direct debit, a deduction from your pay, a cheque, or you can even BPay® them.

By making personal contributions to your super you may also be eligible for the government co-contribution.

Free money from the government!

If you are eligible for the co-contribution, then for every \$1 you contribute to your super, the government will also contribute \$1 to your super, up to a maximum of \$1,000.*

Salary Sacrifice

Topping up your super with salary sacrifice contributions not only rewards you with more money in the future, but can provide you with tax savings right now by potentially lowering your taxable income^.

That is because salary sacrifice contributions are made by your employer, on your behalf, from your before-tax income. So, instead of paying tax at your marginal rate, a contributions tax of 15% is deducted from your salary sacrifice contribution when it is received by QIEC Super.

For more information on any of the above visit our website at qiec.com.au and click on "Grow your super" under the members tab, or give us a call on 1300 360 507.



1300 360 507
info@qiec.com.au
www.qiec.com.au
PO Box 2130 Milton Qld 4064
Level 1, 424 Upper Roma St, Brisbane

*Please note that certain eligibility conditions apply. Personal contributions count towards your non-concessional contributions cap. Any contributions over the cap will be subject to extra tax. ^Income is defined as assessable income plus reportable fringe benefits plus, from 1/07/2009, reportable employer superannuation contributions (RESG). RESG is generally superannuation contributions which you have asked your employer to make as salary sacrifice (before tax) or additional employer contributions (in addition to Superannuation Guarantee or award contributions) paid on your behalf as part of a remuneration package. Consult your employer to identify the likely RESG for the financial year. Salary Sacrifice contributions count towards your concessional contributions cap. This information is of a general nature and does not take account of your individual financial situation, objectives or needs. Because of this you should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. You should obtain a Product Disclosure Statement (PDS) and consider the PDS before making any decision. If you require such specific advice, you should contact a licenced financial adviser. QIEC Super Pty Ltd (ABN 81 010 897 480), the Trustee of QIEC Super (ABN 15 549 636 673), is Corporate Authorised Representative No. 268804 under Australian Financial Services Licence No. 238507 and is authorised to provide general financial product advice in relation to superannuation.

7 MILLION
AUSTRALIANS RETIRE...

noted ✓

MEMBER NEWS // AUTUMN 2011

qiec
super
first in our class

Make sure you reach your dream retirement



While you are putting in the hard yards at work, do you ever think about the day you can at last throw off the work shackles and enjoy your hard earned retirement?

You may even do a bit of day dreaming about just how great your retirement will be. Depending on what suits your fancy, you may dream about exotic travel, leisurely lunches, working on your golf handicap, relaxing on the beach or any number of other enticing activities. Even if your retirement is a long way off, there's no harm in dreaming is there?

The trick is how to turn your dreams into reality. One sure bet is that the government age pension may not give you this lifestyle. It is barely survival territory. You will need your super to kick in and give you a decent standard of living in retirement. And who knows what will happen with the age pension in the future? Even if it remains there as a safety net, it could get a lot tougher to qualify for it.

We know that for many of you super is all a bit of a yawn. Some people may have other investments to give their retirement savings a boost but, for the majority, it is a combination of super and the age pension. So, if your super is on the lean side, your retirement dreams may never come true! Unfortunately the compulsory super your employer is tipping into your account may simply not be enough. You may need to give it a helping hand.

The burning question of course is just how much super you need to

give you a decent retirement. The bare basics, poverty line existence of the age pension gives a couple an income of around \$28,000 p.a. and a single person \$18,600 p.a. (full pension entitlements). You should be aiming for nearly twice those amounts if you wish to have a comfortable standard of living in retirement.*

A comfortable lifestyle doesn't mean you will be living the high life but it should mean for example that you can enjoy relaxing holidays, dine out now and then, practice hobbies, have private health cover, and update your car before it gives up the ghost.

But how do you convert your targeted annual retirement income into a lump sum amount of super savings?

The Australian Securities and Investment Commission (ASIC) has come up with the following rough guide to calculate the amount of that lump sum.

Retirement Age	Multiply your desired annual income by:
55	19
60	17
65	14

This guide is based on income through to age 85 from a pension account that earns 6% p.a. after fees (i.e. 3.5% above an assumed inflation rate of 2.5%).

"In my retirement I want to travel all over the world and explore new places with family and friends."

Tammy Charlton
QIEC Super Member

How much will you need?

Let's say a couple, Neil and Anne, still have quite a few years of work ahead of them before they retire. They have done their budgeting and reckon that \$50,000 p.a. (in today's money values) will give them a reasonable lifestyle in retirement.

ASIC's rough guide says that, if they work until age 65, they will need combined lump sum savings of \$700,000 - i.e. \$50,000 p.a. retirement income multiplied by 14.*

The table on the following page sets out a range of scenarios to show how long your super will last depending on how much you have, what you spend each year and the investment return from your super.

The amount of super you need to turn those retirement dreams into reality can be a bit frightening, but QIEC Super is here to help you reach your retirement goals.

So avoid the nightmares and visit qiec.com.au or contact us on 1300 360 507 for assistance on boosting your super savings and live your dream retirement.

For tips on how you can boost your super see our article "Make your future super..." on the back page of this newsletter.

* According to the Westpac-ASFA Retirement Standard. If they happen to be entitled to any age pension based on the rules in place at the time of their retirement, they may need slightly less lump sum savings.

How long will your money last?

This table shows how many years your money is likely to last according to your retirement lump sum investment earnings and yearly expenses.

Lump Sum \$	Yearly Expense \$	Retirement lump sum investment earnings:		
		3%	5%	7%
50,000	20,000	2 years 7 months	2 years 7 months	2 years 8 months
50,000	40,000	1 year 4 months	1 year 4 months	1 year 4 months
50,000	50,000	1 year 1 month	1 year 1 month	1 year 1 month
50,000	60,000	11 months	11 months	11 months

100,000	20,000	5 years 1 month	5 years 4 months	5 years 7 months
100,000	30,000	3 years 5 months	3 years 6 months	3 years 7 months
100,000	40,000	2 years 7 months	2 years 7 months	2 years 8 months
100,000	50,000	2 years 1 month	2 years 1 month	2 years 2 months
100,000	60,000	1 year 9 months	1 year 9 months	1 year 9 months

150,000	20,000	7 years 7 months	8 years 2 months	8 years 11 months
150,000	30,000	5 years 1 month	5 years 4 months	5 years 7 months
150,000	40,000	3 years 10 months	3 years 11 months	4 years 1 month
150,000	50,000	3 years 1 month	3 years 2 months	3 years 3 months
150,000	60,000	2 years 7 months	2 years 7 months	2 years 8 months

200,000	20,000	10 years 1 month	11 years 2 months	12 years 8 months
200,000	30,000	6 years 9 months	7 years 2 months	7 years 9 months
200,000	40,000	5 years 1 month	5 years 4 months	5 years 7 months
200,000	50,000	4 years 1 month	4 years 2 months	4 years 5 months
200,000	60,000	3 years 5 months	3 years 6 months	3 years 7 months

300,000	20,000	15 years 1 month	17 years 9 months	22 years 4 months
300,000	30,000	10 years 1 month	11 years 2 months	12 years 8 months
300,000	40,000	7 years 7 months	8 years 2 months	8 years 11 months
300,000	50,000	6 years 1 month	6 years 5 months	6 years 10 months
300,000	60,000	5 years 1 month	5 years 4 months	5 years 7 months

400,000	20,000	20 years 1 month	25 years 4 months	37 years 10 months
400,000	30,000	13 years 5 months	15 years 6 months	18 years 8 months
400,000	40,000	10 years 1 month	11 years 2 months	12 years 8 months
400,000	50,000	8 years 1 month	8 years 9 months	9 years 7 months
400,000	60,000	6 years 9 months	7 years 2 months	7 years 9 months

500,000	20,000	25 years 1 month	34 years 2 months	80 years 10 months
500,000	30,000	16 years 9 months	20 years 2 months	26 years 7 months
500,000	40,000	12 years 7 months	14 years 4 months	17 years 1 month
500,000	50,000	10 years 1 month	11 years 2 months	12 years 8 months
500,000	60,000	8 years 5 months	9 years 2 months	10 years 1 month

600,000	20,000	30 years 1 month	44 years 10 months	100 years +
600,000	30,000	20 years 1 month	25 years 4 months	37 years 10 months
600,000	40,000	15 years 1 month	17 years 9 months	22 years 4 months
600,000	50,000	12 years 1 month	13 years 8 months	16 years 1 month
600,000	60,000	10 years 1 month	11 years 2 months	12 years 8 months

Assumptions:
 • Expense inflation rate 3%. Expenses increase from the start of draw-down at the expense inflation rate (3%)
 • Expenses paid at the end of each month
 • Term shown until funds deplete. The final month may not fully match expenses.

Source: National Mutual