

SUPER INFO

Spring 2013



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Enduring Powers of Attorney

An Enduring Power of Attorney is a document whereby one person authorises another to act as his or her agent in financial and business affairs.

The person giving the Enduring Power of Attorney must be over the age of eighteen years and have mental capacity.

The Attorney may be a family member, a friend or a professional adviser and Attorneys can be appointed to act either together or separately.

The Attorney may be appointed to act either:

- While the donor has mental capacity and continue to act when most needed if the donor were to lose his or her mental capacity; or
- Only if the donor loses his or her mental capacity.

An Attorney must act with due diligence in the best interests of the donor and must keep records of all transactions. You should appoint as your Attorney only a person you trust.

Once an Attorney has accepted the appointment he or she must continue to act until either the donor appoints another person to act in his or her place or, if the donor no longer has mental capacity, until the Supreme Court relieves the person appointed of the responsibility.

Enduring Powers of Attorney cease to be effective on the death of the donor.

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If you become mentally incapacitated and do not have an Enduring Power of Attorney, the Guardianship Board may appoint a manager to look after your business affairs. The manager may be Public Trustee or a private person.

Alternatively, a relative or friend may apply to the Guardianship Board for appointment as Administrator. Another option is that the Supreme Court may appoint someone to look after your business affairs.

It is usually better to appoint a person of your own choice rather than to rely on an appointment by the Guardianship Board or the Court.

It is important to note that Enduring Powers of Attorney cover only financial and business matters, not decisions of a lifestyle or medical nature. If you wish to grant these additional powers then it is necessary to appoint either a guardian under an Enduring Power of Guardianship or a medical agent under a Medical Power of Attorney.

General Powers of attorney differ from Enduring Powers of Attorney in that they become ineffective if the person giving the Power of Attorney loses his or her mental capacity. This makes a General Power of Attorney inappropriate as a means of delegating the responsibility for dealing with business affairs of the elderly.

These days, the use of a General Power or Attorney is usually restricted to specific tasks or when its effectiveness is to be of limited duration.

Information provided by Mellor Olsson, Lawyers

Superannuation: How much is enough?

Life Expectancies are on the rise

According to the Australian Institute of Health and Welfare, life expectancy in Australia has been increasing steadily since the 1970s. Men aged 65 have a life expectancy of age 79 and women of the same age can expect to live to age 84¹. If you were to retire at 60, these statistics could mean your retirement may span over 20 years or more and you will need sufficient savings to fund it.

When does the pension kick in?

The Government's pension only starts when you hit the age pension age, which is determined by the date you were born:

Date of Birth	Women eligible for age pension at age:	Men eligible for age pension at age:
Between 1 July 1947 and 31 December 1948	64 and a half	65
Between 1 January 1949 and 30 June 1952	65	65
Between 1 July 1952 and 31 December 1953	65 and a half	65 and a half
Between 1 January 1954 and 30 June 1955	66	66
Between 1 July 1955 and 31 December 1956	66 and a half	66 and a half
After 1 January 1957	67	67

Source: Department of Human Services

How can you calculate your retirement needs?

Deciding on when to retire is a very personal choice and one which will depend on varying circumstances. There's no doubt that one of the major considerations will be whether you have sufficient savings to fund your lifestyle into the future.

Moderate versus comfortable lifestyle

The most recent research figures released by the association of Superannuation Funds of Australia show that a couple who are looking to achieve a 'modest' lifestyle, which would be better than the age pension but still only able to afford fairly basic activities would need to spend around \$32,603 per year.

For those couples wanting to live a 'comfortable' lifestyle, which would enable an older, healthy retiree to be involved in a broad range of leisure and recreational activities and to have a good standard of living through the purchase of such things as household goods, private health

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insurance, a reasonable car, good clothes, a range of electronic equipment and domestic (and occasionally international) holiday travel, they would need to spend \$56,317 per year².

The '60 per cent' rule

According to calculations from the Financial Services Council, most Australians will need approximately 60 per cent of their pre-retirement income to maintain their current lifestyle in retirement. If you have large expenses, such as overseas trips planned for your retirement, you may need more.

Based on the 60 per cent estimate, if you're currently earning \$70,000 a year, it's estimated that you'll need approximately \$42,000 a year to maintain your current lifestyle in retirement.

The average super balance for those aged 60-64 is \$79,002³. This means, on average, many people will face a shortfall in their super and will need to partially rely on the age pension to fund their retirement.

Remember, the information contained in this article is of a general nature only and does not take into account your personal circumstances. The information is not intended to constitute advice you should seek professional advice from an authorised financial planner before relying on the information.

¹ Australian Institute of Health and Welfare
(www.aihw.gov.au)

² ASFA Retirement Standard (www.superannuation.asn.au)

³ Retirement Savings Gap at 30 June 2011 - Financial Service Council

Useful Websites

Australian Tax Office
www.ato.gov.au

Centrelink
www.centrelink.gov.au

Department of Veterans' Affairs
www.dva.gov.au

Financial Planning Association of Australia
www.fpa.asn.au

Industry Fund Services
www.ifs.net.au

Public Trustee
www.publictrustee.sa.gov.au

Forgotten your PIN?

Call the Helpline on 1300 132 573 and one of our friendly consultants will assist you.

Important Check List Reminder

1

Change of Address Have you advised the Scheme of your change of address?

2

Nomination of Beneficiary Form Is your Nomination of Beneficiary form up to date?

3

Leave Without Pay Are you going on Leave without Pay? If so, all your insurance cover may cease.

4

Long Term Sick leave Members under age 60, is your sick leave due to run out?

5

Maternity leave Are you going on maternity leave and when will wages cease - as your insurances will be affected.

6

Working less than 15 hours per week For members working less than 15 hours per week, your insurance cover will be reduced to Death insurance only.

Death insurance will cease if you are working less than 10 hours per week.

7

Salary Sacrifice Forms Please ensure you send in **original** signed Salary Sacrifice forms to this office. If you fax your copies in, we still need the originals to be signed off by the employer before forwarding to Shared Services.

**Please advise the Scheme on any of the above and contact the Manager, Mr Alan Kent on 8204 3826 for any clarification you may require. Information is also available in the Member Benefit Guide on the website www.samfs.superfacts.com.*

Note: *If you are on extended leave at any time, you can always access the Super Info on the website www.samfs.superfacts.com.*