



# Transition to retirement

## What is a Transition to retirement (TTR)?

Whether you're working less or just want to boost your retirement savings, a Transition to retirement (TTR) account allows you to access some of your super as an income, giving you more control of your financial situation.

## Who is eligible?

You can start taking advantage of a TTR strategy when you have at least \$10,000 to open the new TTR account and you have reached preservation age.

Your preservation age depends on when you were born	
If you were born	You may access your super at
From 1 July 1964	60
1 July 1963 - 30 June 1964	59
1 July 1962 - 30 June 1963	58
1 July 1961 - 30 June 1962	57
1 July 1960 - 30 June 1961	56
Before 1 July 1960	55

## How a TTR account can help you

### Save more with a TTR account



#### Your contributions

Pay some of your salary into super (salary sacrificing or making an after-tax contribution and claiming a tax deduction).



#### TTR income amount

Top up your income with payments from your TTR account.



#### Save more

The tax savings you receive mean you could top up your income while saving extra super.

### Work less with a TTR account



#### Work less

Cut back days or hours and pay less tax.



#### TTR income account

Top up your income with payments from your TTR account



#### Same income as full time employment

By working less (therefore paying less tax) and topping up through your TTR account, your take home income remains the same.

## Save more

Put more into your super while paying less tax. You just need to direct some of your income into your super in one of two ways:

- Salary sacrificing through your employer, or
- Making an after-tax contribution and claiming a tax deduction

You can then top up your income with regular payments from your TTR Income account.

- ✓ Pay less tax
- ✓ Save quickly

## Save more - example

Suzanne, 60, is considering her retirement and wants to make sure that her last 5 years of employment can boost her retirement savings. Suzanne is currently earning \$70,000 and has \$200,000 in her super account and doesn't want to reduce her take home pay.

Suzanne's cashflow		
Income source	Current situation (salary only)	TTR (if 60+)
Salary	\$70,000	\$49,500
Less salary sacrifice to super	Nil	\$20,500
Adjusted Taxable income	\$70,000	\$49,500
Tax payable	\$13,537	\$6,207
Net salary income	\$56,463	\$43,293
Plus TTR income	Nil	\$13,170
<b>Net income</b>	<b>\$56,463</b>	<b>\$56,463</b>

By using a TTR strategy Suzanne's super is growing by the difference between what she is putting into super and what she is taking out. Over the next 5 years this adds up to an extra \$24,871\* towards her retirement without having to change her current lifestyle in any way.

## Work less

Working less can be a good way to ease into retirement, and lets you save for longer.

- ✓ Cut back the days or hours to take time out to look after yourself or others, or extend your career
- ✓ Use your TTR account to top up your income
- ✓ Continue to grow your super

## Work less with the same income - example

Brian, 60, wants to start winding back from work and his employer has agreed for him to continue in his current role 3 days a week. Brian currently has \$250,000 in his super so he accesses part of it with a TTR income account to keep his take home income the same.

Income source	Full-time employment	Part-time
Salary	\$60,000	\$36,000
Transition to retirement income	Nil	\$17,160
Gross income	\$60,000	\$53,160
Income tax including medicare levy	\$9,987	\$3,147
<b>Net income</b>	<b>\$50,013</b>	<b>\$50,013</b>

## Find out more

To find out how a TTR pension account could help you, book an appointment with a Hostplus Financial Planner today by calling **1300 348 546** Monday to Friday, 8am-8pm AEST or visit [hostplus.com.au/financial-planning/contact-a-financial-planner](https://hostplus.com.au/financial-planning/contact-a-financial-planner)

\* Calculations from [www.industrysuper.com/retirement-info/retirement-calculators/ttr-calculator](https://www.industrysuper.com/retirement-info/retirement-calculators/ttr-calculator).

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