



## A super retirement



Financial needs and preferences in retirement

May 2022

# Introduction

Your superannuation has been growing for years and there comes a time to start spending it.

Retirement can mean time to take that holiday you always dreamed of, spend time with the grand kids or just put your feet up.

Regardless of what it means to you, worrying about day-to-day financial matters probably isn't top of the list.

Your superannuation, together with the government Age Pension if you qualify, can provide financial security in your later years. However, it can be a complicated and confusing system to navigate.

The research to inform *A super retirement* was commissioned by a number of superannuation

funds interested in better understanding the unique needs and circumstances of their members. We participated in this important work as it provided an opportunity for our members to provide feedback on their financial needs and preferences when they retire.

The survey was completed in late 2021 by over 3,500 members who are approaching retirement. The results will help us engage with our members when and how they want, providing them the information to make the most of their superannuation.

We hope this report will reveal insights that will surprise, encourage and motivate change.

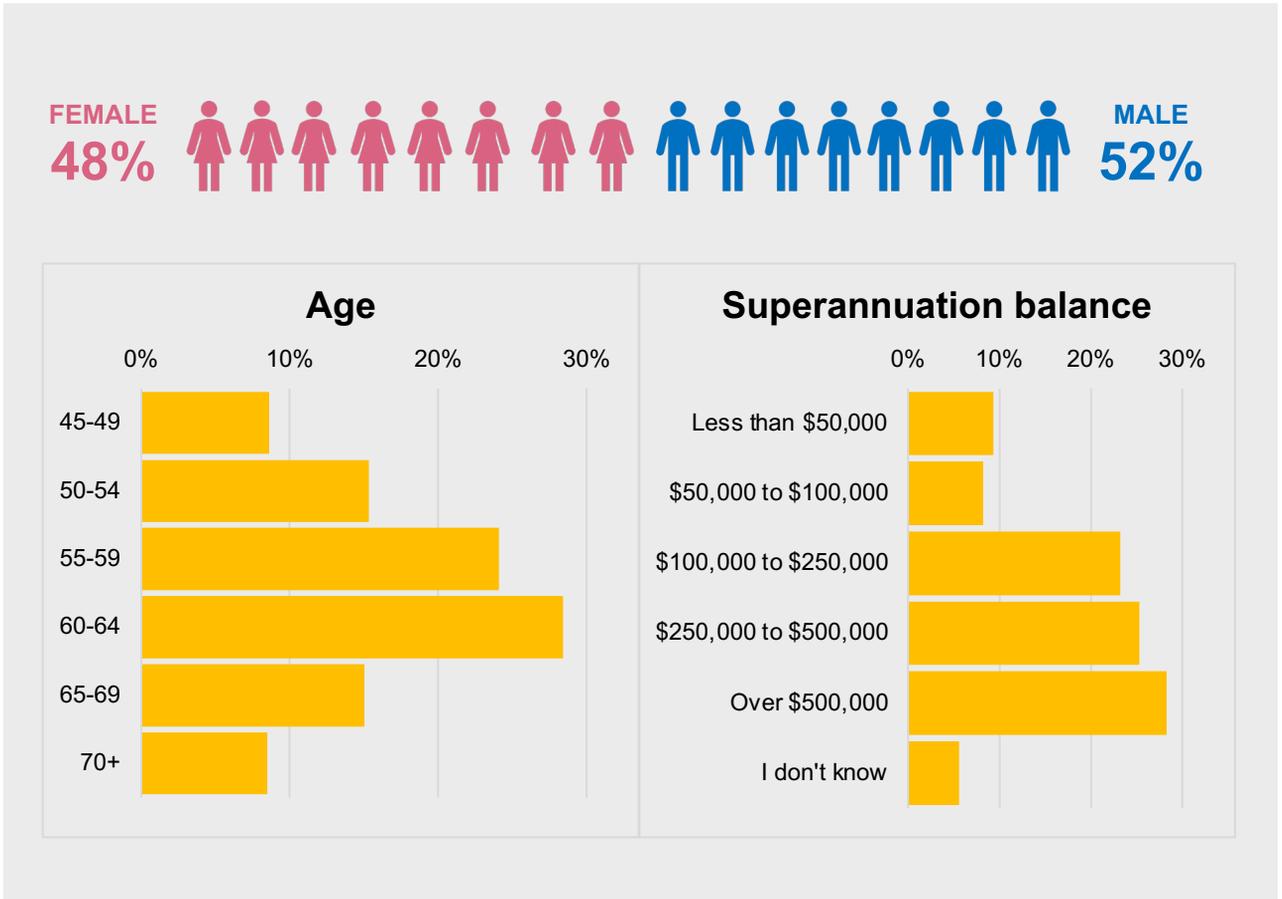
We thank our members for their time and feedback, and we will use the knowledge gained from what they have told us to enhance our relationship with our members.



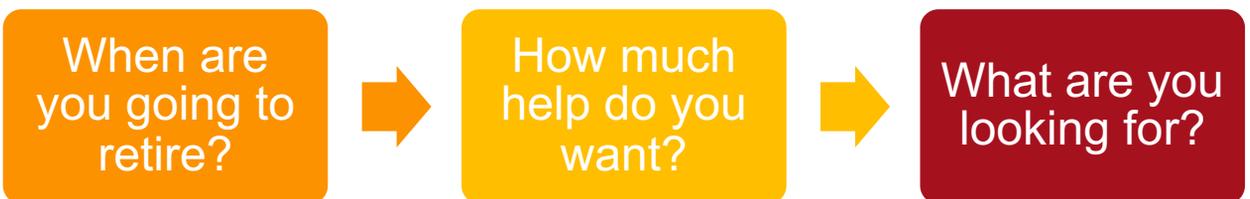
# Who are you?

Retirees want products which address a number of often competing considerations. Understanding members' retirement goals and priorities is key.

To help us better understand our membership, we surveyed members aged over 45 in late 2021. We received anonymous responses from over 3,500 members.



This report summaries the learnings across three key questions from a member perspective.

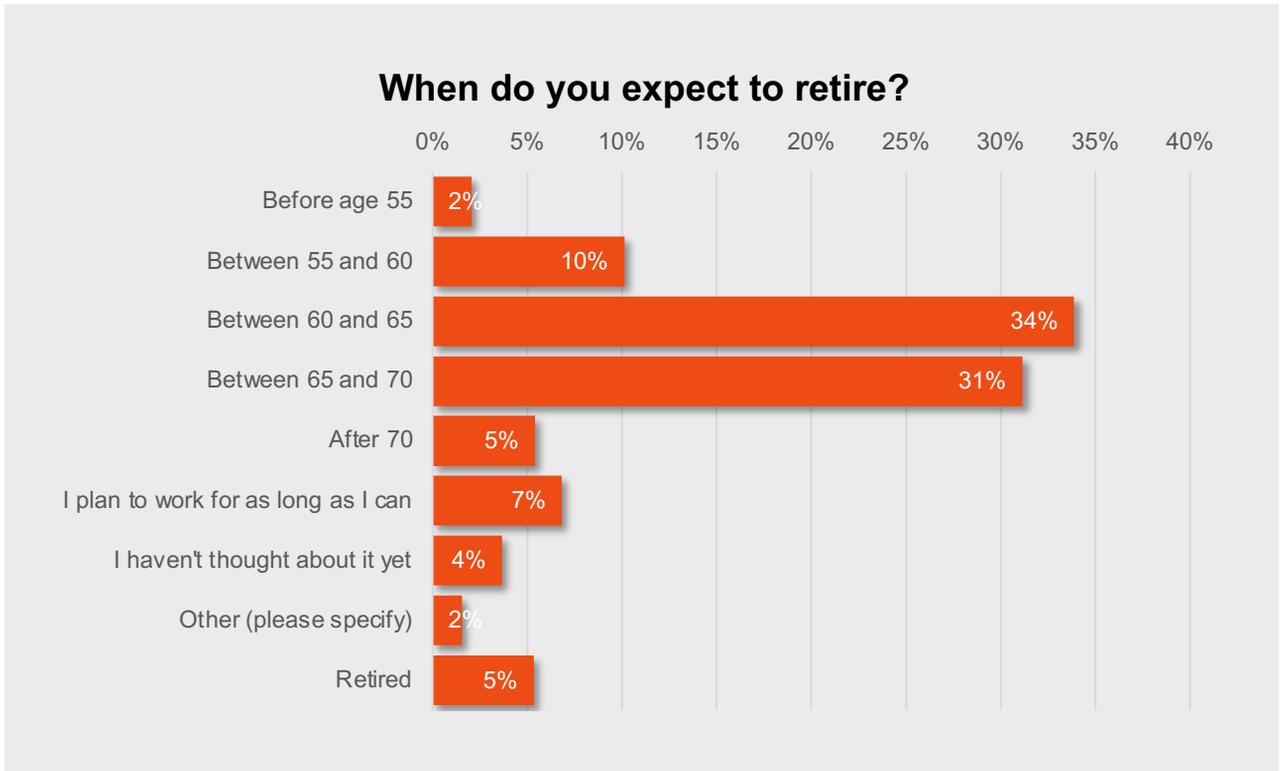


We've analysed the member responses under each of the three categories. In each case we looked at whether specific types of members had different preferences in each category.

# Retirement age

Knowing when you are going to retire and start drawing down on your super is important.

The earlier you retire, the longer your superannuation may need to last. It also helps your fund engage with you so that you have the right information to make important decisions about how you want to use your superannuation.



Most respondents are expecting to retire between 60 and 70. Only one-in-eight members are expecting to retire before 60. A similar proportion are expecting to retire after 70, or plan to work for as long as they can.

Encouragingly, only 4% of people haven't thought about their retirement age.

Members who are expecting to retire early:

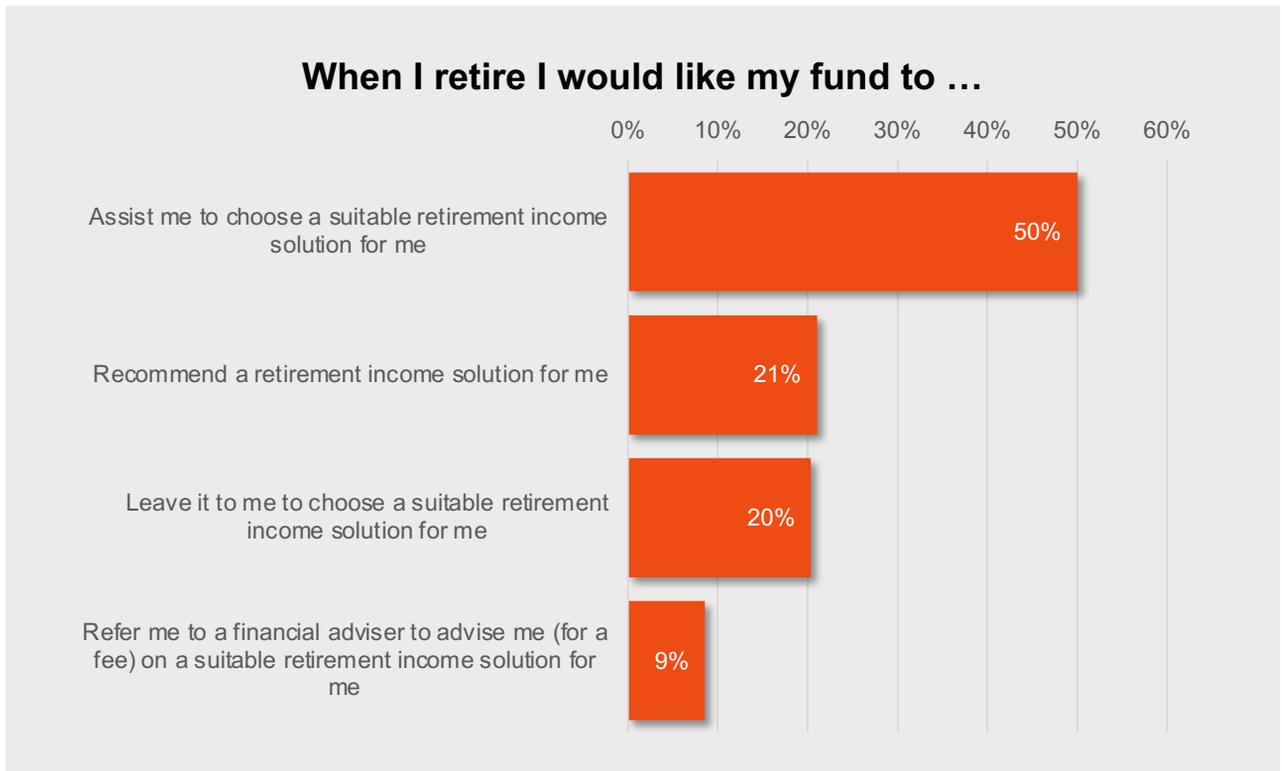
- Are more likely to be single, with divorced/separated members retiring later
- Have a higher account balance on average. Members with an account balance over \$500,000 are twice as likely to retire before 60.
- Are much less likely to receive the Government Age Pension.

# Assistance

When you come to retire, you need to make some important decisions about your superannuation.

Over 60% of surveyed members will look to their superannuation fund to help the financial information about retirement. Financial advisers and accountants were the next popular choices. A quarter of members plan to seek it the help of family and/or friends.

Survey participants were also asked how they would like their superannuation fund to help them choose an appropriate retirement product.



Half of members are looking to their superannuation fund to assist them in choosing a suitable retirement income solution. This could be a retirement seminar, fact sheets and/or information on the fund's website.

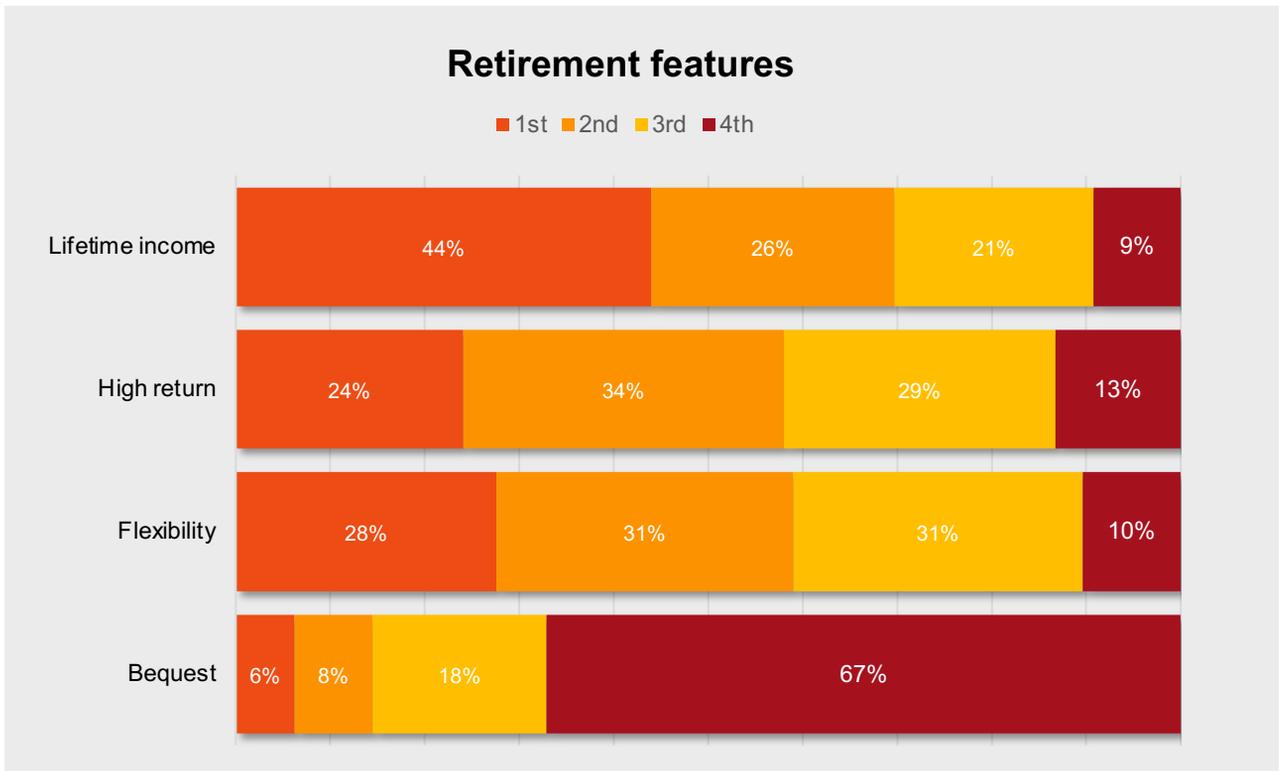
Around one-in-five members are looking to their fund to recommend a suitable solution for them. A similar proportion are not looking to their fund for any help. Financial advice is the solution for the remaining 10% of members.

# Features

What do you value most from your superannuation in retirement? A stable income that lasts your lifetime? A high return, flexibility to use it as you want, or the ability to leave some of it to your children?

No solution can provide all features. Preferences and priorities in retirement will influence the choice of retirement income product suitable for you.

We asked survey participants to rank in order of priority the following features.



Lifetime income was the most popular feature, with almost half of all people selecting it as their highest priority. A further 26% of people selected it as their second priority. This result is unsurprising as over one-third of members were frequently, or very often, worried they may outlive their savings and have to rely on the Government Age Pension.

Flexibility and high return were equal as the next most important features. Older members had an increased preference for flexibility compared to younger members.

Bequest was the least important feature, ranked last by two-thirds of members. Members with higher balances were even less likely to rate a bequest as an important feature.

# Meeting your needs

Superannuation will play an important role in ensuring your financial security in retirement.

Over half of the surveyed members expect their superannuation to be their main source of income in retirement. Over 80% of members said they would use it to cover living expenses.

The transition into retirement can be complex and difficult. The results of this survey will be used by your fund to:

- Provide you with the information you want when you come make decisions about your retirement income greater scale
- Develop products and services to meet the different needs and preferences of members.

When you start planning for your retirement visit [avsuper.com.au](https://www.avsuper.com.au) for more information. If you would like further assistance, call us on **1300 128 751** to speak to one of our Member Advice Consultants.

