



Strategies for an unexpected retirement

The best time to start planning for retirement is yesterday. But the second-best time? Today.

About two-thirds of Australians retire earlier than they anticipated because of unexpected events such as job loss or redundancy, they need to care for a family member, have a sudden illness or injury, problems at work or a partner's decision to retire.

Whatever the reason, an unexpected retirement can disrupt your plans and finances.

But, whether you're in your 50s, 60s, or even beyond, it's never too late to take meaningful steps toward a more secure and fulfilling retirement.

In fact, many people find themselves revisiting their retirement strategy later in life often after career changes or family shifts.

The good news is that with the right guidance and a few smart moves, you can still build a retirement plan that reflects your values, supports your lifestyle and gives you peace of mind.

Where to begin

Before you make any changes, it's important to understand your current financial position. This includes:

- your superannuation balance
- other savings or investments
- debts such as your mortgage, credit cards and personal loans
- expected retirement income sources including the Age Pension, rental income and part-time work

Boost your super

Even if you're starting later, there are ways to accelerate your super growth using:

- **Salary sacrifice** Contributing pre-tax income into super can reduce your taxable income while boosting your retirement savings
- **Personal contributions** You may be eligible for a tax deduction or government co-contribution depending on your income

- **Catch-up contributions** You may be eligible to add to your super but be aware of the caps on contributions

These strategies can be especially powerful in your 50s and 60s, when your income may be higher and retirement is in the near future.

If you have more than one super account, rolling them into one fund can reduce costs and be easier to manage. After all, multiple accounts mean multiple fees.

It's also a good idea to regularly consider your super investment options and review your risk tolerance and time horizon.

Deal with debt

If possible, getting your debt under control before you retire is a useful strategy.

You could consider using your superannuation or other savings, or downsize your home to pay off a mortgage or other loans. But first, it's essential to carefully check the tax impact, the effect on your super and whether any potential government benefits will be affected.

Reassess your lifestyle goals

Retirement isn't just about money, it's about how you want to live. Ask yourself:

- Where do I want to live? (Downsize, seachange, stay put?)
- How much travel or leisure do I want to fund?
- Will I continue working part-time or volunteering?
- What legacy do I want to leave?

Clarifying your lifestyle goals helps shape your financial strategy. It also ensures your retirement plan reflects your values, not just your bank balance.

How much will I really need?

Aim to create a retirement budget. Estimate your future expenses including housing, food, travel and healthcare and compare them to your expected income. This helps identify any shortfalls and guides your savings strategy. You will also need to consider the amount of time you might spend in retirement. This will depend on when you retire (planned or unexpected) and how long you live. This is called longevity risk. Given life expectancy is unpredictable, there is a possibility that your retirement savings may not last throughout retirement.

Resources to help calculate a retirement income include:

- The ASFA Retirement Standard, which gives you an idea of the cost of different retirement lifestyles
- The Super Consumers Australia's Retirement Savings Targets helps estimate the savings you'll need based on your age and spending plans

Understand your entitlements

Many Australians are eligible for government support in retirement, including:

- **Age Pension** Based on income and assets, available from age 67 (for those born after 1957)
- **Concession cards** For discounts on healthcare, transport and utilities
- **Rent assistance** If you're renting privately and receive the Age Pension

Even if you don't qualify now, you may be able to restructure your finances to maximise future entitlements.

Review regularly and remain flexible

Retirement planning isn't a one-time event. Life changes and so should your strategy. Regular reviews help you:

- Adjust for market movements or legislative changes
- Update your goals and spending patterns
- Ensure your estate planning is current

Flexibility is key. Whether you retire gradually, take a sabbatical, or pivot to a new venture, your plan should evolve with you.

Next steps

Retirement planning is about taking the next step rather than chasing perfection. Whether you're starting late or simply refining your strategy, every step you take now helps shape a more secure and meaningful future.

And remember that retirement isn't an end point. It's a new beginning even if you retire earlier than you anticipated. With the right plan in place, you can step into this next chapter with clarity, confidence and purpose.

We'd be happy to help you review your current retirement plan and identify any gaps in retirement goals and create a strategy should you need to retire earlier than expected.

i <https://www.abs.gov.au/statistics/labour/employment-and-unemployment/retirement-and-retirement-intentions-australia/latest-release>

ii <https://www.ato.gov.au/individuals-and-families/super-for-individuals-and-families/super/growing-and-keeping-track-of-your-super/caps-limits-and-tax-on-super-contributions/understanding-concessional-and-non-concessional-contributions>

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