



Wealth Maximiser

A simple way to grow your retirement savings



Police Credit
Securing your future

PC Member Wealth Maximiser

PC Planning's new superannuation strategy is a simple and effective way to secure your retirement savings.

After speaking with you, we will create a customised portfolio of different assets such as cash, income producing funds, property and shares, based on your comfort levels and the prevailing economic conditions. Your assets will be held in up to three different superannuation funds – maximising protection of your money. And your portfolio will be reviewed quarterly to ensure that it continues to meet your needs.

If you want to draw an income, the funds can easily be linked so that your money is paid directly into your nominated at-call savings account.

Benefits of the Member Wealth Maximiser include:

- Transparent and flexible investments
- Risk management optimisation
- Access to affordable ongoing investment advice
- Diversification across superannuation providers
- Ability to transfer between investments and superannuation funds

Want to know more?

Call **PC Planning** on **13 63 73** & press 5 or email pcplanning@policecredit.com.au



Bill and Lorraine's story

Both 58 years of age, Bill and Lorraine are contemplating retirement in the next three to six months. They own their home and have no debts. Bill is in a defined benefit superannuation fund and has 'maxed' his multiple, providing approximately \$600,000 net of tax. Lorraine has about \$40,000 in her superannuation. Bill also has leave entitlements of around \$70,000.

Over the next 12 months, they would like to do a few renovations to their home, buy a new car and take a holiday – \$60,000 of expenditure. They would like to live on approximately \$52,000 per year. Due to tax-free superannuation withdrawals that apply after 60, and because of the current state of the financial markets, they are thinking about deferring retirement until both turn 60.

Bill and Lorraine came to see **PC Planning** to discuss:

- their retirement income options
- tax on withdrawals prior to age 60
- a suitable time to retire.

Our advice

We recommended **PC Planning Member Wealth Maximiser** to Bill and Lorraine to meet their retirement income needs. This product utilises up to three superannuation providers to provide retirement income, with investments based on their risk profiles and current economic conditions. This strategy is reviewed on a quarterly basis.

Bill and Lorraine can make tax-free superannuation withdrawals despite not being over 60. The tax-free threshold applicable to the taxed component of the superannuation of \$145,000 for people who have reached their preservation age (in this case, 55). This allows them to withdraw a lump sum from their superannuation funds free of tax. As Bill has approximately 40% in his tax-free component, he can take approximately \$241,000 as his maximum tax-free lump sum.

If they prefer an income stream, there is also a tax-free option that is affected by the components of their superannuation and how much they want to draw as a pension. If Bill chose to draw an income of \$52,000 from his retirement pension, the tax-free component would be \$20,800 (40%), with the remaining \$31,200 (60%) taxable. And while Bill is under 60, he will receive a 15% rebate on the taxable component (\$4,680), which can be used to offset the estimated tax of \$3,840.

With regard to retirement timing, our advice to Bill and Lorraine is not to panic. Current market conditions are challenging, even for seasoned professionals, yet they also provide excellent long term opportunities for investors. In normal market conditions, Bill and Lorraine have an average risk profile, but in this climate they agreed that a defensive strategy would suit them better. Like most investors, their views on defensive investments, which focus mainly on low interest cash deposits, will eventually change when risk recedes and things start to return to 'normal'. They will move from a 'preservation of capital' state of mind to a level where they see better returns in other asset classes.

We look forward to seeing Bill and Lorraine in three months' time, when their first quarterly portfolio review is due.

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About PC Planning

PC Planning give you an opportunity to meet one-on-one with a professional planner who will help you prioritise your financial concerns and develop a strategy to meet your financial goals.

Our skilled and experienced advisers will assist you to understand your options, identify strategies and make the investment decisions required to secure your financial future.

They will meet with you to discuss your current financial situation, your needs and goals, and your approach to risk. Among other matters, issues such as security of income, social welfare and Centrelink, ease of portfolio management and flexibility of operation will all be considered. The result will be a financial plan that centres on your personal needs.

PC Planning is bound by legislation and a code of ethics and is monitored on a regular basis by both regulatory supervisors and non-government organisations. Our financial advisers are professionally qualified representatives of Police Credit and are members of the Financial Planning Association of Australia.



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