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Emerging retirement trend drives First State Super web calculator

First State Super has launched a new website retirement calculator – the first in Australia that's freely available to the public – to meet what it sees as a shift in consumer/member approach to retirement.

The First State Super Options 55-Plus Calculator, which is aimed at anyone who is an employed fund member aged 55 to 75 years, illustrates the effect of different strategies like salary sacrifice or a Transition to Retirement Income Stream (TRIS) on take home pay and super balances. It assists the user to gain a better understanding of their particular circumstances and method of saving.

"As far as we are aware, this is the first interactive online calculator of its kind in Australia," said Michael Dwyer, CEO of First State Super.

The Calculator provides the answers to four different scenarios that factor in a combination of employed income, TRIS income, salary sacrifice, superannuation guarantee contributions, income tax, tax on super and their impact on annual take home pay and increases/decrease to super balances.

"First State Super recently carried out some member research, which told us that almost a third of members surveyed were planning to work part-time prior to retirement," said Michael Dwyer.

"This is in line with the baby-boomers redefining the approach to ageing and retirement. A growing number of people are, or are planning to, prepare for retirement by gradually scaling down their working hours, instead of working full-time and coming to an abrupt halt at 65."

"To meet this growing phenomenon we're providing tools to help that sector of our membership, and the generation that follows them, to plan their retirement goals. "Our research told us what members wanted and helped us to develop the Options 55-Plus Calculator concept. We engaged an expert calculator developer to build the tool for our website," said Mr Dwyer.

"Anyone (not just First State Super members) can use the Options 55-Plus Calculator to estimate the income they could achieve under four different scenarios."

"One option is to reduce your working hours and use a Transition to Retirement Income Stream to supplement your reduced salary."

"Another option is to continue working full time, increase salary sacrifice contributions to superannuation and at the same time draw income from a transition to retirement income stream account to compensate for the reduced employed income," Michael Dwyer said.

"Of course, the appropriateness of these strategies to individual circumstances would need to be discussed with an authorised financial adviser."

First State Super has over half a million members, thirty per cent of whom are aged over 50.

The First State Super Options 55-Plus Calculator can be accessed at www.firststatesuper.com.au under 'Calculators'.

Further information:

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