

How much will I need to retire?

A retirement roadmap for
Australians aged 55+



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INTRODUCTION

Retirement isn't a single event. It's a **lifetime of milestones** and memories

Your retirement and your financial decisions are defined by a collection of life events and opportunities, many that happen before retirement and others during. They will look different for everyone, but it's important to understand yours to make the right moves.

Common mid-life to retirement events



Children graduate from university

(Average graduation age: 23.5)

Your estimate age _____



Children get married

(Average marriage age - Female: 29.4,
Male: 30.8)

Your estimate age _____



Pay off mortgage

(Average age: 62)

Your estimate age _____

Become a grandparent

(Average age at birth of first
child: 30)

Your estimate age _____



Gain access to your superannuation

(between, 55-60 based on year of birth)

Your estimate age _____



Stop working full time/or stop working altogether

(Average age: 56.3)

Your estimate age _____



Take a significant or once-in-a lifetime retirement trip

Your estimate age _____

Move closer to family members to spend more time with loves ones

Your estimate age _____



It's time to **stop thinking** and start **planning**

Retirement is often referred to as the 'golden years', a time when you are rewarded for a lifetime of contribution, with the freedom to enjoy spending time with family and friends, doing the activities you love.

With the high cost of living in Australia, however, the lead-up to retirement can be fraught with worry, particularly when it comes to how much money will be required.

As retirement draws nearer, it can feel increasingly daunting. Many Australians believe they won't have enough money for their dream retirement, feel overwhelmed, and do nothing about it. But when it comes to planning for retirement, inactivity is your enemy.

In this guide, you will find a step-by-step roadmap guiding you to the retirement you want, pulled together by the expert advisers at Apt Wealth Partners, based on over 30 years of helping Australians achieve their dream retirement.



Many of us intend to rely on our superannuation, yet **63% of Australians aged 65+** rely on income support payments.

Of this, **92% (2.6 million)** receive either part or full **Age Pension**.¹

Questions? We're only a phone call away.

Your life, financial and retirement goals are unique to you. The expert advisers at Apt Wealth Partners will take the time to understand you, your lifestyle and your aspirations to build and execute a pathway to your dream retirement.

Book your free consultation today
1800 801 277
info@aptwealth.com.au



1. Income support for older Australians, Australian Institute of Health and Welfare, 7 September 2023 <https://www.aihw.gov.au/reports/australias-welfare/income-support-older-australians>

STEP 1

Picture your dream **retirement**

Retirement means different things to different people, and understanding what you want from it will help you determine how much you need to fund it and plan accurately to put those worries to bed.

Think about your daily life and how you will spend your time, not just the big-ticket items. Will you be close to family so you can visit often? Will you want to be near the beach, parks or bustling city life? What you want is unique to you, but having a clear picture in mind is the best way to start your plan.

Do you want to:



Move to a new area?



Be close to loved ones?



Travel?



Take up new hobbies?



Live out a long-held dream?

What's most important to you?

Aligning your retirement plans with your values will ensure you can fund the things that will help you live a meaningful life in retirement.

Think of it this way - what do you want people to say about you on your 80th birthday? It's probably not that you drive a nice car, but it may be that you are generous to loved ones or well travelled.

Whatever it may be, planning for a lifestyle that aligns with your values will ensure you can live your best life and use your money meaningfully in retirement.



STEP 2

Understand what a ‘comfortable’ retirement is to you

The first step to setting a concrete plan for your retirement is to understand how much you will need to live a lifestyle you want. This is often talked about in terms of ‘modest’ or ‘comfortable’, but there’s also a third category worth throwing in here - an affluent retirement.

For the purposes of this document, we define them as:

Modest - you will be able to cover the basic costs of living, such as food, bills and daily expenses, without room for discretionary spending, such as holidays.

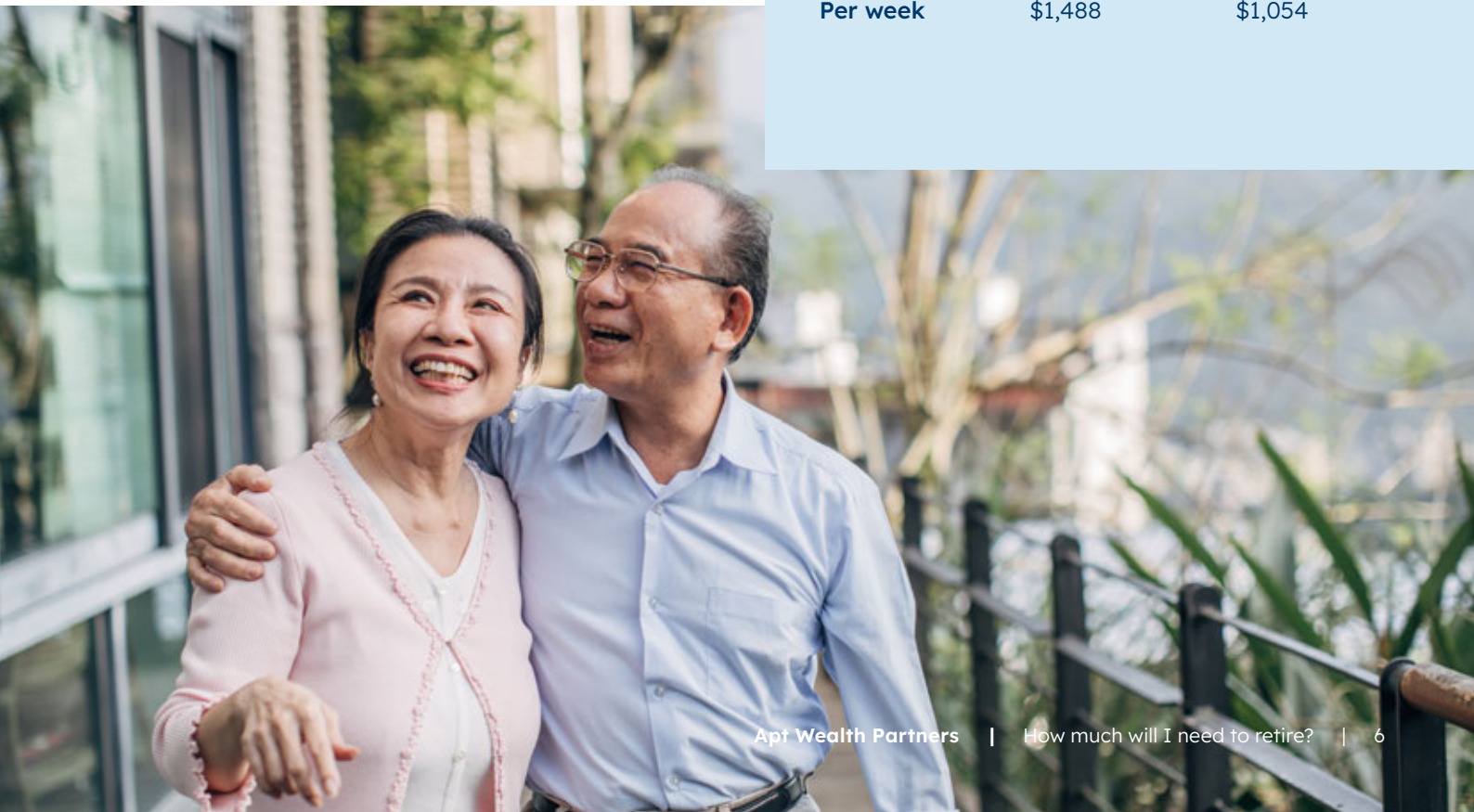
Comfortable - you will meet the standards for a modest retirement and be able to comfortably plan for some big-ticket items, such as an annual holiday.

Affluent - you will be able to live the lifestyle you want, debt and mortgage-free, enjoying your definition of the finer things in life.

Get granular

The Association of Super Funds Australia (ASFA) sets a quarterly retirement standard detailing retirement costs. As of December 2025, ASFA highlights the costs of a comfortable retirement as follows:

	Couple	Single
Per annum	\$77,375	\$54,840
Per week	\$1,488	\$1,054



STEP 2 (CONT.)

These figures must cover both your basic and discretionary costs. Could you live comfortably, with peace of mind, on this amount?

Whether this is realistic depends on your definition of comfort and what you want to achieve with your money.

ASFA breaks down the costs of living to a micro level, and it can be helpful to think about it at this level for yourself. Knowing where your money is going is helpful for any financial decision-making, so start with what you spend today and what you think you will spend in retirement.

Some of the common areas where you might consider material cost change in retirement include:



HEALTHCARE

As we age, we can expect our healthcare costs to increase. According to a 2023 report by Australian Seniors, the average senior spends \$1,586 p.a. on out-of-pocket healthcare costs.²



TRAVEL

Retirement can be a time of significant travel and 'bucket list' trips as you have more time to see the country and the world. Typically, ASFA budgets allow for around \$2,000 per year per couple, but Commonwealth Bank research shows that the average Australian plans to spend \$5,000 on travel each year.³



TRANSPORTATION

Without a daily commute, most retirees can expect transport costs to go down.



HOUSING AND UTILITIES

Many of us have plans to move away from cities, move closer to family or downsize as accommodation needs change. Changing lifestyle and housing needs can change costs in either direction.

Appendix 1 (p.18) provides a handy table to break down your expenses following the ASFA Comfortable Retirement Standard table.

Don't be alarmed if the figures don't add up for you. There are many strategies you can apply to help you get there, but it may be worth seeking professional advice.

2. Australian Seniors: Cost of Health Report, 2023, <https://www.seniors.com.au/documents/australian-seniors-series-cost-of-health-report-whitepaper.pdf>
3. Household Spending Intentions, Commonwealth Bank, 2022 <https://www.commbank.com.au/content/dam/caas/newsroom/docs/HouseholdSpendingIntentions-08-Feb-2022-0700-1.pdf>



STEP 3

Know how much you will need to have **peace of mind**

Based on ASFA figures, and considering average life expectancy, you need around **\$730,000** to retire comfortably as a couple.

But that forecast is based on using all your capital over your life expectancy and doesn't leave much room for error.



If you spend **\$73,077** a year from **\$730,000**, money will likely be a source of ongoing worry. While the pension is a safety net, it's not something most of us want to be relying on as we age. Retirement should be a time to enjoy life, not worry about our finances.



Even if you find ASFA's comfortable living standard aligns with yours, a figure of \$1 million (assuming home ownership and correct structuring of your investments to ensure future income streams) is a good baseline.

Of course, the actual figure you'll need depends on the lifestyle you want to live, including a wide range of discretionary costs, like whether you

want to renovate, downsize, help the kids or grandkids financially or regularly upgrade your cars.

Many people aim for the magical \$1 million mark, but many require more than that. The only way to know how much you'll need is to plan out your costs as laid out in step one and then seek professional advice to ensure you have the whole picture.

STEP 4

Know your government entitlements

While it's best not to have to rely on them, it's important to understand and make use of any government entitlements you've earned.

The Age Pension

1. Do I meet age requirements?

All Australians can now qualify for the Age Pension (subject to meeting eligibility criteria) at age 67.

2. How is my eligibility determined?

Centrelink income and asset tests determine your eligibility.



The asset test is based on a sum of all your assets, except for:

- Your principal place of residence and up to two hectares of land on the same title
- Accommodation bonds paid to an aged care facility
- Super balances held when under age thresholds
- A cemetery plot and a prepaid funeral, with no limit on value, or up to two funeral bonds of a maximum of \$15,500 each.

Non-homeowners have a higher asset threshold because the asset test does not include your primary residence.

The income test includes deemed income plus income earned from:

- Deemed income from financial assets
- Paid employment, excluding the first \$300 per fortnight
- Overseas pensions
- Business income
- Trust distributions
- Rent received from investment property after expenses are deducted

Deeming rates set the amount that it will be assumed you will earn on these investments. Any additional amounts do not count as your income if you earn over the deemed rate.

STEP 4 (CONT.)

Full pension	Single homeowner	Couple homeowner	Single non-homeowner	Couple non-homeowner
Maximum assets	\$314,000	\$470,000	\$566,000	\$722,000
Maximum actual income for full pension	\$212 per fortnight	\$372 per fortnight	\$212 per fortnight	\$372 per fortnight

Part pension	Single homeowner	Couple homeowner	Single non-homeowner	Couple non-homeowner
	\$695,500	\$1,045,500	\$947,500	\$1,297,500

How much is the full Age Pension?

	Couple (combined)	Single
Fortnightly	\$1,725.20	\$1,144.40
Per annum	\$44,855.20	\$29,754.40 (approx.)

+ energy supplement where applicable.

Am I entitled to a Commonwealth Seniors Health Card?

Even if you are not eligible for the Age Pension, you may be eligible for a Commonwealth Seniors Health Card.

This card entitles you to:

- Cheaper prescription medicines under the PBS Scheme
- More options for bulk-billed care with GPs who accept this mode of payment for Health Card holders
- Higher rebates under the Extended Medical Safety Net (EMSN) scheme

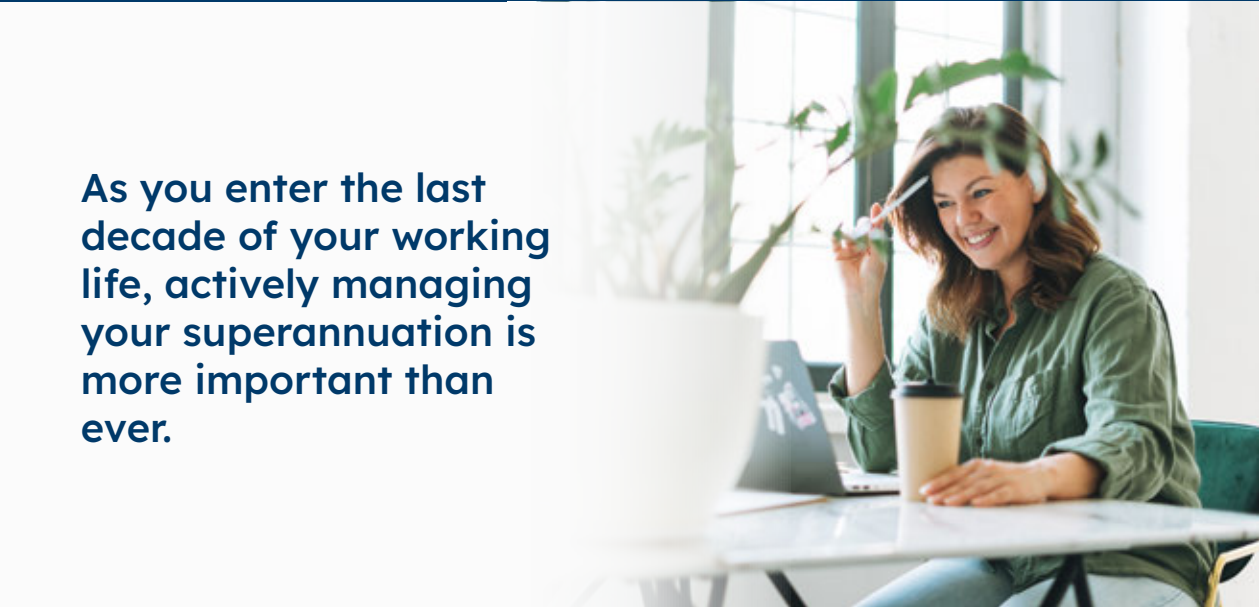
The card does not take into account your assets, just your income. The thresholds are as follows:

	Maximum income
Single	\$99,025
Couple	\$158,440
Couple separated by illness, respite care or incarceration	\$198,050

Note: All figures correct at the time of publication, however, are subject to change.

STEP 5

Structure and maximise your super



As you enter the last decade of your working life, actively managing your superannuation is more important than ever.

How do I structure super to weather financial storms?

You will likely experience more than one financial downturn in your career, which can impact your super balance. If these downturns happen as you are nearing retirement, it can be hard to make up losses, so having the right structure is critical.

One strategy is to keep a portion of your super in cash, ready to tip back into your investments when the market turns. But making these changes in pre-retirement years should not be done without professional advice that considers your goals and circumstances.

How can I make additional super contributions?

In an effort to boost retirement savings, more Australians are exploring strategies to top up their super.

One method involves making non-concessional contributions (NCC), contributions made into your super fund from after-tax income. Since these contributions have already been taxed at your marginal rate, they are not subject to 15% contributions tax in the super fund. There are annual limits on NCCs; however, the 'bring-forward' rule allows members under 65 years of age to contribute up to three times the annual limit (i.e., \$360,000) in a single year and not make any further non-concessional contributions for the next two years.

Another method is through 'catch up' or 'carry-forward' contributions, which were introduced in July 2018. This provision allows individuals to contribute any unused portion of their concessional (before-tax) contributions cap on a rolling basis for five years. If your super balance is less than \$500,000, you can carry forward unused contributions up to the concessional cap from the previous five financial years. This strategy is particularly beneficial for individuals who may have had a break in their career or received a windfall and want to contribute more into their super in a tax-efficient manner.

STEP 5 (CONT.)

Can I boost my spouse's super?

In addition to the above strategies, a spouse contribution can be a suitable strategy for households where one partner has a taxable income of less than \$40,000, giving the contributing spouse a tax offset of up to \$540 or NCC as above.

Contribution splitting can also be an equalisation strategy. It allows you to split up to 85% of the concessional contributions (including eligible catch-up concessional contributions) made in a financial year to your spouse, provided they are under age 65 and are not permanently retired if they have reached preservation age.

How should my super be invested?

Take the time to review and understand your investment options with your super fund. Independent professional advice can be invaluable to guide you through these options and ensure you maximise your funds.

What is the Downsizer Contribution?

If you are 55 or over and selling your primary residence, you may be eligible to contribute up to \$300,000 (single) or \$600,000 (couple) from the proceeds of the sale into your super, and it won't count towards your non-concessional contribution cap, the \$1.9 million accumulation cap or age/work test requirements.



IN 2022, ONLY:



14% of Australians made **additional super contributions**

20% of Australians made **one-off contributions**

STEP 6

Carefully craft your investment strategy

Market downturns are always unpleasant, but the closer you come to retirement, the more vulnerable they can leave you. On the other hand, keeping your money in cash, earning no more than the current interest rate, won't make the returns most of us need for a comfortable retirement.

While you can't control the market, you can control how and where you invest your hard-earned money. Making sure you have diverse

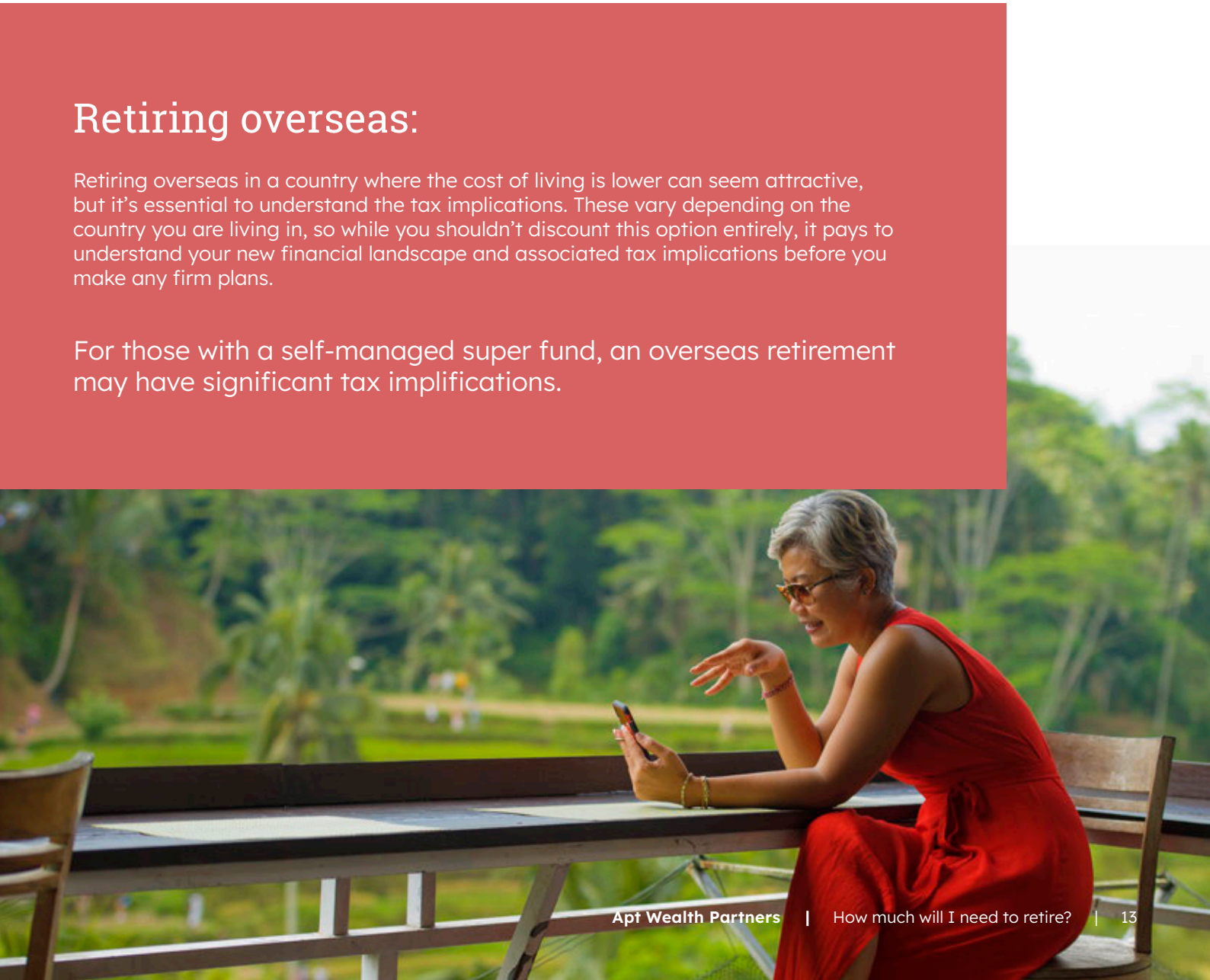
investments that match your risk profile and take into account your situation and goals is vital.

Seeking professional advice from an adviser who offers full transparency regarding how and where your money is invested will help you achieve a balance of earning and reasonable returns while protecting your capital and ensuring you can weather market volatility.

Retiring overseas:

Retiring overseas in a country where the cost of living is lower can seem attractive, but it's essential to understand the tax implications. These vary depending on the country you are living in, so while you shouldn't discount this option entirely, it pays to understand your new financial landscape and associated tax implications before you make any firm plans.

For those with a self-managed super fund, an overseas retirement may have significant tax implications.



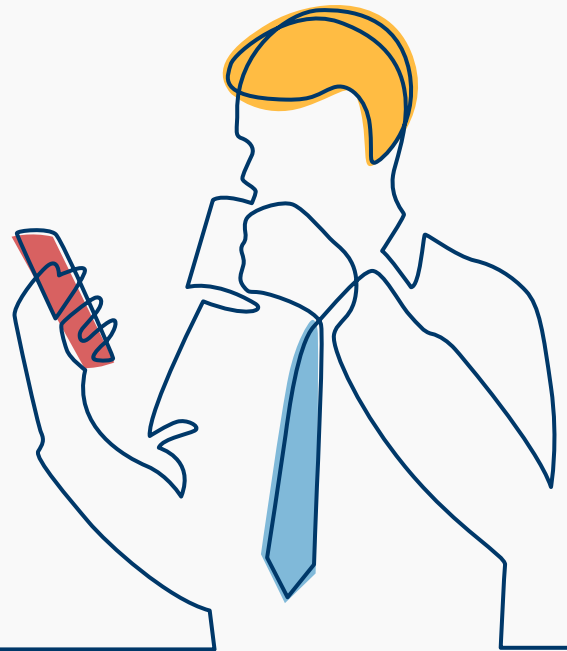
STEP 7

Plan for life – and its uncertainties

We're all sailing through life, making decisions, and having a broader plan to guide us is critical.

What if things don't go to plan?

While we all want to be there for our loved ones, in the good times and the bad, unexpected financial burdens in the lead-up to or post-retirement can leave you vulnerable, so it's critical to have proper protection and a plan in place.



What would occur, for example, if something were to happen to your children? Would caring for grandchildren and/or assisting them financially become a reality? How would this impact your finances during retirement? While it can be unpleasant to even consider, ensuring your children have the right level of life cover to protect you is important.

Or if you have ageing parents, it may be left to you to cover some or all of the costs of aged care.

These types of life events are something you need to consider in your retirement plan.

Seeking professional advice to ensure you are protecting your wealth while still being able to assist your loved ones is a wise decision. A good financial adviser can help you structure your finances, retirement plan and insurances to maximise your financial position and ensure you are protecting yourself from unnecessary financial burden.

3.4 million Australians are underinsured when it comes to income protection. But it can be a high-stakes game with life-changing consequences.⁴

4. Financial Services Council Australia, Life Underinsurance Gap: Research Report 2022



STEP 8

Prepare for the emotional transition

Retirement is more than a lifestyle change; it's an identity shift. It is an emotional time when your social structure and finances change considerably. Many of us focus on the financial aspects and forget that a considerable emotional transition must also be made.

Work gives us a sense of purpose, motivates us to achieve goals and builds social connections. It provides us with a clearly defined role and identity

and keeps us physically and mentally active. When we retire, we leave all of this behind, which can lead to a sense of purposelessness and isolation.

In the workplace, you had a place in the ecosystem – a role and responsibilities that gave you a certain status. You might not be conscious of it, but we all seek out status, and feeling a noticeable drop in status has been linked to many health issues, from depression to cardiovascular disease.

It's important to prepare yourself for the emotional side of retirement, and it can be helpful to start planning for this transition three to five years out.

Some things to consider are:



A transition to retirement strategy. Decreasing the amount you work over time, often used as a financial strategy, can be an excellent way to transition your lifestyle.



A plan for every day, not just the big life events like relocating or travel. Work provides a structure that most likely dictates your routine from waking up until you get home and unwind. While it might sound great to have all that time to yourself, many find it hard to fill in reality.



Making new connections. Like any life transition, your social life will change, too. If many people in your life network are still in the workforce, they won't be available when you are. Social clubs for sports or hobbies can be a great way to expand your social network and connect with people in a similar boat.



Setting goals. You want to spend some time relaxing and enjoying a slower pace of life, but you will likely tire of that quicker than you think. You probably won't play golf every day, so start thinking about the other things you would like to do. It might be learning a language or taking an art class; we all have those things we said we would do 'one day', and in retirement, you have a chance to make them a reality.

STEP 9

Set a date

Many of us count down to exciting life events and milestones, like holidays, but how many of us count down to retirement with a fixed date in mind?



Setting a date for your retirement can be a helpful way to make it feel like a reality and give you a timeframe for working toward your financial goal, even if you change it later. We know that a lack of self-continuity (the feeling that ‘future you’ five years from now has little or no connection to you today) can be a barrier when planning for retirement, even when it is just around the corner. Setting a date can help to overcome psychological barriers and increase the chances of sticking to your plan.

Transition to retirement

A transition to retirement strategy, whereby you reduce your working hours and draw on your super while still earning, can be worth considering. While many of the tax advantages previously associated with this strategy have been wound back, it can still be useful in helping you to adjust to post-workforce life and your new level of retirement expenses.



Ready, set, go!



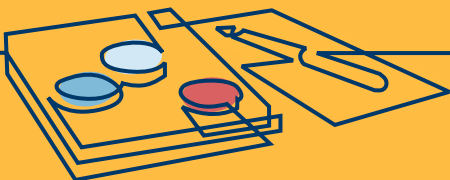
It can seem overwhelming, but if you take these steps, your plan will likely become clearer and more defined goals will emerge.

We recommend seeking expert advice that takes into account your situation and goals to build a customised retirement plan. Apt Advisers will take the time to understand you, your situation and your goals to make recommendations to help you realise your dream retirement. Our expert advisers are always across proposed legislative changes and can help you think one step ahead.

Having helped thousands of Australians on the journey, Apt Advisers can share that experience to help you make the right decisions and enjoy the retirement you deserve.

Stop thinking and start planning today

Contact Apt Wealth Partners on
1800 801 277 or info@aptwealth.com.au
for a confidential, no-obligation chat.



Appendix 1: ASFA Retirement Standard

December Quarter 2025

Source: ASFA, 2025

for retirees aged 65-84

Expenditure items	COUPLE		SINGLE	
	Comfortable lifestyle	Modest lifestyle	Comfortable lifestyle	Modest lifestyle
Building and contents insurance	\$48.88	\$48.78	\$46.10	\$38.38
Council rates	\$49.66	\$45.35	\$49.66	\$42.73
Water charges	\$29.15	\$29.15	\$25.10	\$25.10
Home improvements	\$8.39	\$0.00	\$8.39	\$0.00
Repairs and maintenance	\$25.17	\$25.17	\$25.17	\$25.17
Total housing	\$161.25	\$148.45	\$154.42	\$131.38
Electricity and gas	\$62.88	\$53.75	\$50.70	\$40.02
Food – groceries and other fresh foods	\$263.41	\$217.31	\$151.55	\$117.22
Bundle of home phone, broadband, mobile	\$58.69	\$45.54	\$45.54	\$32.89
Household cleaning and other supplies	\$31.49	\$18.82	\$24.14	\$18.82
Cosmetic and personal care items	\$7.78	\$7.44	\$5.56	\$5.32
Barber or hairdressing	\$29.49	\$13.05	\$19.21	\$7.83
Media, including digital	\$11.18	\$3.27	\$10.91	\$3.27
Computer, printer and software	\$4.79	\$2.69	\$4.79	\$2.69
Household appliances, air conditioners, smartphone	\$9.55	\$2.83	\$8.22	\$2.83
Miscellaneous	\$7.37	\$0.00	\$7.37	\$0.00
Total household goods and services	\$101.64	\$48.11	\$80.19	\$40.76

Numbers are weekly, except where otherwise specified. Totals may not exactly equal the sum of components due to rounding of price adjustments.

ASFA RETIREMENT STANDARD (CONT.)

for retirees aged 65-84

Expenditure items	COUPLE		SINGLE	
	Comfortable lifestyle	Modest lifestyle	Comfortable lifestyle	Modest lifestyle
Clothing and footwear	\$53.59	\$40.94	\$28.78	\$21.54
Car transport and running costs	\$189.88	\$112.05	\$177.68	\$107.65
Public transport	\$5.25	\$5.25	\$2.63	\$2.63
Total transport	\$195.13	\$117.30	\$180.31	\$110.28
Health insurance	\$99.91	\$38.18	\$49.95	\$19.09
Chemist	\$48.80	\$24.40	\$28.09	\$14.04
Co-payment and out of pocket	\$70.68	\$52.27	\$39.22	\$26.14
Vitamins and other over-the-counter medicines	\$6.07	\$0.00	\$3.03	\$0.00
Total health services	\$225.46	\$114.86	\$120.29	\$59.28
Membership clubs	\$7.00	\$4.66	\$4.68	\$3.49
TV, DVD	\$1.15	\$0.44	\$1.15	\$0.44
Streaming services (Stan/Netflix or like)	\$10.71	\$8.03	\$10.71	\$8.03
Alcohol consumed or equivalent spent with charity or church	\$48.15	\$27.22	\$23.07	\$18.06
Lunches and dinners out	\$102.72	\$53.81	\$73.37	\$31.79
Cinema, plays, sports and day trips	\$11.66	\$13.98	\$7.00	\$7.00
Domestic vacations	\$100.65	\$70.33	\$66.13	\$44.58
Overseas vacations	\$43.65	\$0.00	\$27.55	\$0.00
Take away food, snacks	\$34.54	\$18.02	\$25.15	\$13.40
Total leisure	\$360.21	\$196.49	\$238.79	\$126.78
Total weekly expenditure	\$1,482.27	\$982.75	\$1,050.57	\$680.14
Total annual expenditure	\$77,375	\$51,299	\$54,840	\$35,503

Numbers are weekly, except where otherwise specified. Totals may not exactly equal the sum of components due to rounding of price adjustments.

The logo for Apt. Wealth Partners features the word "Apt." in a large, white, serif font, with a period at the end. Below it, the words "WEALTH PARTNERS" are written in a smaller, white, all-caps, sans-serif font. The background is a solid dark blue with several light blue, wavy, abstract lines that create a sense of movement and depth.

WEALTH PARTNERS

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