60s FREE AT LAST?

Sixty sounds pretty ominous, doesn't it? But the reality is that at 60 many of us are happier than we have been since our 20s. Suddenly we have the money and the time to really enjoy life. And with the advances in health and fitness, who is to say that 60 isn't truly the new 40?

In an ideal scenario, the kids are now independent, the family home has been paid off and you've downsized, pocketing a nice sum to top up your super. But the reality is that only a minority of 60-year-olds are in this position.

Experts say we need at least $1 million in super to retire in comfort, so many 60-year-olds are likely to keep working through this decade to the new national retirement age of 67. Some may need to stay in the workforce into their 70s. According to the Australian Institute of Superannuation Trustees, the number of working Australians aged 65 and older will have to double their savings if they are to enjoy a comfortable retirement.

For single women, the statistics are daunting due to the well-documented pay gap. According to Industry Super research, 70 per cent of single retired women rely on the pension and 40 per cent retire

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below the poverty line.

Another thing to ponder is your longevity. It's great that life expectancy in Australia is now 82, but if you retire in your 60s, will your super stretch that far? All this means that even though you might retire from your day job in your 60s, you might need to keep things ticking over a little bit and you certainly need to think hard about making your super last.

Many people now say that the years from 60 to 70 are the best years of your life. The truth is that to make this happen, you need to have a good financial plan in place.

IN YOUR 60s

SIX-POINT CHECK LIST

1 GET SOME FINANCIAL ADVICE: You're likely to retire this decade. If you've never had financial advice, now is the time to get some.

2 THINK ABOUT WORK/LIFE BALANCE: Re-configure your life with some part-time work if you want to take your foot off the pedal a bit, but don't want to retire yet.

3 CHECK YOUR SUPER: How is your super tracking? Do you need to do something to top it up? Do you need or want to start accessing it?

4 PLAN THAT BIG TRIP: You're still healthy and if the finances are looking okay, think about treating yourself.

5 THINK ABOUT DOWNSIZING: Perhaps having a big cull of your possessions, selling the family home and downsizing is the change you need.

6 LOOK FORWARD TO THE FUTURE: Retirement in Australia is increasingly the Third Age, a 20-odd year period of happiness and fulfilment. Think about making that happen for you.

CASE STUDY

SET AND FORGET

JUDY AND GARY Gibbons paid off their mortgage after a big win at the pokies, but that is just about the only part of their financial affairs they have left to chance.

The couple from Dapto on the NSW South Coast are both barely 60, and yet have been comfortably retired for several years.

Gary's $70,000-plus win at the local Leagues Club put paid to what was left of their mortgage just over 11 years ago and with the help of financial adviser David Reed, they were able to configure their finances to ease into an active retirement.

"We were both also lucky enough to have been with the same company for a long time," explains Judy.

"I was with Woolworths for 40-odd years, starting at the checkout and then moving into human resources, while Gary was a bricklayer by trade, but ended up working at BlueScope Steel, which used to be part of BHP, as a shift supervisor."

The couple each had corporate superannuation through their jobs and they received employee shares in both Woolworths and BHP over a long period of time.

"I kept re-investing the dividend in more shares and Gary did the same and it built up," says Judy. "When we came to retire, it was an interesting conversation with our adviser David Reed.

"He said that we were putting all our eggs into the same basket by just having the two stocks, but I felt as if I was being disloyal."

The adviser's counsel won out and almost all of the shares were sold, with fortuitous timing in terms of their market value. The share proceeds were added to the two lump sums from the company retirement funds and the couple created a self-managed super fund (SMSF).

The fund is invested in a diversified portfolio of shares, annuities and fixed-income products which, after all bills are paid, gives Gary and Judy about $6,000 each month to live on.

So organised are they, that they barely have to think about their bills, all of which are spaced out and set up with direct debits.

"Around 90 per cent of the bills are paid on the credit card and the whole bill is paid off at the end of the month," says Judy.

"Set and forget is the perfect way to describe it. Yesterday I was with my sister-in-law and she was having to run here and there to pay different bills, but we just sit down with the card at the end of the month and tick it all off."

Retirement gives Gary plenty of time for his twice weekly golfing, and the couple regularly takes a road trip for three to five days to vacation at regional centres, such as Port Macquarie, as well as major overseas trips annually.

The Gibbons downsized from their larger four-bedroom home to a two-bedroom house several years ago and their only daughter, Melanie, and her husband, Simon, live in Canberra with their "two fabulous grand-dogs".

For the future, downsizing again to a unit is on the agenda, but not immediately.

"We are still healthy and active and enjoying things, so maybe that will be in another 15 years or so," says Gary.

OUR PANEL'S ADVICE

DAVID REED
As you approach retirement, your focus may shift from chasing a return *on* your capital, to the return *of* your capital. Regularly review your super investments to potentially minimise risks. Assess what your likely retirement living expenses will be. Consider buying expensive goods that could be due to be replaced, such as white goods or a car, before retirement.

ADRIAN PATTY
The best part of this age is access to super. Some may have enough to retire. For others, a transition-to-retirement strategy can allow you to reduce working hours or contribute more to super before tax. Either way, the movement of your super account into the pension phase ensures no tax is paid on earnings. Another benefit is the government age pension and a seniors' card.

BILL BRACEY
Retirement is either upon you or just around the corner. This can be an enjoyable time if you start moving out of employment and work part-time, using some of your super to fund your lifestyle. Importantly, you must be both debt-free and kid-free or this won't work well. So ask yourself if you have enough funds to achieve your goals.