

Media Release

Tasplan is Tasmania's largest multi-industry super fund with over 90,000 members, 8000 participating employers and \$575,000,000 of funds under management

Age Pension Not Enough

06/10/04

Thousands of Australians due to leave the workforce over the next decade are not financially prepared for retirement and will be shocked at the inadequacy of the age pension.

General Manager of Tasplan Super, Neil Cassidy believes that many in the Baby Boomer generation (45 – 55) will be totally disillusioned by the lower standard of living they will face in their retirement.

“ This generation of Australians has enjoyed a good standard of living with immediate access to a broad range of consumer products and services” Mr Cassidy said. “ It is a cohort of Australians who have been able to travel and enjoy a good quality of life.”

According to Cassidy, The prospect of spending 20 years or more at a more basic standard of living will not please many in this group.

Women now have an average life expectancy of 82 years and men 77 years. These figures are projected to increase to at least 86 years for women and 81 years for men ; people are having to plan for at least 20 years in retirement.

“ 7 in 10 Baby Boomers estimate that they will need \$30,000 or more in retirement; around \$370,000 would be needed to achieve such a level of income. It's more likely that many will need to settle for a retirement income of closer to \$20,000 per annum such are the superannuation savings of most Australians.”

The message in all this according to Cassidy is that people need to set targets and plan earlier with the aim of saving at least 12 – 15% of salary over a 30 year working life.

At just under \$12,000 per annum, the single age pension is unlikely to meet the retirement expectations of many Australians and should be enough reason for all of us to review our retirement plans and ensure that we have a sound retirement strategy in place.