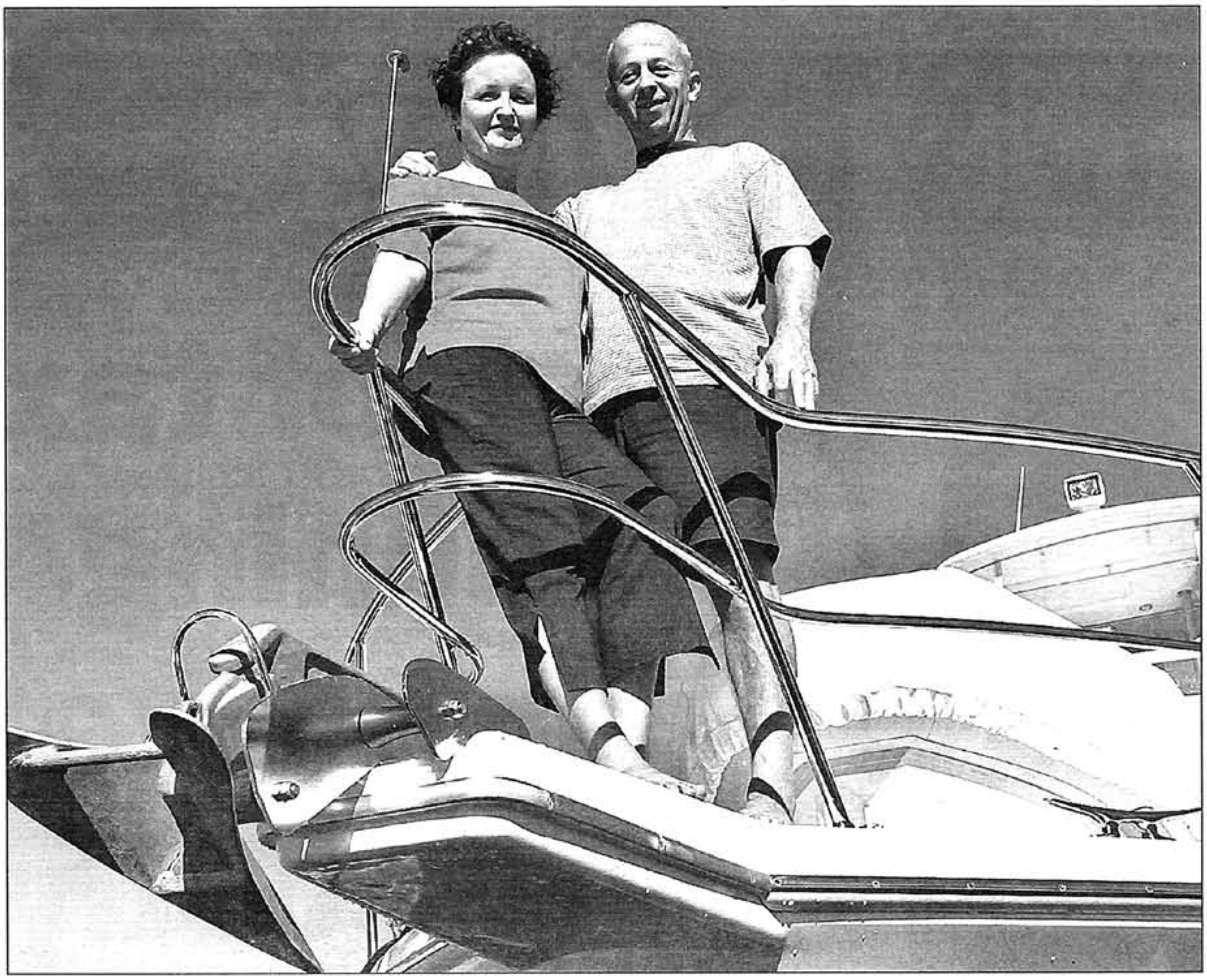

LUXURY: Understanding transition to retirement rules can dramatically improve your lifestyle.

Reap retirement rewards earlier

ANTHONY KEANE

A LACK of knowledge about transition to retirement rules is preventing many people from enjoying the lifestyle they want, an Adelaide financial strategist says.

Marinis Financial Group chief executive Theo Marinis said even many financial planners "still haven't got their head around it".

In July, 2005, the Federal Government introduced transition to retirement, which allows people aged over 55 to receive an income stream from their superannuation without retiring from work. Mr Marinis said it was not just about helping people cut back working hours and topping up their income with money from super. Transition strategies could help them afford something they always wanted.

"You can still work full time and generate extra income," he said.

"If it's a holiday home by the sea, a brand new car, paying the HECs fees for the kids or even private school fees for the grandchildren, then access to superannuation money will enhance total funds so this is achievable.

"Anybody who is 55 needs to consider transition strategies." Mr Marinis, who spoke about transition to retirement at last week's CPA State Congress, said it was all about lifestyle.

"World trip, time with the grandchildren, golf on Mondays, possibly even Tuesdays and Thursdays," he said.

Transition to retirement could also be a powerful tool for people to grow their super while still working. Combining it with salary sacrifice provided significant benefits, Mr Marinis said.

"Instead of paying normal marginal rates on your salary, you pay only 15 per cent by salary sacrificing into super. The fund itself is tax exempt and pension income from the fund is taxed at your marginal rate, less 15 per cent."

"For anybody earning between $25,000 and $75,000, their marginal tax rate can effectively be brought down to 15 per cent."

Financial Strategies (SA) Pty Ltd trading as Marinis Financial Group
67 Kensington Road, Norwood SA 5067 T 08 8130 5130 F 08 8331 9161 E admin@marinisgroup.com.au
Financial Strategies (SA) Pty Ltd ABN 54 083 005 930, Australian Financial Services Licence No: 326403

MARINIS FINANCIAL GROUP