



**FREE RETIREMENT PLANNING GUIDE**

# How Much Do You Really Need to Retire?

Your personal retirement number, calculator worksheets, and a clear 7-step action plan.

For Australians Aged 40–59 Planning Their Retirement

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**Important:** The figures in this guide use publicly available benchmarks (ASFA Retirement Standard, ATO data). This is general information only — not personal financial advice. Every situation is different. See Section 7 to learn how to get specific advice.

# What's Your Income Number?

The most quoted benchmark is the ASFA Retirement Standard. Here's what it says — and why your number might be higher or lower.

## ASFA Retirement Standard — as of March 2026

Lifestyle	Single / Year	Couple / Year	Super at 67 (Single)	Super at 67 (Couple)
Comfortable (homeowner)	\$54,840	\$77,375	\$630,000	\$730,000
Modest (homeowner)	\$35,503	\$51,299	\$110,000	\$120,000
Modest (renter)	\$50,055	\$67,639	\$340,000	\$385,000

*Source: [ASFA Retirement Standard March 2026](#). Assumes homeowner, retiring at 67, drawing part Age Pension. All figures in today's dollars.*

## Why the benchmark might not fit your situation

- **You plan to retire before 67** Each year earlier means more drawdown years and less accumulation time. At 60 you need roughly \$515,000 (single) vs \$595,000 at 67.
- **You rent, or your mortgage is not paid off** Add \$14,000–\$18,000/year in housing costs — that can require \$200,000+ extra super depending on your life expectancy.
- **You want to travel, help your kids, or leave an estate** ASFA's 'comfortable' budget doesn't include major travel, gifting, or estate goals. Plan for these separately.
- **Your partner has a very different super balance** Spousal contributions and contribution-splitting can reduce combined tax and meaningfully boost your joint retirement income.
- **You may qualify for the Age Pension** 2.6 million Australians over 65 receive a full or part pension. Even \$5,000–\$10,000/year materially changes the super balance you need.

**The takeaway:** The ASFA benchmark is a useful starting point, not a destination. Your real number could be \$200,000 higher or lower. The worksheets on the next pages will get you much closer to your actual figure.

# Build Your Personal Plan

## Worksheet A. Your Retirement Budget

List your expected annual spending in retirement. Be honest — most people underestimate healthcare and lifestyle costs.

Category	Current Cost / Year	Retirement Cost / Year
Housing — rates, maintenance, strata, or rent	\$ _____	\$ _____
Utilities + groceries + transport	\$ _____	\$ _____
Health insurance + medical, dental, prescriptions	\$ _____	\$ _____
Travel — domestic and international	\$ _____	\$ _____
Leisure — dining, hobbies, entertainment	\$ _____	\$ _____
Family support and gifts	\$ _____	\$ _____
One-off costs — car replacement, renovations	\$ _____	\$ _____
<b>TOTAL ANNUAL SPENDING</b>	<b>\$ _____</b>	<b>\$ _____</b>

We recommend having a flat rate of 10% to your total annual spending. The budget above is often a basic budget. Our experience when helping our members indicates that this is the normal gap between a "basic" and "true" budget. Should you wish, we can help you create a comprehensive budget to give you a better handle of your true budget.

## Worksheet B. Your Income Sources in Retirement

List expected income sources other than super. The difference between your spending (A) and this income is the gap your super must fill.

Income Source	Estimated Amount / Year
Age Pension — check eligibility at <a href="https://servicesaustralia.gov.au">servicesaustralia.gov.au</a>	\$ _____
Superannuation pension ( <i>note: Annual pension payments should not generally exceed 1/15th of overall balance</i> )	\$ _____
Investment income — shares, managed funds, term deposits	\$ _____
Rental income from investment properties	\$ _____
Part-time / casual work you intend to maintain	\$ _____
Other — annuities, business income, etc.	\$ _____
<b>TOTAL NON-SUPER INCOME</b>	<b>\$ _____</b>

Annual spending	—	Total non-super income	=	<b>Your annual gap</b>
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# Close the Gap

If your worksheets revealed a shortfall, these are the most effective levers available to pre-retirees in Australia right now.

- 01 Salary sacrifice into super**

Extra pre-tax contributions reduce your taxable income while building your balance. The concessional contributions cap is \$30,000/year (2025–26), including your employer SG. Even \$500/month extra from age 45 can add \$150,000+ to your balance by 67.
- 02 Catch-up concessional contributions**

If your super balance is below \$500,000 and you have unused concessional caps from prior years (since 2019–20), you can contribute more than the annual cap. Powerful for anyone who took time off work or is now a higher earner.
- 03 After-tax (non-concessional) contributions**

Contribute up to \$120,000/year from after-tax money, or \$360,000 in a single year using the bring-forward rule. No tax deduction, but the balance grows tax-free in pension phase and withdrawals are generally tax-free after 65.
- 04 Spousal contribution splitting**

If one partner has a lower balance, splitting up to 85% of concessional contributions to their account can equalise balances, reduce tax, and optimise Age Pension eligibility.
- 05 Transition to Retirement (TTR) strategy**

Once you reach preservation age (60 for most), you can draw an income stream from super while still working. Often used to reduce hours without a pay cut, or to redirect salary into super more tax-effectively.
- 06 Downsizer contributions**

If you're 55+ and sell your principal residence, you can contribute up to \$300,000 (\$600,000 per couple) into super outside normal caps. A significant booster for anyone planning to downsize.
- 07 Delay retirement by 2–3 years**

Two extra working years means two fewer years of drawdown, two more years of compounding, and two more years of employer contributions. The combined effect is typically \$80,000–\$120,000+ in additional balance — and it's often the simplest lever of all.

**Keep in mind:** These strategies interact with each other, with the Age Pension assets test, and with your tax position. What works brilliantly for one person can be the wrong move for another. An advisor will run the numbers for your specific situation before making any recommendations.

# The 7-Step Retirement Checklist

Use this as your personal action plan. Tick off each item as you go.

**1**

## Set clear retirement goals

Write down the age you want to retire and the annual income you want. Be specific: "\$65,000/year from age 63 onward" allows you to properly plan, whereas "Retire comfortably" is little more than a wish.

- Retirement age written down
- Develop a clear picture of your intended lifestyle in retirement
- Target annual income written down - based on your personal expenses and lifestyle

**2**

## Build your retirement budget

Use Worksheet A. Most people underestimate healthcare costs and overestimate how much their spending will drop when they stop working.

- Worksheet A completed
- Healthcare costs estimated
- Ad-hoc expenses outlined (think new cars , major holidays, renovations etc)

**3**

## Calculate your income gap

Use Worksheet B. Knowing the gap precisely is the first step to closing it.

- Worksheet B completed
- Age Pension eligibility estimated
- Super target calculated

**4**

## Know your current super fund/s

Log in to MyGov, find your super fund, and check your balance today. If you have multiple funds, consider getting some advice to consolidate and best allocate the underlying assets.

- Super balances checked and recorded
- Multiple funds identified
- Confirm what type of funds they are, e.g. accumulation / defined benefit etc

5

**Review your super fund**

Are you in the right investment option for your age? Are you paying unnecessary fees? You can seek advice here or use the ATO's YourSuper comparison tool to benchmark your fund.

- Investment option reviewed
- Fees compared to alternatives
- Insurance inside super reviewed

6

**Evaluate your contribution strategy**

Based on any funding shortfall and your eligibility to make contributions, you may consider this strategy to close the gap (e.g. salary sacrifice, catch-up, non-concessional, spouse splitting etc).

- Salary sacrifice set up if applicable
- Catch-up contributions checked
- Contribution plan aligned with your partner

7

**Get professional advice**

Meeting with a financial advisor can identify opportunities and risks you have not considered. The cost of advice is typically more than covered by what it saves you in the long-term.

- Booked initial meeting
- Documents prepared (super statements, tax return, budget)
- Questions written down in advance

# 5 Costly Mistakes Pre-Retirees Make

These are the ones we see most often — and the most expensive to fix once you are close to retirement.

## 01 Not knowing their actual super balance or fund performance

**The problem:** Many Australians check their super less often than their Netflix subscription. If your fund is underperforming its benchmark by 1–2% per year, that is a six-figure difference over 15 years.

**What to do:** Log in today. Compare your 5-year return to similar funds on the ATO's YourSuper tool.

## 02 Assuming the Age Pension will cover any shortfall

**The problem:** The full Age Pension is around \$29,754/year (single) or \$44,855/year (couple) in 2025. That is a safety net, not an income strategy - and eligibility requirements are tightening.

**What to do:** Model your retirement both with and without the Age Pension. Know your likely entitlement in terms of both the assets test and income test, and assume the least favourable.

## 03 Waiting until 60 to get serious about super

**The problem:** \$10,000 extra contributed at 45 is worth roughly \$30,000 at 67 (at 5% real returns). The same \$10,000 at 57 is worth about \$17,000. Every year of compounding you miss in your 40s can make for very large mistakes.

**What to do:** Start now, even small. The maths disproportionately rewards early action.

## 04 Ignoring tax optimisation

**The problem:** The superannuation system alone can deliver wildly different tax outcomes. In accumulation phase we're taxed at 15%, whereas in the pension phase, it's typically tax-free. The order in which you draw down, and how you allocate your assets, can mean hundreds of thousands of dollars in retirement. The same is true of the tax you pay personally - correct structuring can be enormously beneficial.

**What to do:** Review your super and investment structures, and drawdown strategy with an advisor well before you retire.

05

**Not having a written retirement income plan**

**The problem:** Many Aussies spend more time planning their short holidays than their 20-year retirement. A written plan reduces anxiety and dramatically improves decision-making when markets are volatile.

**What to do:** Your plan should cover: income sources, drawdown order, super balance targets by year, insurance needs, estate planning, and what happens if one partner dies first.

## What Now?

You've done the hard work. Here's how to turn this guide into a personalised plan.

The numbers in this guide are a starting point. Every retirement plan we build at Northeast Wealth is tailored to the individual — their super balance, income, goals, tax position, and timeline. No two plans look the same.

**In your complimentary call we will:**

- ✓ Review where you stand against your retirement target
- ✓ Identify the 2–3 highest-impact actions available to you right now
- ✓ Walk you through super, tax, and estate planning for your situation
- ✓ Give you a clear next step - not a sales pitch

## Book your complimentary retirement review

No obligation. No hard sell. Just a clear, honest conversation about where you stand and what your options are.

[northeastwealth.com.au](https://northeastwealth.com.au)

or call 1300 304 314

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