



It's never too early or too late to plan your life after you finish working. Thanks to improved health services, safer working conditions and technological advances, we're living longer. This is great news for everyone, but it also means we need to organise our finances accordingly.

While everyone's idea of retirement is different, being mentally and financially prepared may be the difference between living your dream lifestyle in retirement and not enjoying your retirement as much as you deserve!

FES Super's Retirement Income Strategy

Section 52(8A) of the Superannuation Industry (Supervision) Act 1993 (SIS Act) requires the Fire and Emergency Services Superannuation Board (the Board) to document its Retirement Income Strategy (Strategy) for the Fire and Emergency Services Superannuation Fund (FES Super).

The Board's Strategy is designed to support members who are retired or approaching retirement to manage their retirement income. It addresses how the Board will help members achieve and balance the following objectives:

- Maximise expected retirement income over the period of retirement;
- Manage expected risks to the sustainability and stability of retirement income over the period of retirement, including longevity risks, investment risks and inflation risks; and
- Have flexible access to expected funds over the period of retirement.

The Board recognises that retirement involves numerous decisions and trade-offs, and it is difficult for a member to determine their best age to retire or the best ways to maximise their retirement income.

As the Board is not aware of each member's actual circumstances or trade-off preferences, the Strategy reflects the broad retirement income needs of members as-a-whole, rather than the specific circumstances of individual members.

The Board's Strategy is to provide:

1. Support for members as they approach retirement. The Strategy applies to all members who are retired or who are approaching retirement, focusing on members who are aged 50 years and older. In particular, the Board recognises the importance of helping members focus on their retirement income, rather than solely focusing on their superannuation account balance.

For the purposes of this Strategy, retirement income is:

- a) The regular payments that a member receives from a pension started from superannuation savings within FES Super; and
- b) Potential income from a government age pension.

There is no mandatory retirement age in Australia.

Retirement is not a static condition. Members may retire and then be involved in unpaid or voluntary work, or they may return to paid employment to supplement their income. Members may also be transitioning to retirement by reducing their working hours (without a break in employment) while maintaining their previous income level by using their superannuation savings.

To support members through the retirement process, the Board provides:

- a) Trained staff who provide general advice and factual information about approaching retirement and the process of retirement. This service is provided in face-to-face meetings, over the phone and in response to emails and letters.



While the Fund is not licenced to provide personal advice, it does refer members to financial advisers who are familiar with the design of Defined Benefit superannuation funds.

- b) Retirement seminars where representatives from a range of services that may include the Council on the Ageing, Centrelink and a financial adviser, speak to groups of members approaching retirement.
- c) A twice-yearly newsletter sent to members that includes:
 - i) Commentary about investment markets and the state of the economy;
 - ii) Investment returns over various timeframes; and
 - iii) Articles aimed at helping members save more for their retirement.
- d) Fire station sessions where factual information and general advice is provided on FES Super's rules, investment options, insurance cover and other matters of direct concern to members of all ages.
- e) Articles on the website about changes to superannuation rules that may help members understand the rules and to save more for retirement.

- 2. Guidance for members as they enter retirement. Members are encouraged to balance the objective of maximising retirement income to achieve income stability and sustainability, while also maintaining access to funds as required.

The Board recognises that members have different retirement income needs and that members will prioritise their retirement income objectives based on their own circumstances.

- 3. Appropriate retirement products in FES Super. The Board's Strategy is to provide appropriate retirement income products through FES Super which complement members' other sources of retirement income (e.g. the age pension and other savings).

FES Super currently offers an account-based pension and a Transition to Retirement pension product. The six investment options reflect the Board's understanding that members have different financial needs and that no one investment option will suit all members. The options are also designed to support the needs of the majority of members in retirement and to complement a member's other sources of retirement income (e.g. the age pension and other savings).

The Board also provides a Retained Benefit Account that members can use to help grow their superannuation savings or to use as a holding account while they work out their options. Members can make contributions (eligibility conditions may apply) or transfer money in from other superannuation funds and, if they are over their preservation age and have met a condition of release, can make lump sum withdrawals. The same six investment options are available to Retained Benefit members.

The Board will continue to monitor and assess these retirement products to ensure they continue to appropriately manage expected risks for members.

From time to time, the Board will investigate whether its retirement income products and services can be extended to meet the needs of members more fully.

- 4. Ongoing support for members in retirement. The Board continues to encourage retired members to contact the Superannuation Office for information and general advice about the rules that apply to their retirement product including the objective, strategic asset allocation and performance of the investment options.