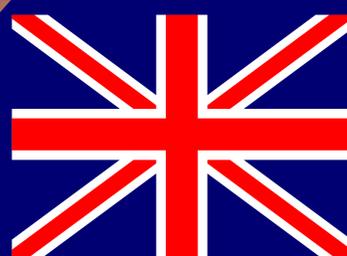


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## RETIREMENT INCOME STRATEGIES FOR AUSTRALIANS APPROACHING RETIREMENT



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# Meet Heath

## Your Retirement Income Specialist

Hi, I'm Heath Hebenton, senior financial adviser and founder of Finextra Wealth.

After more than 30 years in retirement planning, super optimisation, and wealth management, I've spoken to thousands of Australians who all have the same questions:

- "Will I have enough to retire comfortably?"
- "How much income will my super really give me?"
- "What if I outlive my savings?"

These are valid concerns because retirement today looks very different from 20 or 30 years ago.

Australians are living longer, spending more, and relying on more complex financial systems than previous generations.

At the same time, the cost of living keeps rising. Even 2–3% inflation per year can reduce the purchasing power of your money by half over a 20–25 year retirement. Add to that the complexity of superannuation rules, Age Pension thresholds, investment choices, and market cycles. It's no surprise that many Australians feel uncertain about their retirement readiness.

This eBook is a straightforward introduction to the strategies I walk my clients through every day. Inside, you'll learn:

- How retirement income actually works
- How much income you may be able to draw safely
- The 7 retirement income strategies that matter most



# Why Retirement Has Changed

Most Australians today will spend 25 to 35 years in retirement, far longer than previous generations. That means three major things:

## 1. Your money needs to last longer

Living into your 80s or 90s is now common. Your super, savings, and investments must support a longer life.

## 2. The cost of living will keep rising

Even mild inflation doubles living costs roughly every 20 years. A retirement that costs \$50,000 today may cost \$112,000+ in two decades.

## 3. Retirement rules are more complex

Between superannuation rules, Age Pension thresholds, tax strategies, and market behaviour, retirement planning now requires a level of understanding that didn't exist before.

The good news? With the right strategy, these challenges become opportunities to build stronger, more resilient income.



# What Your Retirement Will Really Cost

You cannot build a retirement income plan without knowing what your retirement will cost.

Here's the simple process I use with every client.

## Step 1: Define the lifestyle you want

It's different for everyone:

- Regular travel or occasional trips
- Hobbies, sports, memberships
- Supporting kids or grandkids
- Staying in your home vs downsizing

Your lifestyle determines your income needs.



## Step 2: Break your spending into two categories

### Essential Costs:

Food • Insurance • Utilities •  
Medical costs • Mortgage/Rent

### Lifestyle Costs:

Travel • Dining out • Hobbies •  
Gifts • Entertainment

Lifestyle spending is where comfort and enjoyment come from, and where most Australians underestimate their future needs.

# What Your Retirement Will Really Cost

## Step 3: Plan for inflation

Inflation quietly pushes all these costs higher each year. A good retirement plan must include assets that grow faster than inflation.

## Step 4: Calculate your income gap

Your income gap is:

*Your annual retirement spending - Your guaranteed income sources  
(Age Pension, rental income, part-time work, super pension)*

Whatever gap remains must be filled by your investments.

That's where the 7 income strategies come in.



# How Retirement Assets Translate Into Yearly Income



Understanding what retirement will cost is only one side of the equation.

The other is understanding how your super and investments may translate into yearly income over a long retirement.

Many Australians focus on their total super balance without knowing what that balance may realistically support once income needs, inflation, and longevity are considered.

Experienced retirement planning focuses on income sustainability, not just portfolio size.

## Retirement Income Planning Ranges

Rather than relying on single figures or optimistic projections, retirement income planning is typically approached using broad income ranges. These ranges are used to help balance three long-term priorities:

- Providing reliable income
- Protecting purchasing power over time
- Reducing the risk of running out of money later in life

As a general planning reference only, advisers often discuss income in terms of conservative and moderate ranges. These are not recommendations or guarantees, and actual outcomes vary significantly depending on personal circumstances.

- Conservative income planning: approximately 3.5% to 4.0% per year
- Moderate income planning: approximately 4.0% to 5.0% per year

These ranges are illustrative only and do not account for individual tax treatment, investment structure, Age Pension eligibility, or market conditions.

## Estimated Yearly Retirement Income Ranges (Reference Only)

Estimated Retirement Assets	Conservative Income Range (3.5%–4.0%)	Moderate Income Range 4.0%–5.0%)
\$400,000	\$14,000 – \$16,000	\$16,000 – \$20,000
\$500,000	\$17,500 – \$20,000	\$20,000 – \$25,000
\$600,000	\$21,000 – \$24,000	\$24,000 – \$30,000
\$700,000	\$24,500 – \$28,000	\$28,000 – \$35,000
\$800,000	\$28,000 – \$32,000	\$32,000 – \$40,000
\$900,000	\$31,500 – \$36,000	\$36,000 – \$45,000
\$1,000,000	\$35,000 – \$40,000	\$40,000 – \$50,000
\$1,250,000	\$43,750 – \$50,000	\$50,000 – \$62,500
\$1,500,000	\$52,500 – \$60,000	\$60,000 – \$75,000
\$2,000,000	\$70,000 – \$80,000	\$80,000 – \$100,000

### What This Table Does and Does Not Show

This reference table is designed to provide context, not answers. It helps illustrate how different asset levels may broadly translate into annual income ranges under simplified assumptions.

What it does not show is how retirement income outcomes often vary in practice

In reality, outcomes are influenced by factors such as:

- How super and investments are structured
- Contribution and transition strategies before retirement
- Tax efficiency and income sequencing
- The balance between growth, income, and stability

The following section outlines the strategies Australians commonly use to better understand and manage these factors over the long term.

# The 7 Retirement Income Strategies Every Australian Needs to Know

These strategies are the tools that help create a stable, predictable income in retirement. Clients rarely use just one, the magic is in combining the right mix for your situation.

## STRATEGY 1

### Account-Based Pension (Super Income Stream)

For many Australians, this becomes the backbone of retirement income. Once you meet a condition of release, you can convert your super into a tax-free income stream after age 60. The key is structuring it correctly as too many retirees draw down too fast or invest too conservatively, reducing long-term income.

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## STRATEGY 2

### Transition to Retirement Pension (TTR)

Not quite ready to retire? A TTR strategy allows you to:

- Reduce work hours
- Maintain your income
- Boost super contributions
- Lower your tax
- Gradually transition into full retirement

It's one of the most flexible tools available to Australians once they reach the age of 60.

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## STRATEGY 3

### Property-Based Retirement Income

Investment properties can provide rental income, but they come with considerations:

- Vacancies
- Repairs
- Tenants
- Ongoing costs
- Lack of liquidity

Property is powerful for wealth-building, but can be less flexible as a retirement income source.

## **STRATEGY 4**

### **Term Deposits & Cash-Based Income**

Many retirees rely heavily on term deposits, believing they're "safe." The truth?

Low interest rates make it difficult for term deposits to keep up with inflation. Your money can lose purchasing power, even though the balance stays the same.

Cash has a place in retirement, but it should rarely be your primary income source.

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## **STRATEGY 5**

### **Guaranteed Lifetime Income (Annuities)**

These products create a predictable income stream for life. They are especially helpful for covering essential expenses like food, utilities, and medical costs, the non-negotiables.

They don't replace your entire portfolio, but they add stability and protect you from outliving your money.

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## **STRATEGY 6**

### **Direct Equities (Dividends + Franking Credits)**

Australian shares offer strong dividend income, and franking credits can significantly boost after-tax returns. The challenge is choosing the right stocks, diversifying properly, and staying patient during market volatility.

Equities can form a powerful part of long-term income, when managed well.

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## **STRATEGY 7**

### **Age Pension (Full or Part)**

The Age Pension is designed as a safety net, but strategic planning may help you qualify for a part pension plus concessions, even if you have meaningful assets.

A part pension combined with the right retirement strategies can greatly improve long-term stability.

# The Risks That Quietly Reduce Your Income

Most Australians underestimate the risks that impact their retirement income. Understanding these early helps you protect your wealth.



## **Risk 1: Longevity**

You may live longer than expected, and your money must keep up.



## **Risk 2: Inflation**

Your retirement income must increase to maintain your lifestyle.



## **Risk 3: Sequence of Returns**

Poor market returns early in retirement can have long-lasting effects.



## **Risk 4: Withdrawal Rates**

Withdrawing too much too early can drain even a large super balance.



## **Risk 5: Behavioural Mistakes**

Selling at the wrong time, taking too little risk, or chasing high-yield stocks can all damage long-term outcomes.

## About Finextra Wealth

Finextra Wealth is a Sydney-based financial advisory firm helping Australians create stronger, more predictable income in retirement. Our approach is simple: retirement planning should be transparent, personalised, and free from sales pressure.

### What does Finextra Wealth actually do for me?



#### Retirement Income Strategy

We analyse your income needs, super balance, assets, and lifestyle goals to create a personalised plan for sustainable income over a 25–35 year retirement.



#### Superannuation Optimisation

We help you structure your super for tax efficiency, investment growth, and long-term stability, including transitioning into pension phase.



#### Investment & Portfolio Design

Your portfolio is tailored to your time horizon, risk tolerance, and income objectives, with a focus on protecting your purchasing power over the long term.



#### Age Pension & Concessions Guidance

We assess your eligibility and help you understand whether a full or part Age Pension can complement your other income strategies





## Why Australians Trust Us

- ✓ Led by senior adviser Heath Heberton, with 30+ years of experience
- ✓ Corporate Authorised Representative under Alliance Wealth Pty Ltd (AFSL 449221)
- ✓ Specialists in retirement income forecasting and super optimisation
- ✓ Transparent, education-first approach

## Curious what your retirement income might look like?

If you'd like personalised clarity on your retirement income, you can start with a complimentary Retirement Income Assessment Session.

### During this session, we will:

- ➔ Estimate how much yearly income your super and investments may generate
- ➔ Show how the 7 Retirement Income Strategies apply to your situation
- ➔ Identify opportunities to strengthen your long-term retirement outcome

**Book Your Free Retirement Income Assessment Session**

Choose a time that suits you. There's no obligation and no sales pressure. Just clear answers and expert guidance tailored to you.

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## *Important:*

*This eBook provides general information only and does not constitute personal financial advice. Outcomes vary depending on individual circumstances. Please consult with a licensed financial adviser before making financial decisions.*