



Financial advice tailored to suit your needs - now and in the future

Background

Keith* and Linda* first contacted Pacesetter Financial Services approximately 20 years ago to seek advice on wealth accumulation. Later, as Keith approached retirement, the couple were also looking for a strategy designed specifically for them to help them realise their retirement lifestyle goals.

Overview

We thoroughly reviewed Keith and Linda's financial position in order to develop a strategy that would enable them to meet their goals. They wanted to be able to live 'comfortably' in retirement, take regular overseas holidays and leave an inheritance for their children. We also carefully considered the timing of their retirement as Keith's professional position made him eligible for share options and financial bonuses. Further, the couple had an investment loan which had been beneficial in building their pre-retirement asset base, and the timing of closing out this loan would also have significant impacts on their financial position.

In this context, they sought our guidance in finding answers to three pressing questions: how much money they would need to retire; how they should structure their taxation and investments prior to and during retirement; and what the most appropriate superannuation vehicle would be.

Our Process

We began by helping Keith and Linda to articulate, clearly and in detail, their retirement lifestyle goals. This enabled us to plan for regular costs indexed each year to inflation, and to include an affordable allowance to accommodate additional costs such as overseas holidays and replacement motor vehicles. On the basis of realistic assumptions, we were able to demonstrate how long their asset base was likely to last and what would be available for their children in their estate.

Prior to Keith turning age 60, distributions and dividends from their personally held investments were used to fund their lifestyle, with the result that draw-downs from superannuation would qualify as tax free.

Significant discussion surrounded the most appropriate superannuation facility for their future needs. Keith liked the idea of being his own trustee, and as the amount available for investment attracted fee benefits, a Self-managed Super Fund was established.

Pacesetter Financial Services continue to serve as orchestrators and facilitators of Keith and Linda's financial portfolio. Because we clearly understood their goals from the outset, we were able to provide a strategy blueprint, identify key areas that needed consideration and importantly, provide a sounding board for them to talk through an appropriate plan and actions for achieving their retirement goals.

To enable us to provide holistic and coordinated advice, we initiated and have maintained collaborative working relationships with the couple's other key professional advisers.

The Outcome So Far

The greatest benefit of our collaboration for Keith and Linda continues to be peace of mind. As a result of our insights and recommendations, they feel confident in their financial situation and this enables them to enjoy a financially stress-free retirement.

Beyond our initial advice, we've provided significant input and made adjustments to reflect the couple's evolving situation as well as legislative and economic changes. Regardless of the fact that the GFC occurred in the year following Keith's retirement, the couple have not needed to sell any investments since they retired, which has allowed them to fund their retirement lifestyle solely from investment income.

With financial matters taken care of, the couple are free to enjoy busy lives involving elderly parents, children and grandchildren. They love to travel and are active participants in community volunteer work.

This is what Keith and Linda had to say...

"Our relationship with Pacesetter has been a long one which, in itself, shows our complete satisfaction with the service they have provided. We have always felt that a key part of such a service is trust and, with Pacesetter, we have that. Moving into retirement can be a difficult time and the Pacesetter team were a key element in making that transition as smooth and hassle free as possible and in allowing us to meet our goals. We would have no hesitation in recommending them."

*(*clients' names have been changed to protect their privacy)*

Malcolm Jensen and Hayden Ross are financial advisers at Pacesetter Financial Services. Pacesetter Financial Services and its advisers are Authorised Representatives of Fortnum Private Wealth Pty Ltd ABN 54 139 889 AFSL 357 306 trading as Fortnum Financial Advisers.

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