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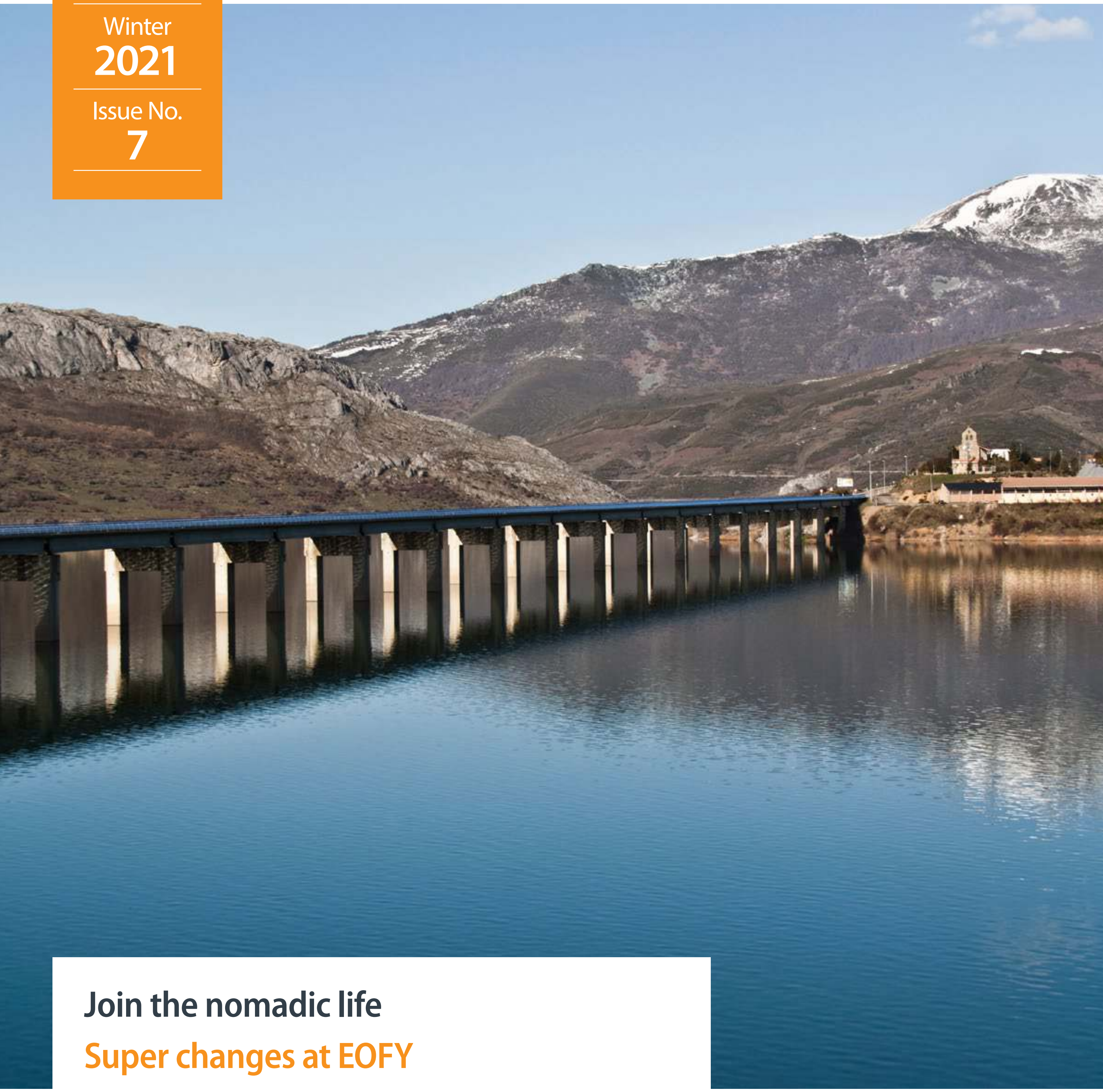


Join the nomadic life

Super changes at EOFY

Too old for smart tech? Think again

Count
Professional Partnerships, Trusted Advice

Welcome to the Winter 2021 edition of Now & Next

As the new financial year dawns, it's an important time to think about your financial situation and some of the opportunities that are on the horizon. We can work with you to ensure you're well prepared for any challenges that arise.

Join the nomadic life

With travel overseas likely to remain on hold for some time yet, now could be the perfect time to take an extended roadtrip around Australia. But before you pack up everything and go, we look at four factors to consider to make sure your adventure doesn't come unstuck.

Super changes at EOFY

Most years, the Federal Government makes changes to the rules governing superannuation, in this article we have a summary of some of the most important changes, and how they may affect you.

Too old for smart tech? Think again.

Smart technology may be seen as something for the young, but older Australians have a lot to gain from the safety, convenience and enjoyment it can provide. As the variety of smart devices on the market increases, more of us are looking to integrated smart technology into our homes. And this could have significant benefits as we get older.

Join the nomadic life

With travel overseas likely to remain on hold for some time yet, now could be the perfect time to take an extended roadtrip around Australia.

As the recent Oscar-winning film *Nomadland* shows, the life of the grey nomad – people over 55 who travel for an extended period with a campervan or trailer – is very much a real thing.

In Australia, the grey-nomad phenomenon has been gaining ground for years. And as COVID-19 keeps most international borders closed, more of us are keen to hit the road. This has led to shortages in caravans, trailers and four-wheel drives for sale – with potential buyers complaining of long waits and higher than normal prices.

If you're thinking about joining the nomadic life, now could be the perfect time. But before you pack up everything and go, here are four things to consider to make sure your adventure doesn't come unstuck.

1 Plan around border closures

With the COVID-19 still a threat, a single coronavirus case in the community can set off state-wide border closures. While you can't stop the virus, you can think ahead and make sure you have an effective Plan B in place.

For example, if a border looks likely to close, you could change route and spend time exploring the backroads of the state you're in. Or find a special spot to wait out the border closures, and spend the time living like a local.

2 Book ahead

In the past, it was relatively easy to find space at regional campgrounds outside of peak periods, like school holidays. But with no-one able to travel overseas, that's no longer the case. For many campgrounds – including those in national parks – booking is now essential.

3 Be a good guest

As more nomads drive around the country, previously sleepy rural towns are suddenly being filled with hordes of visitors. And it's not just retirees embracing the nomadic lifestyle. Job losses during the lockdowns and shortages in affordable housing mean that many younger people are adopting a 'free-living' ethos, converting their vans into travelling homes.

But the surge in demand means that some popular destinations are now struggling under the weight of this new demand – and there is increasing push-back against people free-camping in backstreets and parks.

So make sure you obey the rules in each town and find out where you can park your camper legally before you arrive. Alternatively, check if there's accommodation available for you to stay in. And if there isn't any space when you want to travel, simply work out a different plan.

4 Sort out your bills before you hit the road

Unfortunately, your finances don't take holidays. So it pays to sort them out in advance.

The last thing you want to worry about while you're travelling is paying your bills. And while most can be paid online from your mobile phone, it can be easier to set up direct debits in advance. That way, you won't be stuck somewhere with bad internet trying to get a payment to go through.

Another good tip is to make sure you receive notifications for all your bills by email or SMS, so you won't come home to a pile of missed payments – or worse, no power or running water.

Talk to your financial adviser

Planning the trip of a lifetime? We can help you get the right financial strategy to prepare for weeks or months on the road – and help you make your grey-nomad dream a reality.

Super changes at EOFY

Most years, the Federal Government makes changes to the rules governing superannuation. Here are some of the key changes that will take effect from 1 July 2021.

The new financial year brings some important changes to the rules around super. Here's a summary of some of the most important changes, and how they may affect you.

> The increase is intended to help Australians save more throughout their working lives, to be better prepared for retirement and less dependent on government support.

Expect more super from your employer

The super guarantee (SG) is expected to rise from its current rate of 9.5% to 10% on 1 July – which means more super going into your account if you're still working. Originally scheduled to take effect last financial year, the increase was delayed while businesses grappled with the economic effects of the COVID-19 pandemic – but now looks set to go ahead.

The increase is intended to help Australians save more throughout their working lives, to be better prepared for retirement and less dependent on government support. It's the first of a series of legislated increases that will see the SG rate go up 0.5% every financial year, until it hits 12% in 2025.

Super guarantee percentage

Period	General super guarantee (%)
1 July 2020 – 30 June 2021	9.50
1 July 2021 – 30 June 2022	10.00
1 July 2022 – 30 June 2023	10.50
1 July 2023 – 30 June 2024	11.00
1 July 2024 – 30 June 2025	11.50
1 July 2025 – 30 June 2026 and onwards	12.00

Minimum drawdown to revert to pre-COVID rates

Every year, retirees are required to withdraw a minimum income from their pension accounts, known as the minimum drawdown.

Due to the impact of COVID-19 on many Australians' investment portfolios, in March 2020 the Federal Government announced a temporary 50% reduction in the minimum drawdown rate for eligible retirees. The aim was to help pensioners keep more money in their super by reducing the amount they were required to withdraw during the pandemic's market volatility.

On 1 July 2021, this temporary measure will come to an end, and the normal drawdown rates will be re-instated. If you're not sure of the drawdown rate that applies to you, or whether you need to adjust your payments, it's best you speak with your financial adviser.

General transfer balance cap to increase

To minimise tax, retirees can transfer super from their accumulation super account to a tax-free retirement-phase account. But there's a limit on how much super can be transferred. This is called the transfer balance cap.

Currently, the cap is $1.6 million. But from 1 July 2021, that cap will be indexed to $1.7 million. But this amount doesn't apply to everyone – we'll each have our own personal transfer balance cap between $1.6 and $1.7 million. The cap that applies will depend on factors like our super balance and whether we've begun any retirement phase pensions.

If you exceed your personal transfer balance cap, you'll have to convert a portion of your retirement-phase income stream, or the excess from one or more streams, into a lump sum amount. If you don't, you'll be required to pay tax on the hypothetical earnings related to that excess. This tax rate currently stands at 15% for the first instance of an excess transfer balance, and 30% for every instance after that.

Super to be 'stapled' when changing jobs

To address the long-running problem of workers holding multiple super accounts – and paying unnecessary, duplicated fees – the Federal Government has moved to 'staple' funds to employees throughout their working lives. This means that from 1 July, you'll be able to keep the same super account, even when you change jobs.

The government argues this will increase super balances, by ensuring members are only paying one set of fees and insurance premiums. However, it also raises the risk that employees may end up stuck in poor-performing funds, if they don't take an active interest in their super.

Investment funds to be more transparent with members

Another key change due to come into effect is the need for super fund administrators to provide more information to their members. From 1 July 2021, super funds will need to be transparent about where they invest member funds and how these investments are in their client's best financial interests.

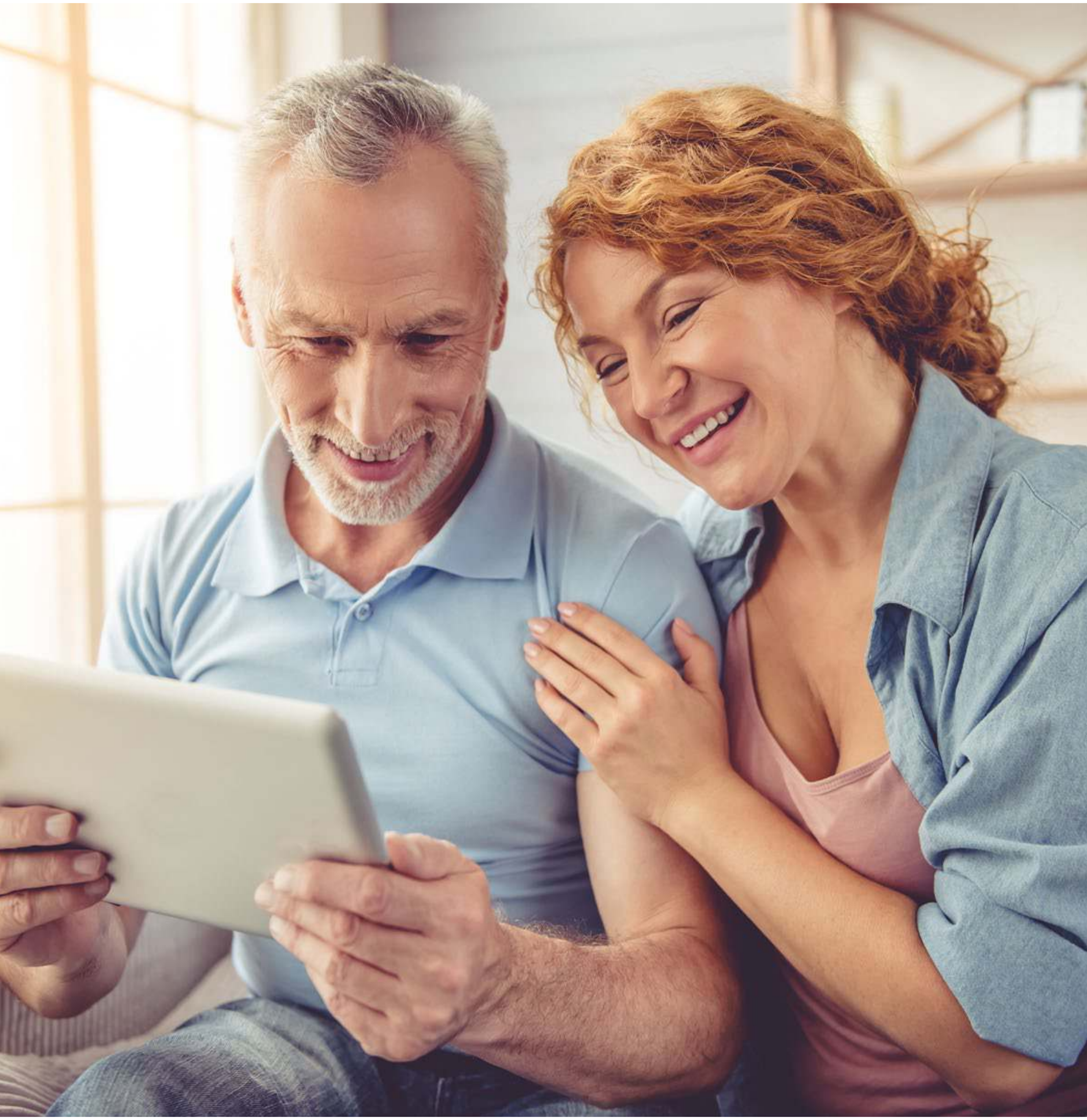
Super fund trustees will also have to disclose key information to members ahead of the fund's annual members' meetings.

Know your super situation – speak to us to find out more

This is an overview of some of the key super changes from 1 July 2021 – it's not a complete guide, and doesn't take your situation into account. To help navigate the rules and ensure you have the right strategy to make the most of your retirement, speak to us to find out more.

Too old for smart tech? Think again

Smart technology may be seen as something for the young, but older Australians have a lot to gain from the safety, convenience and enjoyment it can provide.



Technology like voice assistants also offers great potential to improve our quality of life, and help us manage the aspects of our lives that can get harder with age.

Millenials and Gen Z have grown up with screens in their hands. But it's not just the young and savvy who are benefitting from the connectivity smart technology brings.

In the United States, a 2019 survey from the American Association of Retired Persons (AARP) found that more than 80 per cent aged 50 to 64 have a smartphone – a statistic that's in line with the broader population. And one in seven over the age of 50 owned a voice assistant speaker such as Google Home or Amazon Alexa.

As the variety of smart devices on the market increases, more of us are looking to integrated smart technology into our homes. And this could have significant benefits as we get older – helping us stay connected and independent for longer.

The benefits of smart technology

The pandemic has shown how digital technology can make a real difference in our lives. During the lockdowns, we could connect with family and friends through video calls, messaging and social media – reducing isolation for those living alone.

Technology like voice assistants also offers great potential to improve our quality of life, and help us manage the aspects of our lives that can get harder with age.

Memory not as sharp as it used to be? Use your voice assistant to remind you about important dates and appointments, to take your medication, and remind you which bills need to be paid.

Worried about an illness or fall? Your voice assistant makes it easy to contact family members or emergency services for help.

Three smart devices to change your life

For those ready to take the next step – it's now possible to integrate your voice assistant with other smart devices in your home – bypassing complicated remotes and simply telling them what to do. This can be a real bonus for those with vision problems or limited mobility – as well as those of us who simply like to feel in control.

While you may be unconvinced about the need to converse with your fridge or microwave, smart appliances are here to stay. Here are three we think you'll learn to love:

1. Smart lighting

Smart lights can be connected to your voice assistant speaker and controlled through your smartphone. You can adjust for brightness, create a light schedule or even set the colour. Even better, because most smart lights work on LED, they have a longer life than other bulbs – which means less time on ladders – and less cost to run.

2. Clever brews

A watched pot never boils – but smart kettles will have your cuppa ready before you get off the couch. These devices can be connected to your voice assistant speaker and phone, so you can boil water with a voice command.

Like smart lights, smart kettles can be set to a schedule, meaning you can wake up to hot water ready for your morning tea. More of a coffee person? Smart coffee makers are also available, serving up your brew of choice on your command.

3. Robotic vacuum cleaners

These automated robots can vacuum the floors around the house for you – they only require the press of a button on an app to get started. Enough said!

Talk to your financial adviser

Connected devices can help to make your life more convenient as you get older and help you be more independent in your later years. But they're just small part of a sound retirement plan. To help make sure you have the right strategy to achieve the retirement lifestyle you want, speak to us today.

The numbers

Annually, the CPI rose

0.6%

in the March Quarter. The most significant price rise was Automotive fuel (+8.7%).[1]

Unemployment fell to

5.5%

in April 2021.[2]

Australian Gross Domestic Product (GDP) rose

1.8%

in the March quarter.[3]

Australian Exports recorded a historic high of

$36 billion

in April 2021.[4]

4.3 million COVID-19 vaccine doses

have been administered to Australians.[5]

CONTACT YOUR COUNT ADVISER AT:

1 ABS, Consumer Price Index, April 2021
2 ABS, Labour Force, Australia
3 ABS, June 2021
4 ABS, May 2021
5 Health.gov.au – Vaccine Rollout