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Complete Financial Planning Newsletter

IMPORTANT INFO:

- We are trialing a new software called DocuSign. This will allow you to sign documents on your computer without having to print them off, which will hopefully save a lot of time wasted in the postal system.
- Emma & Kathy are about to start their next unit of study, Client Engagement this month.
- For those that did not know, our receptionist Shae is currently 17 weeks pregnant. She has been very ill since November. Her baby is doing fine, but Shae is just unfortunately not doing so well. Shae has been unable to work since early November. We are currently in the process of looking for a replacement for her whilst she is taking early maternity leave. In the meantime, we are all pitching in and helping on the administration side, so please bear with us during this period.
- As of this week Lisa is now working full time. The office will now be open on Fridays. Kathy will be in the office Fridays, but will work from home on Mondays instead.
- As of next week, Evelyn will be rejoining us 2-3 days a week helping with administration. She started working back with us last year doing 1 day a week, so we are looking forward to getting another day or two out of her each week.
- Emma will be in the office Monday, Tuesdays and Thursdays and will work from home Wednesdays and Fridays.
- Kelli is still working remotely in Collie, Monday – Thursday.
- Reminder: Please remember to let us know of any personal details that need to be updated when we contact you before your review. If there have been no changes, please also let us know that the details we hold are current.

ARTICLE FOR THIS WEEK:

- **Traps to avoid in retirement – carrying debt into retirement.**

Traps to avoid in retirement – carrying debt into retirement.

Increased housing costs and low wage growth are seeing more Australians carry higher levels of debt into retirement. Repaying this debt can place a major drag on retirement cash flows and hinder the achievement of retirement goals. These may include maintaining an adequate quality of life through retirement and leaving a benefit to the next generation that is unencumbered by outstanding debt.

Fortunately, there are a number of ways by which retirement debt can be avoided or managed.

- If you're still working, increase your debt repayments. It may also be worth considering delaying retirement. However, bear in mind that with increasing age comes the increasing likelihood of being forced into retirement by ill health.
- Tackle high interest debt first. If you're paying interest on credit card balances or personal loans and have the ability to redraw on a mortgage, pay off the higher interest debts from your mortgage account.
- Already retired? Look at using your superannuation to pay off outstanding debt.
- Downsize your home. This may allow you to pay off debts and still have enough to purchase a smaller home. If this strategy frees up more money than you need to repay your debt, investigate the superannuation incentives available to 'down-sizers'. Also be aware any surplus cash you pocket may reduce age pension payments.

As always, it's important to take your personal situation into account. For example, if your mortgage interest rate is low, you have significant investments earning a good return, and you have a long life expectancy, carrying some debt into retirement may be worth considering.

For help in managing your debt in retirement talk to your financial adviser.