

# WORKSHEETS

## RESETTING YOUR RETIREMENT AFTER COVID-19



# INTRODUCTION

The coronavirus (COVID-19) pandemic has affected us all in so many ways. The world that we live in has changed so quickly and it's only natural that you may feel anxious, isolated or upset. If you've been planning for retirement, you may also be concerned about the economic impact of the pandemic on your investments, income and cashflow.

Your concerns are completely valid and you may continue to feel upset, disappointed or frustrated for some time, but there's no need to panic because you're not alone.

These worksheets are designed to help you review aspects of your retirement plan. They should be read alongside our [Guide to Resetting Retirement After COVID-19](#).

If you'd like to speak to an expert, get in touch, we'd be happy to help.

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# REVIEW YOUR GOALS AND OBJECTIVES



To design what a meaningful lifestyle could look for you in your next chapter, identify what gives you a sense of purpose and what no longer serves you.

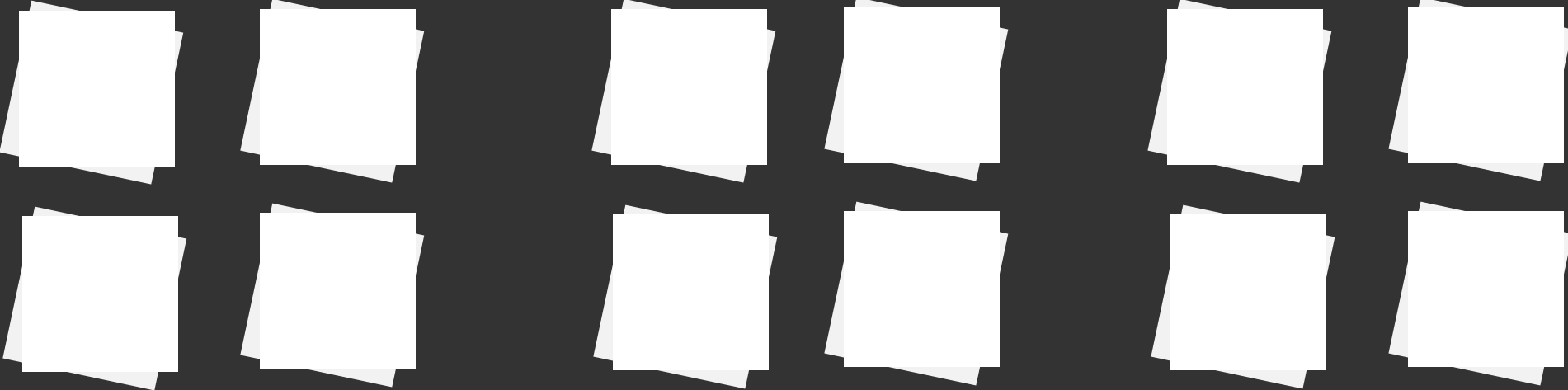
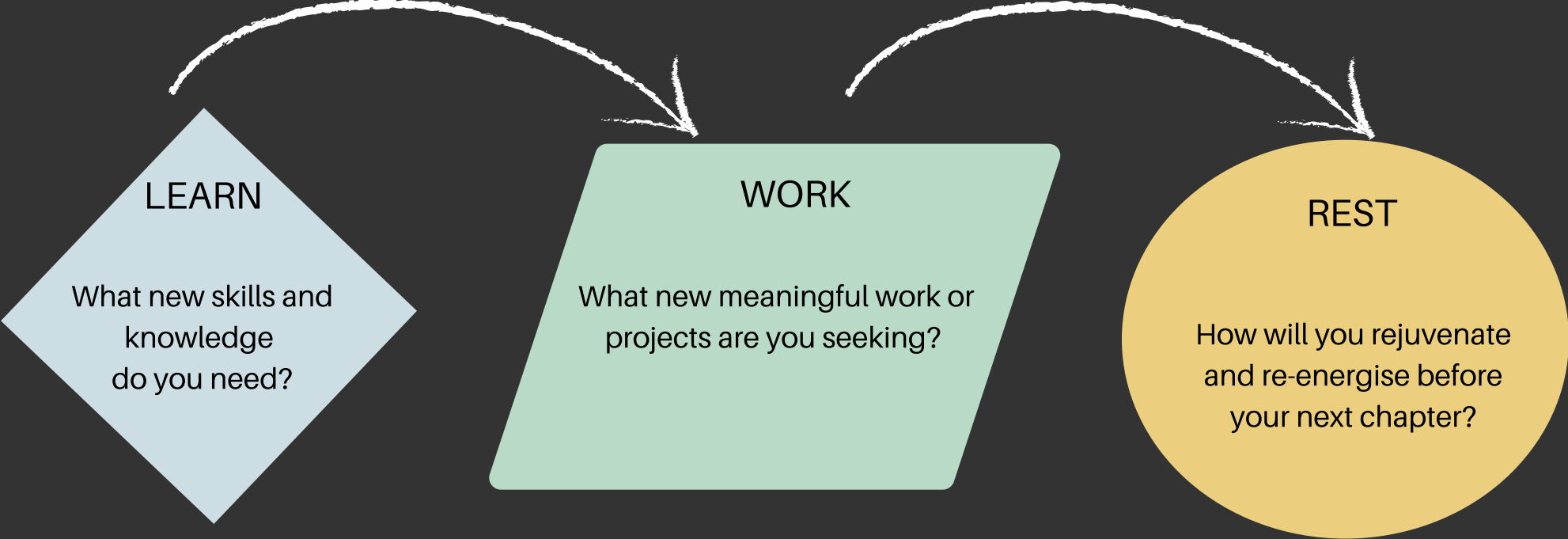
What/who is most important to you?

What interests and passions would you like to fit into your daily and weekly schedule?

What do you need to stop doing or say 'no' to live more purposefully?

What do you need to change to lead a meaningful lifestyle in your next chapter?

# Plan the next chapter of your multi-stage life



# Run one-week long experiments to move towards starting your new chapter

Objective of your experiment

ACCELERATORS

What or who could make your next step a success?

BRAKES

What or who could hinder your next steps?

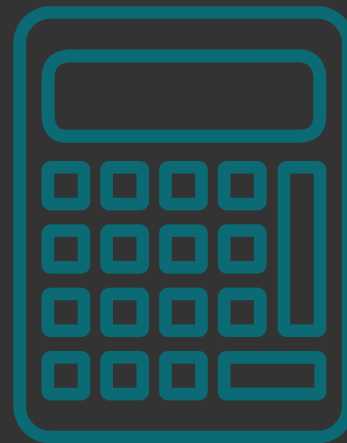
What will you learn from this experiment?

Key steps

Results

Insights

# REVIEW YOUR INCOME AND EXPENSES



Regardless of your situation, it's always good to review your income and expenses regularly.

For many people, the most difficult part is thinking of all the places your money is currently going. With that in mind, here is a list of expenses you could potentially have in your life right now.

### HOME

- Mortgage payments
- Rent
- Council rates
- Body corporate fees
- Furniture, appliances and décor
- Cleaning services
- Garden upkeep and maintenance
- Gardening services
- Phone bill
- Internet bill
- Energy bill
- Gas bill
- Water bill
- Entertainment subscriptions/pay TV
- Maintenance, repair and pest control
- Renovations

### MEALS & ENTERTAINMENT

- Groceries
- Alcohol
- Meal subscription services
- Meals out
- The cinema
- Sports events
- Sports club membership
- Festivals
- Regular lessons
- Music streaming subscriptions
- Gaming
- Magazine subscriptions
- Books and DVDs
- Electronic devices, e.g. smartphone, smart watch
- Online subscriptions

### INSURANCE & PROFESSIONAL SERVICES

- Taxation services
- Financial advisory services
- Legal services
- Life insurance
- Funeral insurance
- Health insurance
- Pet insurance
- Home buildings insurance
- Home contents insurance
- Credit card insurance
- Superannuation fees
- Bank fees
- Vehicle insurance
- Roadside assistance insurance



## HEALTH

- Family Doctor appointments
- Specialist medical appointments
- Dental costs
- Physiotherapy/
- Rehabilitation
- Psychology/counselling
- Personal device upkeep, e.g. pacemaker, hearing aid
- Eye glasses or contact lenses
- Pharmaceuticals
- Gym or fitness club membership
- Personal training
- Allied health appointments
- Haircuts and grooming

## OTHER DEBT

- Credit card payments
- Vehicle loan payments
- HECS/Education debt
- Other loan payments

## TRANSPORT

- Vehicle registration
- License renewal
- Tolls
- Vehicle maintenance and repairs
- Fuel
- Parking fees
- Public transport fees

## CHILDREN AND DEPENDANTS

- Child-specific items, e.g. nappies, formula
- Education costs
- Professional care/support services
- Toys and entertainment
- Child support payments

Other associated costs

## PETS

- Veterinary bills
- Pet food and supplies
- Grooming costs

## TRAVEL

- Domestic travel
- International travel

Now, allocate your expenses to either the weekly, monthly or yearly columns on the following pages along with an estimate of each. Once you're done, calculate the total spend for your weekly, monthly and annual expenses. You can then multiply them by the relevant number (52 for weekly; 12 for monthly; 1 for annual) and then add them together to find your estimated annual expenditure.

Paid weekly		Paid monthly		Paid annually	
Expense	\$	Expense	\$	Expense	\$
<b>TOTAL</b>		<b>TOTAL</b>		<b>TOTAL</b>	
Weekly total x 52 =		Monthly total x 12 =		Annual total x 1 =	
	+		+		+

My annual expenditure =

Now, let's repeat the process for income. We've added a column in for quarterly income as you will often receive investment income on a quarterly basis (like share dividends).

- Your take-home pay
- Your partner's pay (if applicable)
- Dividends
- Rent
- Interest from savings
- Centrelink benefits - Family Tax Benefit
- Centrelink benefits - JobSeeker
- Centrelink benefits - JobKeeper
- Centrelink benefits - Coronavirus supplement
- Centrelink benefits - Age Pension
- Other income

Received weekly		Received monthly		Received quarterly		Received annually	
Income	\$	Income	\$	Income	\$	Income	\$
<b>TOTAL</b>		<b>TOTAL</b>		<b>TOTAL</b>		<b>TOTAL</b>	
Weekly total x 52 =		Monthly total x 12 =		Quarterly total x 4 =		Annual total x 1 =	
		+		+		+	

My annual income =

Your annual income minus your annual expenses represents the amount of money you will have to either spend or contribute towards your retirement or investments.

My annual income – my annual expenses =



### Here are some good questions to ask:

- Does this amount surprise you? Is it more or less than you had expected?
- What can you do with this money to get the best return possible? For example, could you use it to pay off existing debt to reduce the overall amount of interest?
- Are there any expenses you could potentially reduce, or even better, remove altogether?
- How accessible does your excess money need to be right now? How much should you put aside for emergencies, and,
- How much can be invested on a longer-term basis?

# REVIEW YOUR CENTRLINK ENTITLEMENTS



With so many specific payments, supplements and programs, it can be difficult to keep up with the government assistance that's available to you through Centrelink. Here's a summary of some of the major payments on offer, current as of 31 May, 2020.

### AGE PENSION

A fortnightly income support payment for Australian residents who reach pension age (currently 66). In most cases, recipients need to have been a resident for at least 10 years.

**Eligibility:** Based on income and asset tests.

### AUSTUDY

Fortnightly financial assistance for those aged 25 or older who are either studying or undergoing an apprenticeship.

**Eligibility:** Subject to an income test.

### CARER ALLOWANCE

Fortnightly payments, made in addition to the Carer Payment, to those caring for individuals who meet predetermined disability, illness or age criteria and will need at least 12 months' care.

**Eligibility:** Subject to an income test.

### CARER PAYMENT

Payment to assist those who give constant care to people with severe disabilities, people who are unwell or the elderly. If you are at Age Pension age, you must choose between Carer Payment and the Pension. All applicants need to meet criteria surrounding the amount of care being provided and residency requirements.

**Eligibility:** Subject to asset and income tests.

### COMMONWEALTH SENIORS HEALTH CARD

A card awarded at Pension Age that entitles the bearer to subsidised health care.

**Eligibility:** Applicants must have reached the Age Pension age, and not be eligible to receive payments from Centrelink or the Department of Veterans' Affairs. Successful application is also subject to an income test and residency requirements.

*Note: Individual states and territories also have their own state-based Seniors Cards with various entitlements. For more information, contact your State Government.*

### DISABILITY SUPPORT PENSION

Fortnightly payments for those who can't work due to a permanent condition.

**Eligibility:** Recipients must meet both medical and non-medical criteria.

### FAMILY TAX BENEFIT

A two-part payment to help parents of dependent children or full-time secondary students not on other benefits.

**Eligibility:** Applicants must meet an income test and be responsible for at least 35% of caring duties for an eligible child.

# .....CONTINUED

## FARM HOUSEHOLD ALLOWANCE

A fortnightly financial supplement for farmers and their families in financial hardship. It is usually awarded at the same rate as JobSeeker/Youth Allowance. Recipients may also be eligible for activity supplements to help improve their financial situation. Waiting periods may apply for this allowance.

**Eligibility:** Recipients must meet income and asset tests and have received the Farm Household Allowance for less than four years within a particular 10-year period.

## JOBSEEKER PAYMENT

Fortnightly payments for those aged between 22 and pension age who are looking for work or are unable to participate in their usual work/study due to short-term illness or injury.

**Eligibility:** Subject to income tests and residency rules

## LOW-INCOME HEALTHCARE CARD

A card awarded to eligible low-income earners to entitle them to cheaper health care and other discounts.

**Eligibility:** Subject to an income test and residency requirements.

## PARENTING PAYMENT

Fortnightly income support payments for principal carers of children under eight years of age (as a single parent/carer) or under six (for a couple) who meet residency, income and asset requirements.

**Eligibility:** Subject to income and asset tests, as well as residency rules.

## PENSIONER CONCESSION CARD

A card that entitles holders to discounts across healthcare, pharmaceuticals and some other products and services.

**Eligibility:** Those who meet the requirements for other Centrelink support may be eligible, particularly if over 60 years of age, and/or if their capacity to work has been reduced.

## SPECIAL BENEFIT

Fortnightly payments for those suffering severe financial hardship, who do not qualify for other income support. Applicants must either earn less than a specified rate, not be able to improve their financial situation or have very limited savings.

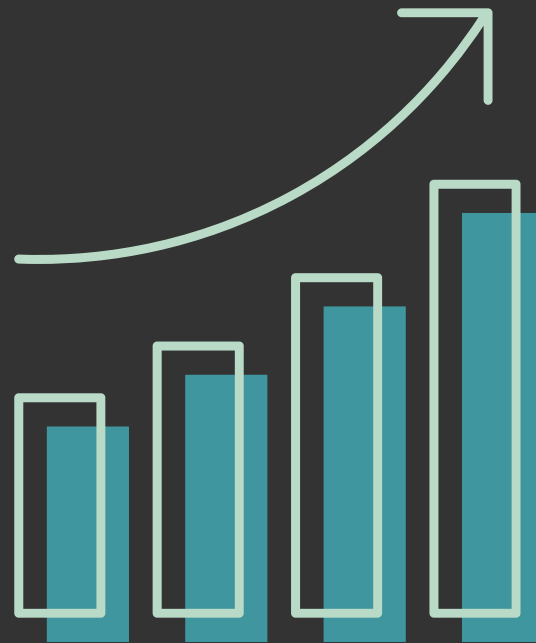
**Eligibility:** Subject to income and asset tests, as well as residency rules.

## YOUTH ALLOWANCE

Fortnightly payments for teenagers (16 and over) and young adults currently looking for work, studying or completing a full-time apprenticeship. In some situations, payments can be made weekly instead of fortnightly.

**Eligibility:** Dependent on age and whether working or studying

# REVIEW YOUR INVESTMENTS





Most investments can be split into 'asset classes', each of which provide different levels of risk and return. The following shows the risk and return characteristics of the main asset classes.

Asset class	Characteristics	Risk	Return
<b>Cash</b>			
<ul style="list-style-type: none"> <li>• Bank deposit</li> <li>• Cash management trusts</li> <li>• Term deposits</li> </ul>	<ul style="list-style-type: none"> <li>• Generates interest but no capital growth</li> <li>• Investment value may not keep up with inflation</li> </ul>	Low	Low
<b>Fixed Interest</b>			
<ul style="list-style-type: none"> <li>• Government bonds</li> <li>• Corporate and hybrid bonds</li> <li>• Annuities</li> <li>• Hybrid securities (classified as fixed interest)</li> </ul>	<ul style="list-style-type: none"> <li>• Investment value may not keep pace with inflation</li> <li>• Generally pays higher rates than cash, with a degree of capital growth but also the potential for capital loss</li> </ul>	Low to Medium	Medium
<b>Property</b>			
<ul style="list-style-type: none"> <li>• Residential</li> <li>• Industrial</li> <li>• Commercial</li> <li>• Property trusts (REITs)</li> <li>• Infrastructure assets</li> </ul>	<ul style="list-style-type: none"> <li>• May provide income from rent or trust distributions</li> <li>• Offers potential for capital growth (eg. if property values rise)</li> </ul>	Medium to High	Medium to High
<b>Shares</b>			
<ul style="list-style-type: none"> <li>• Direct shares</li> <li>• Managed funds</li> <li>• ETFs</li> <li>• Hybrid securities (classified as Australian Equities)</li> </ul>	<ul style="list-style-type: none"> <li>• Have historically achieved the highest returns on average over long periods of time</li> <li>• Offers potential for income (eg. dividends) and capital growth (eg. if share prices rise)</li> </ul>	Medium to High	Medium to High

# CONTACT US

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