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FEATURE · RETIREMENT PLANNING

The Longevity Bonus: planning for a *100-year* life

The numbers most people carry in their heads about how long they will live are a generation out of date. Once the real figures are on the table, retirement stops looking like an ending and starts looking like the longest project of your life.

FROM THE EDITOR

The long view. *Two strategies.* One fund's last job.

This issue opens with a number most of us have never been given properly. The life expectancy in the headlines is measured from birth; the one that matters at 60 is measured from 60, and once the actuaries adjust it for a generation that has lived through better medicine than its parents, the honest planning horizon for a couple retiring now runs to 95. Our lead feature treats that not as a threat but as a design brief — work, money, home and purpose across a retirement that may last as long as the career that funded it.

The second feature returns to a strategy that has been pronounced dead more than once. The transition to retirement pension survived the 2017 changes in a narrower form than the one that was sold in the 2000s, and it turns out to be two quite different tools wearing one name. Most valuable of all is the section on the members who are running one without needing to — because a job change after 60 quietly met a condition they never knew they had satisfied.

The third looks at something almost nobody writes about: the moment a self-managed super fund has done its job. It begins with the surviving spouse who was never the engaged trustee, works through the choice between keeping, simplifying and closing, and sets out the order of operations that decides whether a wind-up keeps or loses value. Our Q&A this issue runs to five questions, from expiring cap space to payday super, and a new one-page reference collects the year's key figures. As always, these articles are the beginning of a conversation with your adviser, not the end of one.

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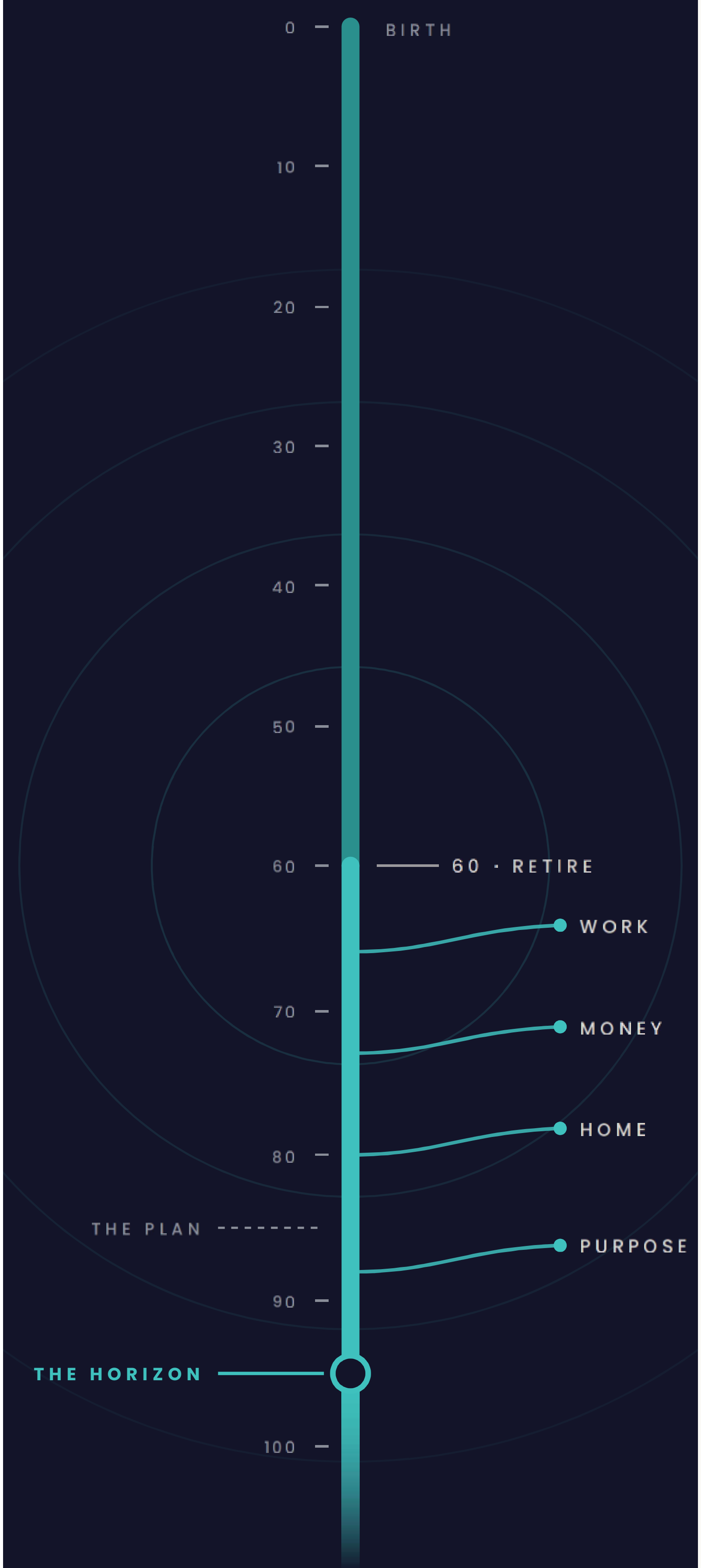
RETIREMENT PLANNING



THE PLAN ENDS AT 85. THE LIFE MAY NOT.

FEATURE I · RETIREMENT PLANNING

The Longevity Bonus: Planning for a 100-Year Life

The numbers most people carry in their heads about how long they will live are a generation out of date. Once the real figures are on the table, retirement stops looking like an ending and starts looking like the longest project of your life.

CONTINUED FROM OPPOSITE

Ask a room of 60-year-olds how long they expect to live and most will offer a number in the early 80s. It is a reasonable guess, and it is wrong in a way that matters. It comes from the life expectancy at birth in the headlines — 81.1 years for Australian men and 85.1 for women in the most recent ABS tables — and that figure is dragged down by every death before 60. Someone who has reached 60 has, by definition, dodged all of those; their remaining expectation is a different and larger number.

It gets larger again once you correct for a second quirk. The official tables describe the death rates of the last few years, which is to say the experience of people born in the 1920s and 1930s. Today's 65-year-olds were born in the 1960s and have spent their lives with better medicine and far fewer smokers around them; the tables that will describe their deaths have not been written yet. Actuaries call the adjustment for this "cohort" life expectancy, and the Australian Government Actuary publishes improvement factors for exactly this purpose. On that basis, an average 65-year-old Australian woman today can expect to live to around 89, and roughly one in five will pass 95. For a healthy couple both aged 65, some actuarial estimates put the chance that at least one of them will still be alive at 95 at close to one in two.

Which means the retirement most people are planning — twenty years, give or take — is, for a great many of them, a third short. The honest planning horizon for a couple retiring today is not to 85. It is to 95, with a real possibility of longer. That is the longevity bonus: the extra decade or more that the last century of progress has handed this generation, largely without telling them.

WHY A LONGER LIFE IS A DESIGN PROBLEM

It is tempting to treat those extra years as a risk to be insured against, and in the narrow sense of money running out they are; the drawdown and sequencing questions were covered in Issues 133 and 144. But a longer life is not only a longer bill. It is a different shape of life, and the traditional three-stage model — learn, work, retire — was built for a lifespan that ended a decade or two after the third stage began. Stretch that model to a hundred years and the third stage becomes 35 years long, which is nearly as long as the working career that funded it. Nobody would plan a 35-year career as a single block; it makes as little sense to plan a 35-year retirement that way.

The more useful frame is that a long life reshapes four things at once — work, money, home and purpose — and each deserves its own thought.

WORK: THE SECOND ACT

The first thing a 100-year life changes is when work stops, and whether it stops at all. Participation in the workforce among Australians aged 55 to 64 has risen from under half in the late 1970s to roughly two-thirds today, and the shift is not only about needing the money. For a growing number, the mid-50s are the point at which the first career has run its course and there are two decades of working life still available — long enough for a second act rather than a wind-down.

That second act takes recognisable forms. Some people retrain, often into something more human and less hierarchical than the career they are leaving. Some assemble a portfolio: a board seat, a day a week of consulting, a teaching role. Some go back to study for its own sake. And a good many step down gradually rather than stop, which is what the transition to retirement article in this issue is about. What these paths share is that they treat the years from 55 to 70 as a distinct chapter with its own goals, rather than the tail of the previous one.

The financial logic runs the same way. Each year of even part-time work in the 60s is a year the savings are not being drawn and are still compounding, and the decision to stop can be made from choice rather than exhaustion.

MONEY: THE CURVE, NOT THE LINE

The spending side of a long retirement is less alarming than the raw arithmetic suggests, because spending is not flat. A large Milliman study published in 2018, drawing on the actual expenditure of more than 300,000 Australian retirees, found that the median couple's spending was more than a third lower in their mid-80s than in their peak years in the late 60s — the gap opening gently at first, then steeply after 80, as travel and discretionary spending fade. The Retirement Income Review reached a similar conclusion from different data. On average, then, spending tends to fall through later retirement; the exceptions are usually a health or care event, which is a cost to reserve for rather than a lifestyle to fund.

> *The honest planning horizon for a couple retiring today is not to 85. It is to 95, with a real possibility of longer.*

CONTINUED

This changes what "enough" means. A plan that assumes today's spending will continue in real terms for 35 years overstates the need, and the people who build it tend to under-spend in their 60s — the decade when their health and their appetite for the world are at their best — in order to fund a lifestyle in their 80s they will not want. The better shape is a curve that spends more early and less later, with a reserve set aside for the possibility of care.

Two things push back against that comfort. The first is inflation across a very long horizon. At the midpoint of the Reserve Bank's target range, prices double in roughly 28 years, so a dollar at 65 buys about half as much at 95. A retirement that begins with a sensible income can end with a thin one unless part of the portfolio is still growing in the later decades — which argues for keeping growth assets in the mix for longer than convention suggests. The second is that the Age Pension, for those who qualify in full or in part, is an indexed lifetime income that cannot be outlived. Self-funded retirees often treat eligibility as a failure; in a 35-year retirement it is closer to the opposite: a longevity hedge the system provides, and one worth understanding rather than dismissing.

HOME: ONE MOVE, MADE WELL

The house is the asset most retirees think about least until they have to. For most people a long life eventually raises the question of whether the family home still suits them, and the real choice is whether that question is answered on the retiree's terms in their late 60s or 70s, or on a hospital's terms in their late 80s. The first kind — smaller, closer to family and services, on one level, with modifications made while they are choices rather than necessities — sets up the decades that follow. The second kind is the one families remember with regret. Downsizer contributions (Issue 129) can make the first kind more attractive than it looks, and the granny flat article in Issue 138 covered a version that keeps generations close.

A longer life also makes a period of care more likely, not less, and the planning value lies in preparation rather than prediction. The powers of attorney, guardianship appointments and advance care directives covered in Issues 131, 141 and 144 are the documents that decide whether that period, if it comes, is managed by the people the retiree chose. Having them done early, and having the conversation with family that goes with them, is the longevity planning that costs nothing.

PURPOSE: THE PART MONEY CANNOT BUY

The last domain is the one retirees consistently rank above money once the basics are covered. The longest-running study of adult life, now in its ninth decade at Harvard, keeps returning the same finding: the quality of a person's close relationships is more strongly associated with health and happiness in old age than wealth or cholesterol. The broader research on loneliness points the same way, linking isolation to materially worse health in later life.

A 35-year retirement without structure is a long time to be at a loose end. The retirees who do it well tend to have replaced what work gave them — a reason to get up, people who expect them, a sense of being useful — with something deliberate: a role in a community organisation, a craft pursued seriously, grandchildren, a garden, a cause. This is not a soft afterthought to the financial plan. It is what the financial plan is for, and a plan that funds 35 years of nothing in particular has missed the point.

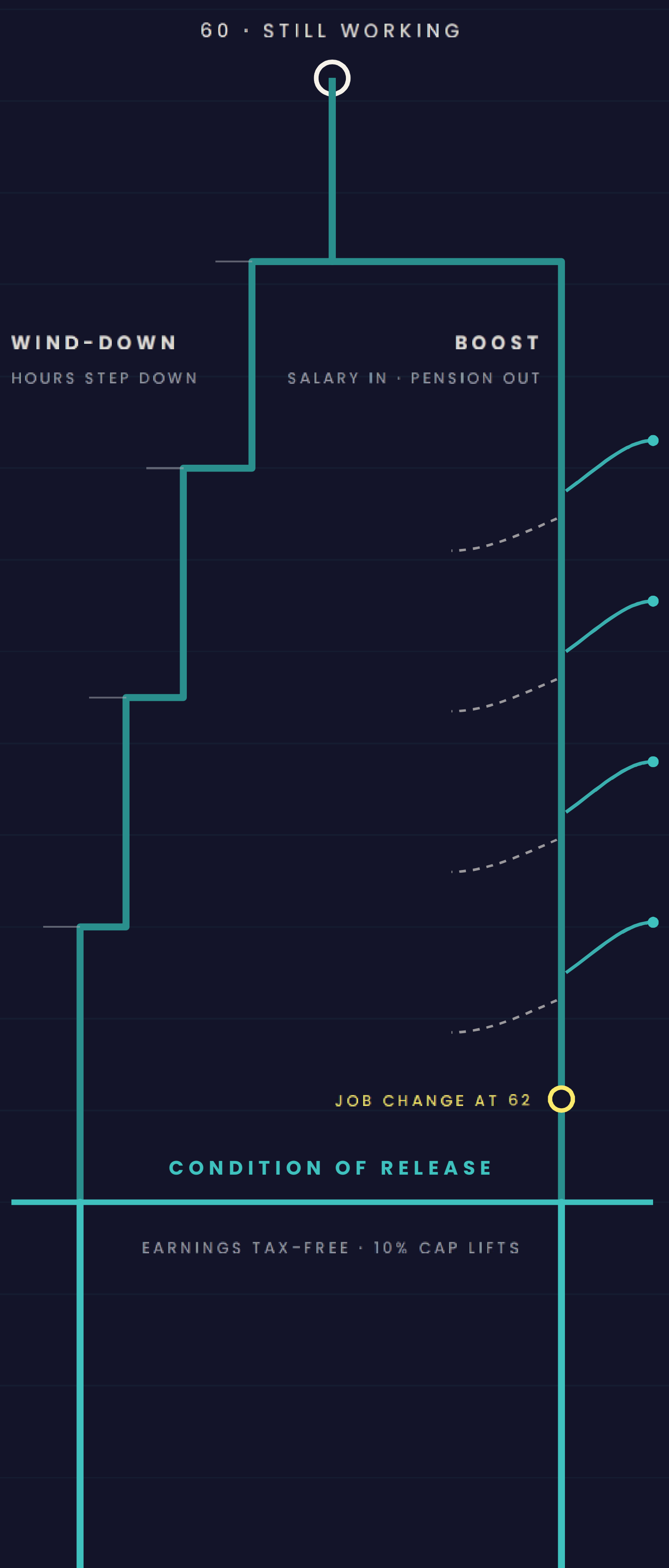
PLANNING FOR THE BONUS

The generation now approaching retirement is the first for whom a 30-year retirement is a realistic planning horizon rather than a remote possibility. The old model asks how much is needed to get to 85. The better question is what a life from 60 to 95 should look like — how long to work and at what, how to spend more in the early years without starving the late ones, where to live and when to move, and what will give the years their shape. The money serves those answers. It does not supply them.

WORTH THINKING ABOUT

Three questions for your next conversation

- → What planning horizon is the retirement plan actually built on, and what changes if it is extended to 95 for the longer-lived partner?
- → Does the spending plan reflect a curve — more in the active 60s, less in the 80s, a reserve for care — or a flat line that under-spends the best years?
- → Is there a second act in the 55-to-70 window worth designing deliberately, and what would it do to the numbers?



TWO STRATEGIES, ONE NAME, ONE THRESHOLD.

Transition to Retirement: Does It Still Make Sense *After 60?*

It has been declared dead more than once, but the transition to retirement pension is really two strategies sharing one name. Working out which one you are in, and whether you are still in it at all, is the question that matters.

CONTINUED FROM OPPOSITE

Somewhere in the network of every super fund there is a member in their early sixties who started a transition to retirement pension in 2015, read a decade ago that the strategy no longer worked, and has not looked at it since. The pension is still paying. The fund is still taxing its earnings. And, quite possibly, the member has already met a condition that would let them switch the whole account into a tax-free retirement pension tomorrow — if only they knew, and if only they told the fund.

The rules were rewritten in 2017, the tax arithmetic shifted again on 1 July this year, and the strategy that survives is narrower than the one that was sold in the 2000s but more useful than its obituaries suggest. The trick is recognising that the words "transition to retirement" describe two quite different things.

WHAT THE PENSION ACTUALLY IS

A transition to retirement income stream — the ATO calls it a TRIS, most funds call it a TTR — lets a member who has reached preservation age draw a regular income from super while still working. For anyone born after 30 June 1964, preservation age is 60. The pension is non-commutable: it cannot be cashed out as a lump sum while the member is working. Each financial year the member must draw at least 4 per cent of the account balance and no more than 10 per cent, measured against the balance on 1 July.

Two tax features matter. Because the member is over 60, the pension payments are tax-free. And since 1 July 2017 the earnings on the assets supporting a TTR are taxed inside the fund at 15 per cent, as in accumulation. Before 2017 those earnings were exempt, and that exemption was the engine of the original strategy; its removal is why the "TTR is dead" verdict took hold. What it actually did was remove one of two advantages and leave the other.

THE WIND-DOWN

The first strategy is the one the pension was designed for. A member wants to work fewer hours but cannot afford the pay cut. The TTR replaces the missing wages from super, tax-free, while the employer keeps paying the superannuation guarantee on the reduced salary.

There is no tax cleverness in this. It is a cash-flow tool that spends retirement savings early in exchange for time, and whether the trade is worth making depends on the balance, the length of the wind-down and what the member would do with the hours. For someone with a solid balance who would rather ease out over three years than stop abruptly, it is often a sensible use of the money; for someone whose balance is already stretched, it brings forward a shortfall.

The technical point worth holding onto is the 10 per cent ceiling: replacing $25,000 of lost salary needs at least $250,000 in the TTR account, and the balance falls each year as the pension is paid.

THE BOOST

The second strategy is the one that generated most of the marketing. The member keeps working full-time, salary sacrifices heavily into super, and draws a TTR pension to replace the take-home pay they have given up. What changes is the tax: the sacrificed salary is taxed at 15 per cent going into super rather than at the member's marginal rate, while the pension coming out is tax-free.

> *The strategy that survives is narrower than the one that was sold in the 2000s, but more useful than its obituaries suggest.*

Consider a 61-year-old on $110,000 in 2026–27. Her employer's 12 per cent contribution is $13,200, leaving $19,300 of room under this year's $32,500 concessional cap. Sacrificing the full amount cuts her take-home pay by roughly $13,100, because that salary would have been taxed at 30 per cent plus the 2 per cent Medicare levy; she draws about $13,100 from a TTR, tax-free, to fill the gap. Outside super she has saved around $6,200 in tax; inside super the contribution has cost about $2,900. The difference, a little over $3,000 a year, stays in her super. Over four years that adds up, with no change to her bank balance.

Now consider a 62-year-old working part-time on $35,000. His marginal rate for 2026–27 is 15 per cent, the same as the contributions tax, so the advantage the first member enjoyed is largely absent. It is not quite that simple — the Medicare levy shade-in and the low income super tax offset both interact with salary sacrifice and can nudge the result either way — but the gap is small, and once the second account's fees are counted there may be little in it, while the pension draws down a balance that needs to last.

The boost strategy earns its keep in proportion to the gap between the member's marginal tax rate and 15 per cent: at 30 per cent and above it usually does, at 15 per cent it usually does not, and in between it depends on the balance, the fees and how long it will run.

CONTINUED

WHAT CHANGED ON 1 JULY

Three things shifted this financial year that bear on the boost strategy. The concessional cap rose from $30,000 to $32,500, widening the room for salary sacrifice. The lowest marginal rate fell from 16 to 15 per cent, narrowing the gap for lower earners by another point. And payday super arrived: employers must now pay the superannuation guarantee within seven business days of each payday rather than quarterly. This matters because contributions count toward the cap in the year the fund receives them. Under the old quarterly rules, super on April–June wages often landed in July and counted against the following year; now they arrive in the year they were earned, and a salary-sacrifice setting that once sat comfortably under the cap may sit closer to it. Checking what the fund has actually received, through the ATO's online services during the year, beats reconciling payroll figures after 30 June. The salary sacrifice article in Issue 142 covers the cap mechanics in more detail.

Division 296 also commenced on 1 July 2026 for total super balances above $3 million. For the few readers in that territory, boost contributions enlarge the portion of the balance whose earnings are exposed to the additional tax — a calculation for an adviser, not a rule of thumb.

THE QUESTION THAT CHANGES EVERYTHING

Everything above assumes the member is genuinely in transition — still working and not yet retired in the legal sense. The most valuable fact in this topic is that many people running a TTR are not.

Super law sets out the events that release super without restriction. Reaching 65 is one; the pension moves into the retirement phase automatically. But for a member over 60, another event qualifies that is much easier to trigger without realising: the ending of any arrangement under which they were gainfully employed. A 61-year-old who leaves one job and starts another has met it. A consultant who wraps up a contract has met it. A member with a casual second job that finished last year has met it. Retirement in the everyday sense — stopping work altogether — is not required.

Once that condition has been met and the fund is notified, the existing TTR can move into the retirement phase, where the fund's earnings on the account become tax-free, the 10 per cent ceiling disappears and the balance becomes accessible as a lump sum. The catch is that the fund does not know an employment arrangement has ended unless the member tells it. Until the member notifies the fund, the pension keeps running as a TTR, earnings keep being taxed, and the transfer balance cap ($2.1 million for 2026–27) is not yet engaged. A member who changed jobs at 61 and is now 64 may have paid three years of earnings tax that a form would have avoided.

One wrinkle for the boost member: once the pension is in the retirement phase its earnings are exempt, so the salary sacrifice arithmetic improves further — the pre-2017 advantage is, for that member, quietly back. The member who has met a condition of release and keeps working is running the best version of the strategy that still exists.

WHICH STRATEGY ARE YOU IN?

The useful question about a TTR in 2026 is not whether the strategy works but which of three positions you are in. If you are cutting hours and using the pension to replace wages, you are in the wind-down, and the question is whether your balance can afford the time. If you are working full-time and sacrificing salary to fund the pension, you are in the boost, and the question is whether your marginal rate makes it worth the effort. And if you have changed jobs, ended a contract or finished a casual role since turning 60, you may not be in a transition at all — you may be sitting on a retirement pension that has not been told it is one.

A pension started for good reasons a decade ago deserves a fresh look under this year's rules. The rules have changed twice since it began; the member has probably changed too.

WORTH THINKING ABOUT

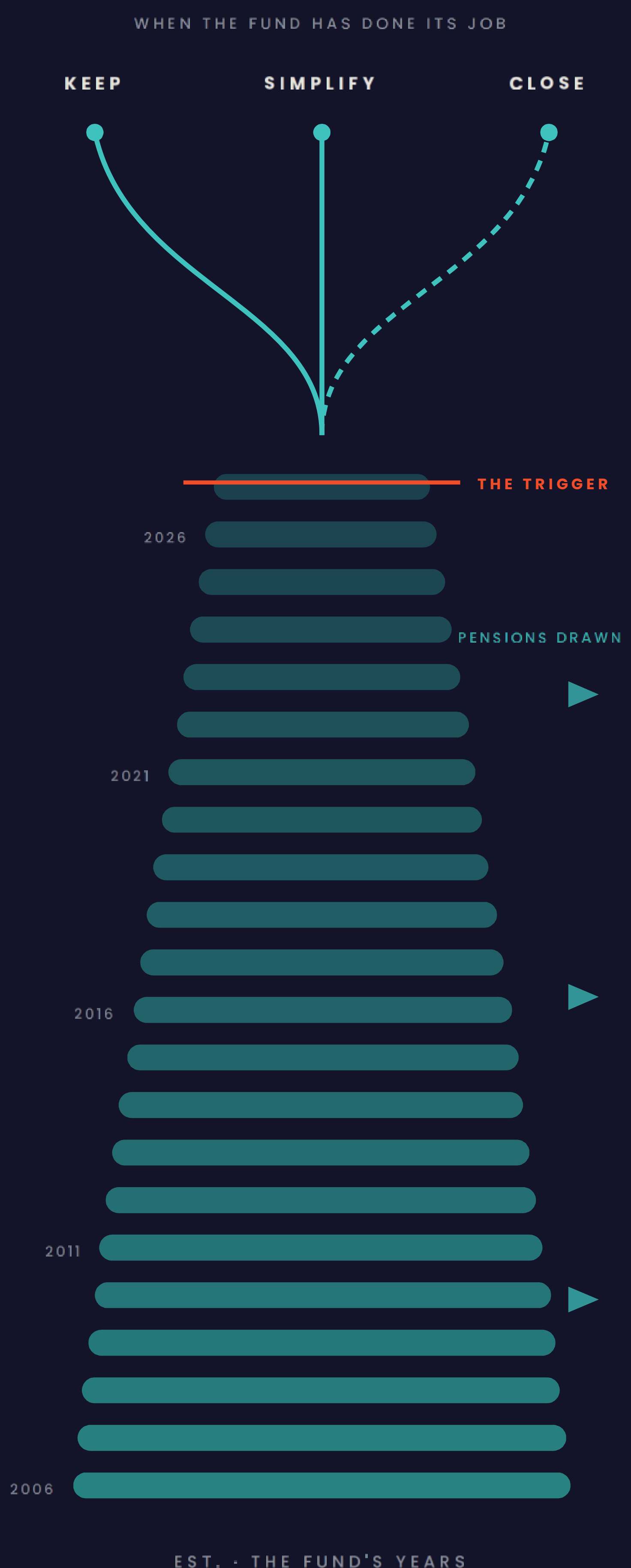
Three questions for your next conversation

→ Which of the two strategies is the TTR actually serving — replacing lost hours, or replacing sacrificed salary — and does the arithmetic for that use still hold at the current marginal rate?

→ Has any employment arrangement ended since turning 60, and has the fund been notified so the pension can move to the retirement phase?

→ With the 2026–27 cap at $32,500 and contributions now arriving with each payday, is the salary sacrifice amount set so the cap is used fully without being breached?

SELF-MANAGED SUPER



FIXED COSTS, A FALLING BALANCE, THREE PATHS.

FEATURE III · SELF-MANAGED SUPER

Winding Up an SMSF: Knowing When the Fund Has *Done Its Job*

Most of what is written about self-managed super is about starting one. Far less is written about the moment a fund has served its purpose — and the difference between a wind-up done well and one done in a hurry can be measured in tax, time and family stress.

CONTINUED FROM OPPOSITE

Margaret is 74. For twenty years her husband ran their self-managed super fund with the enthusiasm of a hobby: a commercial property, a share portfolio rebalanced every quarter, minutes in a lever-arch folder. She signed where he pointed. He died in March. Now the accountant wants her to approve an investment strategy she has never read, the auditor wants documents she cannot find, and a letter from the ATO uses the phrase "trustee obligations" in a way that sounds like a warning. She is, in the language of the law, a trustee. In every other sense she is a widow with a folder.

Margaret's situation is the most common way an SMSF ends badly. The fund was not a mistake — it did its job for two decades. It simply outlived the person who wanted it, and nobody had planned for the handover. When to wind up an SMSF is really a question of whether the fund still has someone who wants to run it, and whether what it holds still needs a structure this demanding.

WHEN THE ENGAGED TRUSTEE IS GONE

The law generally requires every member of an SMSF to be a trustee, or a director of its corporate trustee. That is what makes the fund self-managed, and what makes a death or loss of capacity so disruptive: a member who can no longer act cannot remain a trustee, and a fund that stops meeting the definition risks its complying status. The legislation anticipates this in two ways: it allows a deceased or incapacitated member's legal personal representative — an executor, or an enduring attorney — to act as trustee in the member's place, and where a fund would otherwise fall outside the definition it allows six months to put the structure right.

That gives three broad paths. The fund can be restructured, with the remaining member continuing and the deceased member's executor stepping in while the death benefit is dealt with. Where a member has lost capacity rather than died, their enduring attorney can be appointed as trustee in their place, keeping the member and their balance inside the fund; without an enduring power of attorney, the alternative is a tribunal application for an administrator, which is slower and dearer. Or the fund can be wound up, with benefits paid out or rolled to a public fund. For an SMSF member, the documents covered in Issues 131 and 144 are not just estate planning; they are what keeps the fund lawful when something goes wrong.

The choice is rarely obvious in the weeks after a death, which is why the better time to make it is before one. A couple who agree what the surviving spouse would want the fund to become — kept and simplified, continued with an engaged adult child joining as a member and trustee, or closed — has done the part of the wind-up that matters most.

THE OTHER TRIGGERS

Death and incapacity are the dramatic triggers; the quieter ones accumulate. A fund established at $800,000 that has paid two pensions for twelve years may now hold $400,000, and the accounting, audit and levy that were a rounding error at the start are a visible drag at the end. Fixed costs against a falling balance is the arithmetic of every SMSF in pension phase, and it only moves one way.

> *Fixed costs against a falling balance is the arithmetic of every SMSF in pension phase, and it only moves one way.*

Then there are changes in the members' lives. Trustees who move overseas for an extended period can cause the fund to fail the residency test. A fund built around a geared residential property may find the strategy is not repeatable: since 10 August 2026 a new limited recourse borrowing arrangement over real property can generally only be used for business real property, though existing arrangements and qualifying refinancings are protected. And there is the simple weariness that sets in when the compliance calendar starts to feel like a second job — a structure chosen at 50 for its control can feel different at 78.

WHAT THE FUND IS STILL GIVING YOU

None of these triggers is a verdict. The honest test sets what the fund still provides against what it costs, and the answer is often more nuanced than close or keep.

The strongest reason to keep a fund is that it holds something no other structure can. Direct property, particularly business premises leased to a family company, cannot be moved into a public fund without being sold. A long-held asset sitting on a large unrealised gain may be worth keeping in place for that reason alone. Some families value the estate control an SMSF offers — writing the rules on death benefits and reversionary pensions into the deed rather than relying on a public fund's trustee. And for some members the control itself is the point, which is a legitimate preference rather than a mistake.

CONTINUED

On the cost side, ASIC's current guidance no longer names a minimum balance for an SMSF; balance is one factor among several, alongside the member's time, skill and reasons for wanting the structure. What the numbers do say is that costs are largely fixed. The ATO's 2023–24 statistics put the median operating expense — accounting, audit, levy and administration, before investment costs — at a little over $4,000 a year: a fraction of a per cent on $1.5 million, well over one per cent on $300,000. Because so much of the cost is fixed, it grows as a share of the balance every year the pensions are drawn, and the comparison with a public fund, where fees are more often tied to the balance, can flip without anyone noticing.

The final consideration is Margaret's. A fund that only one member ever understood is a fund with a single point of failure. If the answer to "who runs this if you can't" is silence, that is a stronger argument than any fee comparison.

THE MIDDLE PATH: SIMPLIFY RATHER THAN CLOSE

Between keeping the fund as it is and winding it up sits a set of options that often gets skipped. A fund with individual trustees can move to a corporate trustee, so that a death or incapacity changes a company's directors rather than the legal owner of every asset — a considerable simplification where property titles are involved. A complicated portfolio can be moved to a handful of listed or managed holdings that need little attention. Administration can be outsourced so that the trustees' job reduces to signing and reviewing. A willing and capable adult child can be added as a member and trustee while the parent can still teach them the fund. And a two-member fund can become a one-member fund with a corporate trustee — often the cleanest structure for a surviving spouse who wants the property but not the workload.

For many families this is where the decision lands: the fund has done its original job, but it has a simpler one still to do.

IF THE ANSWER IS TO CLOSE

If the decision is to wind up, the order of operations is where value is kept or lost — work for the adviser and accountant together, not a form to fill in.

The first principle is that pensions should generally stay in place until the assets have been realised. While a member's balance is in retirement phase, some or all of the fund's income and capital gains may qualify as exempt current pension income, depending on the fund's circumstances. Commute the pensions first and sell afterwards, and gains that might have been exempt are instead taxed inside the fund — at 15 per cent, or an effective 10 per cent on assets held for more than a year. On a property or portfolio held for decades, the difference can run to tens of thousands of dollars.

The second is how the assets leave. Most public funds accept only cash, so assets are usually sold. Where a member has met a condition of release, assets can instead be transferred to the member in specie — but that is still a disposal for capital gains purposes and, for property, may attract stamp duty: not a way around the tax question, only a different route through it.

The third is the transfer balance cap. Commuting the old pension creates a debit against the member's transfer balance account; starting the new pension creates a credit. The commutation must be reported promptly: if the receiving fund reports the new pension before the SMSF's debit is recorded, the member's account can temporarily show both — and for a member near the cap, $2.1 million for 2026–27, that looks like an excess until the reporting catches up.

Any insurance held through the fund ends with it, so cover in the new fund should be in place before the old one closes, not after.

Once the benefits are out, the fund needs a final audit, a final annual return marked as a wind-up, tax and levy paid, the bank account closed and the ABN cancelled. There is no reopening a wound-up fund — one more reason the decision to close deserves the same deliberation as the decision to start.

WORTH THINKING ABOUT

Three questions for your next conversation

- If one member could no longer act tomorrow, is there an enduring power of attorney in place and a shared understanding of what the surviving trustee would want the fund to become?
- Does the fund still hold anything that could not be held in a public fund, and does that asset justify the structure on its own?
- If the fund is in pension phase, what does the fixed-cost drag look like against the balance in five years, and would a corporate trustee or a simpler portfolio change the answer?

Ask a *question.*

Five questions from readers this issue: an expiry date on unused super cap space, how much of an inheritance can go into super under this year's higher caps, what to make of the letters funds are sending about their retirement income strategies, whether a retiree still needs to lodge a tax return, and what payday super changes for members.

I

I've been told some of my unused concessional cap expires next June. What does that mean?

Since 2018–19, any concessional cap you don't use in a year can be carried forward and used in a later one — but only for five years. Unused space from 2021–22, when the cap was $27,500, is the next tranche to lapse: whatever remains must be used by 30 June 2027 or it disappears. Once your contributions exceed this year's ordinary cap, the ATO applies your oldest unused amounts first. To draw on carried-forward space, your total super balance must have been below $500,000 at the previous 30 June, and the extra contributions still have to be concessional — salary sacrifice, or a personal contribution you claim as a deduction after lodging a notice of intent with your fund and receiving its acknowledgment. The ATO's online services show your carried-forward amounts year by year, which is the place to check before deciding whether a top-up this year is worth it.

II

I'm 66 and have just received an inheritance. How much can I put into super this year?

The non-concessional cap — after-tax contributions — rose to $130,000 for 2026–27. Because you are under 75, you may also be able to bring forward two future years and contribute up to $390,000 at once, depending on your total super balance at 30 June 2026. Below $1.84 million, the full three-year amount is available; from $1.84 million to under $1.97 million, two years ($260,000); from $1.97 million to under $2.1 million, only the ordinary $130,000; and at $2.1 million or above, the cap is nil. There is no work test for non-concessional contributions at your age. Two cautions: a bring-forward triggered in an earlier year is locked at that year's cap, and a contribution that arrives even a day late counts against next year. The timing and amount are worth settling with your adviser before the money moves.

III

My super fund keeps writing to me about its "retirement income strategy". What is that, and do I have to do anything?

Since July 2022, APRA-regulated super funds have been required by law to have a strategy for helping members who are retired or approaching retirement — covering how members might turn savings into income, manage the risk of outliving their money, and keep flexible access to capital. Funds must publish a summary of that strategy and review it regularly, and the letters are most likely part of the fund explaining the retirement help and products it offers. A general communication of that kind does not, by itself, mean you need to change anything or take up anything it describes. It is worth reading for one reason: it tells you what your fund can and cannot do once you retire, which is useful background before you decide, with your adviser, how your own retirement income should be structured.

IV

I'm retired and my only income is my super pension. Do I still need to lodge a tax return by 31 October?

Possibly not. Income-stream payments from a taxed super fund are tax-free once you are 60 and do not count towards the test, so if the rest of your income — interest, dividends, rent, part-time wages — is under the $18,200 tax-free threshold and no tax has been withheld from it, you generally do not need to lodge. You should still tell the ATO, by submitting a non-lodgment advice through your myGov account, so the reminders stop. There are exceptions: any tax withheld means a return is needed to get it back, and if you are entitled to a refund of franking credits you either lodge a return or use the ATO's separate refund application, which many eligible retirees now receive automatically. If you use a tax agent, the 31 October deadline usually extends.

V

My super now lands every fortnight instead of quarterly. Does that change anything for me?

Yes, in two useful ways. Since 1 July 2026 employers must pay the superannuation guarantee with each pay cycle so it reaches your fund within seven business days, rather than by the 28th day after each quarter. The first change is visibility: a contribution that fails to arrive is now obvious within weeks rather than months, so it is worth checking that each pay slip's super figure matches what lands in the fund. The second is timing against the concessional cap. Contributions count in the year the fund receives them, and under the old rules the last quarter's super often arrived in July and counted against the following year; now the whole year's contributions land in-year. If you salary sacrifice close to the $32,500 cap, a setting that was safe last year may sit closer to the line this year.

DATES TO NOTE

Three deadlines in the year ahead

31 October 2026	Lodgment deadline for 2025–26 individual tax returns lodged without a tax agent; the ATO's non-lodgment advice is due by the same date if a return is not required.
30 June 2027	Last day to use unused concessional cap space carried forward from 2021–22; the first Division 296 test date, on total super balances at 30 June 2027.
1 July 2027	The 15 per cent marginal rate on income between $18,201 and $45,000 is legislated to fall to 14 per cent.

The answers above are general information only and do not take account of your objectives, financial situation or needs. Speak with your adviser before acting on anything in this section.

Key figures, 2026–27.

The thresholds referred to across this issue, as published by the Australian Taxation Office for the financial year beginning 1 July 2026.

SUPERANNUATION CONTRIBUTIONS

Concessional contributions cap	$32,500
Non-concessional contributions cap	$130,000
Bring-forward, up to three years Under 75; total super balance at 30 June 2026 below $1.84 million	up to $390,000
Bring-forward, two years Total super balance $1.84 million to under $1.97 million	up to $260,000
Non-concessional cap where total super balance is $2.1 million or more	nil
Carry-forward of unused concessional cap Total super balance below $500,000 at prior 30 June; unused 2021–22 amounts lapse after 30 June 2027	five-year window
Superannuation guarantee Paid each payday; received by the fund within seven business days	12%
CGT cap amount (small business contributions)	$1,935,000

RETIREMENT PHASE

General transfer balance cap	$2.1 million
Preservation age Born after 30 June 1964	60
Transition to retirement pension drawdown Of the account balance at 1 July	4% – 10%
Division 296 threshold Additional 15% on earnings attributable to the portion of total super balance above $3 million; a further 10% above $10 million. First assessed at 30 June 2027	$3 million

PERSONAL INCOME TAX, RESIDENTS

$0 – $18,200	nil
$18,201 – $45,000 Reduced from 16% on 1 July 2026	15%
$45,001 – $135,000	30%
$135,001 – $190,000	37%
Over $190,000	45%
Medicare levy Reduced or nil below the low-income thresholds	2%

Figures are current at the time of going to press and are subject to indexation and legislative change. They are general information only; how they apply to you depends on your circumstances, which your adviser can help you work through. Sources are listed on page 15.

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IMPORTANT INFORMATION

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