

# Tip sheet

## Retirement planning

which is when NZ Super begins paying out, but there is no official age for retirement in NZ. On top of that, people are living longer than ever before. According to Stats NZ\*, the average life expectancy is 80 years for men and 83.5 for women, but many financial advisors suggest budgeting for a life lived to 90 years of age. Regardless of when you look to retire, planning ahead is crucial for ensuring financial security, better health and wellbeing, and peace of mind in your later years. By starting early and following a structured approach, you can build a robust retirement plan that supports your desired lifestyle.



### Where could your money come from?

There are several ways to continue generating income for retirement, including:

- KiwiSaver
- NZ Superannuation (NZ Super)
- Iwi-based saving schemes
- Savings
- Investments
- Income from a property (e.g. renting out a room, subdividing, reverse mortgage, downsizing, etc)
- Continuing to work through retirement.

### Planning for retirement

#### Assess your financial needs

Begin by estimating how much money you will need in retirement. There is no 'magic number', but it helps to consider factors like your desired lifestyle, healthcare costs and potential travel plans. A general rule of thumb is to aim for 70-80% of your pre-retirement income, but personal circumstances may require adjustments.

#### Start saving early

The earlier you start saving for retirement, the better. Take advantage of compound interest, which allows your investments to grow over time. Even small, regular contributions can accumulate significantly over the years.

Be sure to also make the most of your KiwiSaver during your working years. This could include a higher contribution rate and regular or semi-regular contributions on top.

#### Diversify your investments

Diversification reduces risk by spreading your investments across various assets. Consider a mix of stocks, bonds and real estate. As you approach retirement, gradually shift to more conservative investments to protect your savings from market volatility.

#### Monitor and adjust your plan

Regularly review your retirement plan to ensure it aligns with your goals and changing circumstances. Adjust contributions and investment strategies as needed.

### Control debt and manage expenses

Entering retirement debt-free is ideal. Prioritise paying off high-interest debts like credit cards and loans. Manage your expenses by living within your means and avoiding unnecessary spending. A realistic budget helps maintain financial stability in retirement.

### Consider healthcare and insurance

Healthcare costs can be significant in retirement, especially when it comes to specialist or in-house care beyond the reach of public funding. Explore options like private health insurance or long-term care insurance to cover potential medical expenses. Planning for healthcare ensures you are prepared for unforeseen circumstances without depleting your retirement savings.



### Seek professional advice

Consulting a financial advisor can provide personalised guidance tailored to your retirement goals. Advisors can help optimise your investment strategy, navigate tax implications and ensure you are on track to meet your retirement objectives.

Vitae partners with **Money Maverick** to deliver financial wellbeing advice on a variety of subjects. Contact our team any time to find out what's available to your workplace.

By following these steps, you can create a comprehensive retirement plan that provides financial security and allows you to enjoy your retirement years with confidence.

### More useful information

[ANZ's KiwiSaver calculator](#)

[About NZ Superannuation](#)

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### Contact

0508 664 981  
assistance@vitae.co.nz  
[www.vitae.co.nz](http://www.vitae.co.nz)