

# Strategy Document – Video SOA

**Client Name:** Gregory Johnson

**Adviser:** Joanne Brassett

**Advice Type:** Retirement Planning, Superannuation & Investment Strategy

## 1. Scope of Advice

This advice is focused on helping you prepare for retirement and structure your investments in a way that supports both your lifestyle and your family priorities.

This includes:

- Retirement income modelling and sustainability
- Superannuation strategy and transition to pension phase
- Establishment of investment bonds for family support
- Contribution strategies

The following areas are not covered in this advice:

- Detailed taxation advice
- Estate planning advice

## 2. Your Objectives

From our discussions, your key priorities are:

- To establish a clear and sustainable retirement income plan
- To retire overseas, with Da Nang, Vietnam identified as a strong option
- To maintain flexibility as your lifestyle and plans evolve over time
- To provide meaningful financial support to your three sons and your sister
- To make effective use of your superannuation and contribution opportunities
- To feel confident in how your retirement will be funded over the long term

### 3. Your Current Position

At the time of this advice, your position can be summarised as follows:

- Your primary retirement asset is your superannuation held with Macquarie
- Opening balance used for modelling: \$378,542.15
- This reflects:
  - \$20,000 withdrawn as cash
  - \$100,000 allocated toward investment bonds
- You have approximately \$72,000 in unused concessional contribution capacity
- You intend to retire at the start of the next financial year
- You are planning to relocate overseas in retirement

### 4. Recommended Strategies

#### Strategy 1: Retirement Income Planning

##### **Recommendation:**

We modelled two income scenarios:

- ~\$35,000 p.a. (greater flexibility)

##### **How this works:**

This modelling allows us to understand how long your superannuation may last under different spending patterns while factoring in returns and pension rules.

##### **Documents related to:**

- Pension Projection

##### **Key Modelling Assumptions – Gregory Johnson**

###### Retirement Timing

- Cease employment from the start of the next financial year

###### Retirement Location

- Overseas relocation (e.g. Southeast Asia)
- Lower cost of living assumed

###### Assets and Structure

- Superannuation (Macquarie)

- Balance: \$378,542.15
- Includes prior withdrawals:
  - \$20,000 cash
  - \$100,000 investment bonds

#### Income Sources

##### Age Pension:

- Assumed: \$29,390.40 p.a.
- Subject to:
  - Legislation
  - Residency rules
  - Ongoing assessment

##### Super Drawdown Strategy

- Account-based pension
- Minimum drawdown rates
- Ongoing review yearly

##### Additional Withdrawals

- \$10,000 every 10 years
- Covers irregular expenses (travel, leisure and medical expenses)

##### Investment Assumptions

- Growth-oriented portfolio
- Returns are variable and not guaranteed

##### Life Expectancy

- Modelled to age 86

##### Expenditure Considerations

- Lower overseas living costs
- Irregular spending included

##### Projection Limitations

Projections are illustrative only. Outcomes may vary due to:

- Investment performance
- Legislative changes
- Residency changes
- Personal circumstances

## Strategy 2: Superannuation Strategy

### **Recommendation:**

Retain the majority of your assets within superannuation and transition to a pension phase.

### **How this works:**

- Your super will convert to an account-based pension
- You will draw a minimum income each year
- Pension payments will be tax-free once established

### **Document related to:**

- Super to Pension Matrix

## Strategy 3: Investment Bonds (Family Support Strategy)

### **Recommendation:**

Establish four investment bonds: (Total of 4)

- One for each of your three sons
  - Adam Eric Medici
  - Marcus Gregory Medici
  - Lachlan Joshua Johnson
- One for your sister
  - Karen Ann Goss

### **Funding strategy:**

- Initial investment: \$20,000 per bond (\$80,000 total)
- First-year contributions: up to \$6,000 per bond (\$50 per month)

### **How this works:**

Investment bonds:

- Provide a tax-paid investment structure
- Allow long-term compounding
- Enable increasing contributions over time using the 125% rule

**Document related to:**

- Investment Bond projection
  - There is only 1 projection but it is essentially the same for all four investment bonds.

**Strategy 4: Contribution Strategy**

**Recommendation:**

Utilise available concessional contribution capacity where appropriate.

- Approx. \$72,000 available

**How this works:**

- Improves tax efficiency
- Increases long-term retirement savings
- To be implemented only where cash flow allows

## 5. Why This Strategy is Appropriate

This strategy is appropriate because it:

- Supports your intention to retire overseas with a lower cost of living
- Provides flexibility across different income levels
- Balances your needs with supporting your family
- Uses tax-effective structures such as super and investment bonds
- Allows adjustments as your situation evolves

## 6. Benefits of the Strategy

- Clear understanding of retirement sustainability
- Flexibility in income and lifestyle decisions

- Structured support for family members
- Improved tax efficiency
- Confidence in long-term planning

## 7. Risks and Trade-offs

### **Risks:**

- Investment markets may fluctuate
- Legislative changes may impact outcomes
- Longevity risk

### **Trade-offs:**

- Supporting family reduces retirement capital
- Contributions reduce short-term cash flow
- Growth strategy introduces volatility

## 8. Alternative Considered

### **Alternative:**

- Retain all funds within superannuation

### **Not recommended because:**

- Limits family support opportunities
- Reduces flexibility

### **Alternative:**

- Retirement income modelling of ~\$18,000 p.a. (base lifestyle)

### **Not recommended because:**

- Minimum pension drawdown requirements, together with the Age Pension, are expected to generate income in excess of \$18,000 per annum.

## 9. Costs and Fees

- Upfront advice fee: \$3,900 + GST

- Ongoing fees: 2,800+ GST

## 10. Implementation Steps

1. Confirm agreement with recommendations
2. Establish four investment bonds
3. Invest \$20,000 per bond
4. Implement up to \$5,000 contributions per bond
5. Review concessional strategy with accountant
6. Prepare pension transition
7. Schedule ongoing reviews

## 11 Adviser Summary

This strategy is designed to help you:

- Transition confidently into retirement
- Support your overseas lifestyle
- Provide structured support to your family
- Maintain flexibility and control over your financial future

The next step is to proceed with implementation, subject to your approval.