



WEALTH MANAGEMENT SOLUTIONS

eNewsletter

Exclusive Client Email Newsletter
3 April 2020

Retirewell - It's Business as Usual in Unusual Times

"**May you live in interesting times**" - purportedly an ancient Chinese curse. While seemingly a blessing, the expression is normally used ironically; life is better in "uninteresting times" of peace and tranquility than in "interesting" ones, which are usually times of trouble.

Although we are in unusual times, it's business as usual for Retirewell. We are following Government recommendations, including some staff working from home, a minimal number of face-to-face meetings and social distancing controls. However the full Retirewell team remains on hand to answer your queries and provide support.

SUPER PENSION ANNUAL MINIMUM PAYMENT HALVED

Due to the effect of the Coronavirus on investment returns, the SIS Act Regulations have been amended to allow a temporary 50% reduction to the required minimum annual withdrawal amounts applicable to the 2019-20 and 2020-21 financial years, for allocated account based pensions, pensions and market linked pensions - see table below.

Percentage of Pension Account Balance Factors, by Age

AGE	DEFAULT MINIMUM DRAWDOWN RATES	RATES REDUCED BY 50% for 2019-20 and 2020-21
Under 65	4%	2.0%
65 – 74	5%	2.5%
75 – 79	6%	3.0%
80 – 84	7%	3.5%
85 – 89	9%	4.5%
90 – 94	11%	5.5%
95 and older	14%	7.0%

If you do not need the income, it would be advantageous to take advantage of this concession this financial year as well as in 2020-21 to keep more capital in the tax-free environment of super, and to avoid the possibility of needing to sell investments at a low point to finance the pension.

Please note that most clients hold at least 30% of their assets in Defensive investments i.e. fixed interest or cash. Unless instructed otherwise, we will top up your cash account (if required), from these investments. This will give any Growth investments which have recently declined in value, at least 2 to 3 years to recover in value.

Action

If you are a Retirewell client and have a super pension, and wish to adjust the pension payments you are currently receiving, please contact your Retirewell Adviser and we can arrange for you:

- To nominate a reduced pension payment amount. This new nominated amount will continue into next financial year but can then be increased at any time OR
- To make a one-off request to suspend further pension payments until next financial year. In this case, the pension payment amount for next financial year will be based on the new 50% minimum is, but can then be increased at any time OR
- Where your fund has not yet paid your annual pension, you can instruct the fund to keep your payment to a nominated level, down to half the minimum level for your age group. You must receive the new pension minimum by 30 June 2020. This new nominated amount will continue into next financial year but can then be increased at any time.

GOVERNMENT CUTS DEEMING RATES TO HELP PENSIONERS

Due to the effect of the Coronavirus on the economy and investment returns, the Federal Government announced this week that from 1 May 2020 the deeming rates for the Income Test for Centrelink and DVS benefits would be lowered from 0.5% to 0.25% (lower rate) and from 3% to 2.25% (upper rate). Centrelink also applies the same deeming rates and thresholds to retirement income streams commenced after 31 December 2014, when assessing eligibility for the Commonwealth Seniors Health Card.

Common types of investment assets to which deeming rates apply for Centrelink or DVA benefits are savings accounts and term deposits, shares, managed investment such as managed funds and insurance bonds and account-based superannuation income streams or pensions (commenced from 1 January 2015)

The deeming rates **from 1 May 2020** are listed in the table below.

SITUATION	LOWER DEEMING RATE	UPPER DEEMING RATE
Single	0.25% on the first \$51,800 of your investment assets, plus	2.25% on your investment assets over the amount of \$51,800
Couple	0.25% on the first \$86,200 of your combined investment assets, plus	2.25% on your investment assets over the amount of \$86,200

Under the deeming rates from 1 May 2020, if you're **single** and have no other income sources, you can have investment assets worth approximately **\$247,000** (a deemed income of just below \$4,524) and still be entitled to receive the **full** Age Pension of \$24,551.80 a year (provided that your personal assets other than your home, such as car and contents, do not cause you to exceed the \$263,250 assets test threshold, you are age-eligible and you're an Australian resident).

If you're **living with your partner** and neither of you have other income sources, you can have combined investment assets worth approximately **\$432,000** (a deemed income of just below \$8,008) and still both be entitled to receive the **full** Age Pension of \$37,013.60 a year (again, provided that that your combined personal assets other than your home, such as car

and contents, do not cause you to exceed the \$394,500 assets test threshold, you are age-eligible and you're an Australian resident).

CORONAVIRUS : SOME INFORMATIVE MEDICAL SCIENCE FACTS

Source - John Hopkins University, Baltimore Maryland USA

- * The virus is not a living organism, but a protein molecule (DNA) covered by a protective layer of lipid (fat), which, when absorbed by the cells of the ocular, nasal or buccal mucosa, changes their genetic code (mutation), and converts them into aggressor and multiplier cells.
- * Since the virus is not a living organism but a protein molecule, it is not killed, but decays on its own. The disintegration time depends on the temperature, humidity and type of material where it lies.
- * The virus is very fragile; the only thing that protects it is a thin outer layer of fat. That is why any soap or detergent is the best remedy, because the foam CUTS the FAT (that is why you have to rub so much: for 20 seconds or more, to make a lot of foam). By dissolving the fat layer, the protein molecule disperses and breaks down on its own.
- * HEAT melts fat; this is why it is so good to use water above 25 degrees Celsius for washing hands, clothes and everything. In addition, hot water makes more foam and that makes it even more useful.
- * Alcohol or any mixture with alcohol over 65% DISSOLVES ANY FAT, especially the external lipid layer of the virus.
- * Any mix with 1 part BLEACH and 5 parts water directly dissolves the protein, breaks it down from the inside.
- * The virus is not a living organism like bacteria; we cannot kill what is not alive with antibiotics, but the virus quickly disintegrates its structure with everything mentioned above.
- * NEVER shake used or unused clothing, sheets or cloth. While the virus is glued to a porous surface, it is very inert and disintegrates only between 3 hours (fabric and porous material), 4 hours (copper), 24 hours (cardboard), 42 hours (metal) and 72 hours (plastic). If you shake or use a feather duster on above materials, the virus molecules float in the air for up to 3 hours, and can lodge in your nose.
- * The virus molecules remain very stable in external cold or air conditioners in houses and cars. Viruses also need moisture to stay stable, especially in darkness. Therefore, dehumidified, dry, warm and bright environments will degrade them faster.
- * UV LIGHT on any object breaks down the virus protein.
- * The virus CANNOT go through healthy skin.
- * Vinegar is NOT useful because it does not break down the protective layer of fat on the virus.
- * NO SPIRITS, NOR VODKA, help. The strongest vodka has 40% alcohol, and you need 65%.
- * LISTERINE helps if it has 65% alcohol.

- * The more confined the space, the more concentration of the virus. The more open or naturally ventilated, the less.
- * Wash your hands before and after touching mucosa, locks, knobs, switches, remote controls, cell phones, watches, computers, desks, TV, etc. And when using the bathroom.
- * Use MOISTURISER to humidify hands which tend to be dry from so much washing. Virus molecules can hide in the micro cracks of dry hands. The thicker the moisturiser, the better. Also keep your NAILS SHORT so that the virus does not hide there.

RECIPE FOR HAND SANITISER

Source - Sunday Mail 22 March 2020

Because of the extreme shortage of hand sanitiser, particularly in large size bottles, we thought we should pass on this recipe for home-made alcohol-based hand sanitiser, which appeared in an article in *The Sunday Mail* on 22 March. The active ingredient in all hand sanitisers is ethanol – the purest distillation of alcohol. To be effective, the sanitiser must contain between 70% and 95% ethanol.

Here is the recipe for making a litre of Hand Sanitiser. It mirrors the World Health Organisation's formula, but has an extra splash of coconut oil and glycerin to protect the skin and peppermint to add fragrance - and make it smell better!.

- 850 ml of ethanol (methylated spirits is usually 95% ethanol)
- 40 ml of hydrogen peroxide (not essential, but kills fungal spores)
- 10 ml to 15 ml of glycerine
- Heaped tablespoon, or 5 to 10ml of coconut oil (won't fully dissolve, but doesn't matter)
- A few drops of peppermint oil or peppermint essence
- Top up to a litre with distilled water

Note: Apart from glycerine, the additives are not recommended on the WHO's formula in case some people have an allergy to them. For this reason, the ingredients should be written clearly on the container. The WHO recommends that this formula is appropriate for use when commercial supplies are unavailable or unaffordable

If you are taken with the idea of making your own home sanitiser, you might think about adding aloe vera (either in addition to or instead of the coconut oil), or some Dettol, or your own favourite fragrance such as vanilla, rose or lavender, or substituting isopropyl alcohol or rubbing alcohol (they are different - Google them) for the ethanol, which is denatured alcohol. Just remember, to be effective, the final potion must have at least 70% ethanol content, to be effective. Don't forget to label the bottle with the ingredients.

TAKE CARE & STAY SAFE!