

MEDIA RELEASE

Optimum Pensions Calls on Retirement Professionals to Update Life Expectancy Calculations to be Fit for Purpose.

Optimum Pensions' newly launched Lifespan Calculator tackles retiree fears of outliving their savings.

MELBOURNE, 7 April 2021 – With Australians living longer, it is more important than ever to understand how long retirement income needs to last. Underestimating a retiree's lifespan could mean they outlive their savings. Overestimating it could mean an excessively frugal existence for the retiree.

Recent research into the methodologies used by both superannuation funds and financial advisers shows that many retirement planning tools may not always reflect best practice when it comes to determining and allowing for life expectancy. This is also reflected in outdated and inappropriate life expectancy statistics being commonly quoted in the media.

The Optimum Pensions Lifespan Calculator is based on the latest Australian Life Tables and incorporates health data from one of the world's largest reinsurers of longevity risk. Rather than showing averages, the results can be personalised by considering health and lifestyle factors. It includes both spouses in a couple and lets each user focus on how confident *they* wish to be that their retirement planning timeframe can cover both their potential lifespans.

"This can add 10 years to the results that a less accurate life expectancy calculator provides" said Jim Hennington, Head of Innovation at Optimum Pensions. "It is a must-have for more accurate retirement planning".

SuperGuide, the largest superannuation information website service in Australia, was one of the first organisations to recognise the need for building a greater understanding of lifespan and other variables that impact length of retirement.

Co-founder Robert Barnes commented that "Tools like the Lifespan Calculator that are interactive, look good and are educational have a wide appeal on a topic where there is strong interest and a strong need."

Optimum Pensions calls on all retirement professionals to check that the life expectancy calculation methods they use are fit for purpose. If the lens we view retirement through is inaccurate then incorrect conclusions will be drawn about retirement strategies and decisions. Retirees should not be paying the price.

The Lifespan Calculator is available for hosting on any organisation's website.

/Ends

Optimum Pensions

Optimum Pensions was launched in 2017 with a single mission – to help Australians lead a comfortable retirement. The Optimum Pensions innovative retirement income solutions are specifically developed to address longevity risk and provide greater peace of mind for all retirees; no matter how long they live. www.optimumpensions.com.au

Note to Editors: Photos available on request

For media enquiries:

Peter Rowe

Mobile: 0407 747802

peter@optimumpensions.com.au