

## **Women and retirement**

Retirement planning has traditionally been something many couples leave to the male partner to deal with. However, it is vital women play an active role in the process too – whether they are on their own or in a relationship. Otherwise, retirement could end up being something to be endured rather than enjoyed.

The reality is that more than half of all New Zealand women will spend all or some of their retirement alone, simply because they tend to live longer. Nowadays, a woman who reaches 60 can expect to live another 22 or 23 years on average, while men generally live only another 16 or 17. Combined with the fact that in most relationships the man is usually the older partner, that adds up to a lot more women on their own in retirement.

So, when planning their retirement, women need to think about how to generate enough income to last around 20 years. Unfortunately, this is far from easy for many. Generally speaking, women still earn less than men, and they tend to spend fewer years in full-time employment because they are more likely to interrupt their careers to raise children or care for elderly parents.

When they do return to the workforce, many women have to accept part-time employment or a more junior position as a result of their absence from the workforce. According to an Australian survey carried out in the mid 1990s, while men spend an average of 38 years in the workforce, women spend only 17.

With increasing numbers of women spending much of their retirement alone, adequate provision has to be made to ensure those years will be comfortable. Women who plan to rely on their spouses in retirement need to check they will still be entitled to any benefits from their partner's employer-sponsored superannuation scheme should they end up on their own (a landmark High Court ruling in 1993 means many will not be).

Women also need to be just as aware as their partners of financial issues such as knowing what their household income is and where it all comes from, how it is spent and invested, and what it will be during retirement.

Retirement is meant to be a 'golden' time. The only way to make sure it turns out that way is to plan and to start planning as early as possible. Part of the planning process should be seeking the right advice – both at the outset and on a regular basis – from a properly qualified professional.

ENDS

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