



PLANET WEALTH

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## Newsletter - July 2020

Welcome to the latest edition of our client newsletter,

Our articles cover a range of topics which we hope you will find interesting. We aim to keep you informed of changes as they happen, but we also want to provide ideas to help you live the life you want – now and in the future.

In this edition we discuss “Ways to help future-proof your career in 2020” and provide you with information on “How to Protect yourself from Covid-19 related Scams” and “How to rebuild your Super after Covid-19 withdrawal”.

If you would like to discuss any of the issues raised in this newsletter, please don't hesitate to contact us.

In the meantime we hope you enjoy the read.

All the best,  
Planet Wealth

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# Protect yourself from COVID-19 related scams

Aside from the shutdowns, job losses and restrictions, there's been another worrying element to the COVID-19 (coronavirus) pandemic – scammers are zeroing in on the changes to our financial interactions and shopping habits to take advantage of people across Australia.

Government website Scamwatch.gov.au reports that it's received reports of over 2700 COVID-19 related scams – with over \$1,114,000 in reported losses – since the pandemic began<sup>1</sup>.

## Types of scams to look out for

### Phishing scams:

'Phishing' is a type of fraudulent messaging (either through email or SMS text), and often directs people to enter their personal information on a fake website. Once personal information is entered, it's sent to scammers and your computer may be compromised, or in other words, hacked.

Alternatively, the scammer may want you to open an email attachment so that a malicious script can be executed resulting in your computer and data being compromised.

Known COVID-19 phishing scams include those pretending to be from:

- MyGov, the Department of Health, the Australian Taxation Office and Services Australia
- the World Health Organization
- banks, supermarkets, travel agents, and
- insurance and telecommunication companies.

To avoid becoming a victim, you shouldn't click on links in messages or respond to messages that ask for personal or financial details. Instead, delete any suspicious messages, and check they're real by visiting the organisation's website directly using your internet browser (rather than through clicking a hyperlink) and calling them on the number located there. Additionally, we recommend you hover your cursor over the suspicious link (without clicking) to reveal its true destination (URL).

Be sure to visit the ACCC's scam watch webpage to obtain more info.

### Online shopping scams:

Some scammers have created fake web-based or social media stores that sell products related to COVID-19 such as cures, vaccinations or face masks, however upon placing an order and paying, victims receive nothing.

The website may look legitimate by using professional layouts and logos, but one of the best ways to detect a fake seller is to search for reviews before purchasing. Another tell-tale sign can be requests for upfront payment via unusual methods such as money order, wire transfer, international funds transfer, preloaded card or a cryptocurrency like Bitcoin.

### Superannuation scams:

Scammers are taking advantage of the government's COVID-19 temporary change to super, which allows eligible people to access some of their super early.

These scams typically begin with a phone call claiming to be from a super fund or financial services company. The scammer may ask if you've been contacted by your super fund first, then if the answer is no, offer to check whether you're eligible to access your super early or help you to do it.

Another scam involves offering to check that you haven't been locked out of your super account, or tell you that your inactive super account will be locked if not merged with another super account. They often ask you for your personal details to "help out", try to obtain log in credentials and/or request a fee payment in return for their assistance.

There have also been cases where texts claiming to be sent from the National Superannuation Review offer a review of your superannuation due to COVID-19 and changes to legislation.

If you're contacted in such a way, you should avoid sharing any personal details and instead get in touch with the organisation yourself to check whether the contact was legitimate.

It's worth noting that the only way to apply to withdraw your super, if you are eligible under the COVID-19 early release of superannuation scheme, is online through the MyGov website. So there's no need to involve a third party or pay a fee to get access under this scheme.

## How to protect yourself

Amid our online interactions and cashless transactions, cybercrime is, sadly, a part of modern life. And scams are becoming increasingly sophisticated.

However, there are some things you can do to stop yourself from becoming a victim:

- Remain alert about unsolicited contact – if it feels off, it probably is. Never give information about your superannuation to someone who has contacted you. Take your time and consider who you might be dealing with. Instead, contact the organisation yourself and ask them about the phone call/email/text message – if it's legitimate they can confirm it, and if not, there's a good chance they already know about the scam or by alerting them to it, you can help protect others.
- Protect your personal details – don't share sensitive, commonly-used personal data, such as your date of birth, Medicare or driver's licence number with others, and avoid using shared or public computers to log into sensitive websites. Also make sure you keep your details up to date with organisations you deal with so that if something should go wrong, they can notify you.
- Protect your passwords – choose difficult passwords that aren't related to your personal information (such as your date of birth or phone number) and change them regularly. Take care about how and where you store your passwords and never share them with anyone.
- Protect your devices – installing and updating security software, such as firewall, anti-virus, anti-spyware and spam filtering software, helps protect your devices against fraudulent activity by detecting and preventing online attacks.
- Avoid clicking on hyperlinks – you should never enter sensitive details into a website you've arrived at by clicking on a link. In particular, always go directly to the website of a financial institution or online banking system and always log out when you're finished.

## Report it

If you become aware of a scam, or fall victim to one, you should report it to Scamwatch or ReportCyber and the organisation in question.

i. <https://www.scamwatch.gov.au/types-of-scams/current-covid-19-coronavirus-scams>



# How to rebuild your super after a COVID-19 withdrawal

For many people, the government's COVID-19 (coronavirus) early release of super scheme has been a lifesaver, with the money accessed from retirement savings helping provide additional support at a time of economic uncertainty.

In total, 1.81 million Australians have withdrawn \$13.5 billion from super funds, at an average amount per person of \$7,473<sup>i</sup>.

If you're one of these 1.81 million, you might be wondering about the long-term impact your super withdrawal could have on the quality of your retirement. If you're one of these 1.81 million, you might be wondering about the long-term impact your super withdrawal could have on the quality of your retirement.

The good news is there's plenty you can do to help make sure you can still enjoy the kind of retirement you've always dreamed of.

## How much super do you need?

According to the ASFA Retirement Standard, to be able to live a comfortable life in retirement, doing things such as eating out at restaurants, enjoying leisure activities and traveling occasionally in Australia and overseas (once current restrictions ease), it's estimated you'll need a super lump sum of \$545,000 if you're single, or \$640,000 between you if you're in a couple<sup>ii</sup>.

## What is the impact of a super withdrawal?

By withdrawing part of your super early, you don't just lose the amount you've withdrawn from your retirement savings, you also lose the opportunity to earn an investment return (or make additional money) on that money. As super is a long-term investment, so the amount you stand to forfeit could be larger, the younger you are.

If you're interested in getting an idea around what possible impacts a withdrawal now may have down the line, you can check out the

MoneySmart's Superannuation calculator.

Unfortunately, if left alone this shortfall won't take care of itself, but there are some things you can do to help rebuild your retirement savings.

## Ways to help your super recover

As a result of the economic shutdown you may have been forced to cut back on your spending and live a little more frugally. Rather than returning immediately to your former lifestyle as your income recovers, try to maintain some of the measures you adopted to save, and that might include putting extra money into your super.

There are a number of ways you can make super contributions in addition to those your employer makes on your behalf.

### • Concessional (before-tax) contributions

These can take the form of either salary sacrifice contributions, which are voluntary contributions you ask your employer to pay out of your before-tax income, or tax-deductible personal contributions, which are contributions you make using after-tax dollars (such as when you transfer funds from your bank account into your super), then claim a tax deduction.

### • Non-concessional (after-tax) contributions

This refers to money you put into your super fund using after-tax dollars and don't claim a tax deduction on. Some people choose to make non-concessional contributions when they've reached their yearly concessional contribution cap.

### • Spouse contributions

If your spouse is in a better financial position than you, they may be able to help rebuild your super through spouse contributions, providing you earn less than \$40,000 per year. Subject to eligibility rules, they'll also benefit from a tax-offset on the after-tax contributions they make into your super account.

### • Government assistance

If you're a low-to-middle-income earner and make an after-tax contribution to your super, which you don't claim a tax deduction on, you might be eligible for a government co-contribution of up to \$500 into your super.

The government also offers another type of super assistance known as the low income

super tax offset (LISTO). If you earn \$37,000 or less a year, and receive concessional super contributions, the government may refund the tax you paid on those contributions back into your super account, up to a maximum of \$500 per year. This will happen automatically at tax time if you qualify.

### • Find and consolidate your super

As at 30 June 2019, there was \$20.8 billion in lost and unclaimed super across Australia according to the ATO<sup>iii</sup>. If you think you might have some super floating around in the system from a previous employer, it's worth doing a super search to locate it.

And if you find any lost or unclaimed super, you might consider consolidating all your super into one account to make it easier to manage and keep track of, and avoid paying multiple fees and charges. Before deciding which super fund to consolidate into, consider all the features and benefits of your super funds, whether any exit or withdrawal fees apply and any insurance cover you may have, when making your decision.

## Thinking about making a second super withdrawal?

If you're still struggling financially you might be considering making an additional withdrawal from your super savings. Under the government's scheme, if you're eligible, you can withdraw up to \$10,000 more from your super between 1 July and 24 September this year.

But before taking this step there are a number of things to consider.

Key among these is whether you're eligible for any other kind of COVID-19 government assistance.

*Speak to us before making a decision as we can help.*

<sup>i</sup> <https://www.apra.gov.au/covid-19-early-release-scheme-issue-6>

<sup>ii</sup> <https://www.superannuation.asn.au/ArticleDocuments/269/ASFA-RetirementStandard-Summary-2018.pdf.aspx?Embed=Y>

These figures assume you'll also receive a part Age Pension from the government and that you own your own home.

<sup>iii</sup> <https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Super-statistics/Super-accounts-data/Lost-and-unclaimed-super-by-postcode/>

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# Three ways to help future-proof your career in 2020

## Stay on track with your professional development and help future-proof your career goals by upskilling.

The latest figures released by the Australian Bureau of Statistics tell us that 2.7 million Australians either lost their job or are grappling with reduced hours<sup>i</sup> as a result of COVID-19 (coronavirus). Although retail and hospitality segments were hit hardest, few industries can now be considered safe, making it all the more important to develop an upskilling strategy that can help to future-proof your career path.

Here are a few ways you could improve your job prospects and keep sight of your career goals in 2020.

### 1. Research trends within the fastest-growing industries

Knowing which job segments and industries are set to grow in the next five years might help shape your next steps for professional development. According to the Federal Government, the service industries that were perfectly poised for growth pre-coronavirus included health care, construction, education and training, as well as technical services ranging from legal and accounting to product design.<sup>ii</sup> While it's expected COVID-19 will put a dent in the trajectory of some of these, like construction, others such as health care and education are likely to experience less of an impact.

COVID-19 is set to alter our workforce, and experts suggest there are now big changes afoot when it comes to the way our jobs are performed<sup>iii</sup> rather than the

jobs themselves. Understanding this new environment – plus the skills shortages within the job market – can help you futureproof your career.

Experts predict there will be a need for flexible staff, who are able to apply high-demand skill sets across departments rather than in rigid and strictly defined roles. There will also be a new dependence on automation to help smooth out any kinks in service disruptions, if last-minute obstacles arise.<sup>iv</sup>

Both flexibility and automation have helped minimise many workplace disruptions in the wake of COVID-19. This suggests that the post-coronavirus workplace will need an adaptable and flexible employee, ready to learn new skills and adjust to new challenges at a moment's notice.

### 2. Develop a wide range of core skills

While a desirable set of hard skills (the tangible, measurable technical knowledge you have as a result of study or experience) is imperative to landing certain jobs, personality-focused soft skills are often just as important. For example, a potential employer might be looking for a whiz at software design but also someone who is creative and communicates well, to fit into the dynamic of a team. As such, you should look to increase both the skills that can be easily taught and defined, as well as developing your interpersonal aptitude.

By upskilling in some of the most in-demand skills for 2020<sup>v</sup> relevant to your career path, you could fast track the move to the next level in your career.

These include competency in cloud computing, analytical reasoning, artificial intelligence (AI), user-experience (UX) design and blockchain. There are also the soft skills of creativity, persuasion, collaboration, adaptability and emotional intelligence. These soft skills don't just apply to office-based jobs – they're also particularly relevant in fields like nursing, aged and disabled care.

### 3. Build an upskilling strategy

Luckily, now is an ideal time to dive into professional upskilling. Global isolation measures due to COVID-19 have helped uncover a number of affordable and accessible platforms for learning and upskilling courses.

Closer to home, some training options have been supported by the government with free or discounted courses in subjects as diverse as leadership, digital security and nursing. And online courses span a staggering range of disciplines and certifications, from short courses to gradual-level subjects and professional certifications led by institutions as prestigious as Harvard, MIT, Yale and Oxford universities.

Always do your own research when looking for a training provider to escalate your professional goals.

<sup>i</sup> <https://www.abs.gov.au/ausstats/abs@.nsf/mf/6202.0>

<sup>ii</sup> <https://joboutlook.gov.au/future-outlook.aspx>

<sup>iii</sup> <https://hbr.org/2020/04/how-the-coronavirus-crisis-is-redefining-jobs>

<sup>iv</sup> <https://hbr.org/2020/04/how-the-coronavirus-crisis-is-redefining-jobs>

<sup>v</sup> <https://learning.linkedin.com/blog/top-skills/the-skills-companies-need-most-in-2020and-how-to-learn-them>

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