ACCOUNT-BASED PENSION

TEAM SUPER
TRANSPORT, ENERGY AND MINING

A regular tax-effective retirement income.

An account-based pension is a popular way for Australians to manage their retirement savings.

Why open a pension?

Tax free investment earnings

All investment earnings in a pension are tax free. This means you may be better off than keeping your money in super, where investment earnings are taxed at 15%, or taking your super as a lump sum and putting it in the bank, where you may pay personal income tax on any investment earnings.

Tax effective income and withdrawals

- If you're age 60 or older – your pension payments and any lump sum withdrawals are tax free.
- If you're under age 60 – a portion of your pension payment is taxed, but you may be eligible for a 15% tax offset, reducing the amount you have to pay.

Peace of mind money management

Enjoy your retirement while receiving a regular income.

Who can open a pension?

A pension with Team Super is available to anyone who has at least $15,000 in their super account to invest and:

- has reached preservation age (age 60) and permanently retired; or
- is over age 65; or
- has stopped working with an employer after age 60 and met a specific condition of release.

If you're between age 60 and age 65, are still working, and you'd like to access your super as a pension, you can open a pre-retirement pension. See our **Pre-retirement pension strategy** factsheet at **teamsuper.com/resources**

Please note: There is a limit on how much super you can transfer tax free to a pension, called the 'transfer balance cap'. If you have more than this cap amount in super, you'll need to keep the excess amount in your super account where earnings are taxed at 15%. For more information on the transfer balance cap visit ato.gov.au

How does a pension work?

Your money's professionally invested

Your money's professionally invested and keeps working for you. The value of your account will rise and fall depending on how your selected investment options perform.

Choose your income amount

Each year you can choose the amount you want to receive from your pension, subject to a minimum age-based amount, which is set by the government. Your payments will be paid into your bank account until your pension account runs out.

Choose how often you want to be paid

Your annual pension amount can be paid to you either fortnightly, monthly, quarterly, half-yearly or yearly.

Decide where your money goes if you pass away

Nominate who you want to receive your money if you pass away. If you don't make a nomination the proceeds of your pension will be transferred to your spouse's name. If you don't have a spouse it will be paid to either your dependants or your estate.

Access your money at any time

If you require extra cash, you can make a lump sum withdrawal at any time. The minimum amount you can withdraw at a time is $2,000.

Example – John's pension

John, aged 60, has retired with $670,000 in super and $50,000 in other investments. John decides to open a pension with Team Super because of the tax benefits, competitive fees and flexible payment options.

Organising John's finances

Since you can't add money to an account-based pension once it has started, John first adds his $50,000 in savings to his super fund, giving him $720,000 to invest for retirement.

Making an investment choice

John takes a look at his investment options and decides to invest his pension in the Balanced option.

Choosing John's beneficiaries

John completes a **Nominate your beneficiaries** form and lists his wife as his beneficiary to ensure she'll be financially secure should he pass away.

Calculating John's pension payments

John makes an appointment with Team Super Financial Advice to work out how to get the most out of his pension. Below is an example of what John can take from his pension.

Minimum pension limit: People under age 65 must receive a minimum pension of 4% of their account balance. This means John's minimum pension payment is $720,000 x 4% = $28,800.

John's payment amount and frequency: John and his financial adviser work out John's budget and find John needs at least $40,000 a year for a comfortable retirement. John chooses a higher pension payment of $45,000 per year. He can change this amount each year. John wants his pension paid to him monthly, so he'll receive a monthly payment of $3,750. As John is 60 years old, his payments are 100% tax free.

Did you know...
You can also transfer any other account-based pensions you have with other funds to start a pension with Team Super.

Why choose a pension with Team Super?

Competitive fees - pay 0.16% pa in administration fees plus investment related fees

Our pension is very competitive, charging a 0.16% pa administrative fee plus an investment management fee.

Our pension is also free of entry fees and offers unlimited free investment switches and withdrawals.

A range of investment options

Choose to invest in multiple investment options. If you don't make a choice you'll be invested in the default Balanced option.

Stay informed

Easily keep up with your pension via your online account at **teamsuper.com/login**, our website, over the phone with our Contact Centre team or face-to-face appointments in key regional areas across Australia.

What to do next

Step 1: Read the Pension PDS

Our **PDS** is available from **teamsuper.com/pds** or by calling 13 64 63. This document tells you what you need to know about our pension product before opening a pension with Team Super.

Step 2: Before taking action, we recommend you seek advice

A financial adviser can help with a range of options, from simple super related advice to full financial plans. Call us on 13 64 63 if you want us to put you in touch with Team Super Financial Advice.