

# Retirement income.



## Fact sheet

### What is a Retirement Income account?

A Retirement Income account (also known as an account-based pension) enables retirees to receive a regular tax-free income from their superannuation savings, while remaining invested.

They offer the flexibility to choose your income amount and access lump sums throughout retirement. Super savings remain invested in the investment option(s) of your choice and investment earnings are tax-free.

### When can I start a Retirement Income account?

To start a Retirement Income account, you must:

- be permanently retired on or after age 60, or
- have ceased work with an employer (e.g. changed jobs) after age 60, or
- have reached age 65.

### What are the tax benefits?

For people aged 60 or older, income payments received from a Retirement Income account are tax-free.

All investment earnings in a Retirement Income account are exempt from income tax.

### \$2 million transfer balance cap

The maximum amount you can transfer into a Retirement Income account is \$2 million. If you have more than this in superannuation, you can only transfer \$2 million and the balance can remain in your super account.

### Leaving excess money in super is tax effective

Amounts exceeding the \$2 million cap do not have to be withdrawn from super. By keeping the excess in super, the earnings are generally taxed at 15%.

### How is my income calculated?

You can choose how much income you receive from your account at commencement and in each subsequent financial year. You can change the amount of income you want at any stage during the year – the only obligation is that the total income you receive each financial year must meet the minimum annual payment amount as set by the Government.

The table shows the minimum annual payment (a percentage of your account balance) you are required to draw per year.

Age	Minimum annual payment
Under 65	4.0%
65 – 74	5.0%
75 – 79	6.0%
80 – 84	7.0%
85 – 89	9.0%
90 – 94	11.0%
95 & over	14.0%

### Is my account balance or income guaranteed for life?

No. A Retirement Income account is not a guaranteed income product (sometimes referred to as an annuity). It does not guarantee your balance or income level.

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### How long will my account balance last?

This depends on a number of factors including:

- the amount you originally invest
- the amount of income you decide to receive each year
- the amount of any withdrawals you make
- how your chosen investment options perform, and
- the amount of fees deducted.

### Can I withdraw my entire account balance?

Yes, you can withdraw funds from your account at any time. All withdrawals by persons aged 60 or over are tax-free.

### What happens when I pass away?

You can make a nomination that will determine how your beneficiaries receive the balance of your account, and in what proportion. The options that are available include:

- Nominating a reversionary beneficiary, such as a spouse, who will continue to receive income payments after you pass away, or
- Making a binding death benefit nomination of the person(s) you want your benefit to be paid to.
- Making a non-binding death benefit nomination of the person(s) you want your benefit to be paid to – when deciding how to pay a death benefit, the trustee may take a non-binding nomination into account but is not bound to follow it.

Nominating your spouse as a reversionary beneficiary means that if you pass away with money in your account, your spouse will continue to receive your income payments, as long as he or she is your spouse at the time of your death.

If you do not provide any details the death benefit may form part of your estate.

Please note that there may be tax implications depending on who the beneficiaries are.

### What are my investment options?

Catholic Super offers seven diversified options and four sector-specific options, so you can choose the options that best suit your retirement needs.

Or, you can choose to invest in Catholic Super MyPension – our innovative set-and-forget investment strategy that's specifically designed to take the hard work out of investing your retirement savings. We make the decisions for you using our 'three bucket' strategy, so you don't have to worry about managing your investments.

### How does Centrelink treat Retirement Income accounts?

Retirement Income accounts are included in the Income and Assets tests when calculating your eligibility for the Age Pension.

If you also receive social security benefits, such as the age pension, you will need to notify Centrelink of the balance of your Retirement Income account.

### Specialist help when you need it

Our Service Centre offers personalised, one-on-one support and guidance. It's available to all members at no additional cost. Call us today on **1800 777 060** or visit our website [csf.com.au/your-retirement](http://csf.com.au/your-retirement)

For more information on Retirement Income accounts please refer to our website [csf.com.au](http://csf.com.au) or our online education modules [csf.money101.com.au](http://csf.money101.com.au).



If you need any assistance,  
please contact our Service Centre

1300 655 002

8:30am to 6:00pm AET  
(Monday to Friday)

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[csf.com.au](http://csf.com.au)

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