FACTSHEET

# ACTIVE SUPER ACCOUNT BASED PENSION PLAN

The Active Super Account-Based Pension Plan is for members who want to invest all or part of their Active Super benefit or other superannuation monies (if eligible under tax and superannuation laws) to produce an income stream.

## Advantages of the Active Super Account-Based Pension Plan

- No entry fees
- Competitive ongoing management fee
- Variety of investment options
- Investment earnings are Australian tax-free[1]
- Flexible income levels
- Twice-monthly, monthly, quarterly, half-yearly or yearly pension payments
- Option to have your Active Super Account-Based Pension Plan commuted or paid out as a lump sum at any time[2]

## Who can join?

The Active Super Account-Based Pension Plan is a public offer product open to anyone who meets a condition of release, such as one of the following:

- You have reached your preservation age and permanently retired (if you elect to take a transition to retirement (TTR) pension at or after reaching your preservation age you do not have to be permanently retired to be paid a TTR pension[3]).

  Your preservation age depends on your date of birth, as shown in the table below:

| DATE OF BIRTH PRESERVATION AGE | DATE OF BIRTH PRESERVATION AGE |
|---|---|
| Before 1 July 1960 | 55 years |
| 1 July 1960 – 30 June 1961 | 56 years |
| 1 July 1961 – 30 June 1962 | 57 years |

[1] Transition to Retirement investment earnings are taxed at 15%.
[2] Members subject to the Transition to Retirement provisions must satisfy a condition of release before accessing any preserved component of their balance.
[3] If you are using a TTR pension, you will be limited to withdrawing 10% of the balance each financial year.

| | |
|---|---|
| 1 July 1962 – 30 June 1963 | 58 years |
| 1 July 1963 – 30 June 1964 | 59 years |
| After 30 June 1964 | 60 years |

- You are 65 or over even if you haven't retired.
- You have ceased employment and are aged 60 or over.
- You are totally and permanently incapacitated.

A cooling-off period applies to the Active Super Account-Based Pension Plan. This means you have 14 days to withdraw your application without incurring any fees or charges if you decide the Plan does not meet your needs. The 14 days begin from the earlier of:

- the date you receive a letter from us confirming the commencement of your membership in the Active Super Account-Based Pension Plan or
- five days after we accept your application to join the Active Super Account-Based Pension Plan and have received your initial investment and issued you an interest in the Plan.

A request to withdraw your application must be made in writing to the Trustee.

If you request to withdraw your application during the cooling-off period, we don't deduct any fees or charges from the monies paid. The amount repaid is adjusted for any tax paid or payable and any net investment earnings or losses during the period of your membership.

If the Account-Based Pension is a TTR pension, funded by benefits from the Active Super Retirement Scheme, these funds must return to the Retirement Scheme – they cannot be withdrawn or redirected elsewhere.

### Contributions and withdrawals

- The minimum initial investment is $25,000.
- Once established it is not possible to top-up an account-based pension account. Any additional investment after the initial contribution requires a separate pension account to be established.
- You can choose to have your pension paid twice monthly, monthly, quarterly, half-yearly, or yearly.
- For lump sum withdrawals the minimum withdrawal amount (commutation) is $2,000. If the account balance is less than $4,000 any withdrawal must be for the entire balance.

### Account value

The value of your account is expressed in terms of units. The number of units purchased depends on the unit price calculated for your selected investment option on the day your application is received and the amount invested. Each investment option within the Active Super Account-Based Pension Plan has a different unit price, as the price reflects the value of the underlying assets of the investment option after tax, fees and expenses.

## INVESTMENT OPTIONS

The Active Super Account-Based Pension Plan offers a choice of five investment options that can be used individually, or in combination, to create an investment portfolio to best suit your needs. The options are:

### Pre-mixed

- High Growth
- Balanced
- Conservative Balanced
- Conservative

### Single sector

- Managed Cash

## DIVERSIFICATION

Active Super's assets are allocated to a range of investment managers. This is to ensure diversification of both investments and investment managers.

Please note that investment managers and/or their weightings of the assets they manage can change from time to time and the updated details will be provided in the Active Super Annual Report available at activesuper.com.au

## TRANSITION TO RETIREMENT

Upon reaching your preservation age, you can access your super through a non-commutable income stream. Generally, this means you can't cash it out as a lump sum, except in limited circumstances. This TTR pension is available via the Active Super Account-Based Pension Plan.

A TTR pension allows you to access your super while you are still working by receiving a pension of up to 10% p.a. of the value of your account as at 1 July of the year in which the pension payments will be made.

## TAXATION[4]

No tax is payable on amounts which are rolled over to commence an Active Super Account-Based Pension Plan unless that amount includes an untaxed component. An untaxed component is subject to 15% tax upon receipt.

If you are aged 60 and over, pension payments and lump sum withdrawals are generally tax free.

If you are under age 60, pension payments are taxed on a Pay-As-You-Go (PAYG) basis and part of the pension payments may be tax free. You may also be eligible for a 15% tax rebate on all or part the pension payments.

No tax is payable on investment earnings unless you have a TTR pension. TTR investment earnings are taxed at 15%.

Lump sum withdrawals (commutations) from the Active Super Account-Based Pension Plan may be subject to tax for those under age 60. The applicable tax rate depends on your age, the amount and the taxation components of the amount withdrawn. The Trustee is required by law to pay these taxes and will deduct the appropriate amount from each pension payment or commutation.


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[4] This tax information represents the Trustee's understanding of taxation law as at the date of this Fact Sheet. We recommend that you seek professional taxation advice.