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Fact Sheet

MTAA Super Transition to Retirement Pension



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mtaasuper.com.au
1300 362 415

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The information provided is of a general nature and does not take into account your specific needs or personal situation. You should assess your financial position and personal objectives before making any decision based on this information. We also recommend that you seek advice from a licensed financial adviser. The MTAA Super Pension Product Disclosure Statement (PDS) in the Pension Handbook, an important document containing all the information you need to make a decision about MTAA Super, can be obtained by calling MTAA Super on 1300 362 415. You should consider the PDS in making a decision.

Superannuation Advisers are employees and authorised representatives of Motor Trades Association of Australia Superannuation Fund Pty. Limited ABN 14 008 650 628, AFSL 238 718 (Trustee). The Trustee will be responsible for any General Advice about superannuation provided by the Superannuation Advisers.

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Advisers in the Financial Education and Advice Team (FEAT) are employed by Link Advice Pty Ltd (ABN 36 105 811 836 AFSL 258 145). Link Advice will be responsible for all General and Personal Advice provided by advisers in the FEAT team.

Motor Trades Association of Australia Superannuation Fund Pty. Limited (ABN 14 008 650 628, AFSL 238 718) has engaged Industry Fund Services Limited (IFS) (ABN 54 007 016 195 AFSL 232 514) to facilitate the provision of financial advice to members of MTAA Super. Fees may apply. Further information about cost of advice is set out in the relevant Financial Services Guide, a copy of which is available by calling 1300 138 848. IFS is responsible for any advice given to you by its representatives.

Helping you ease into retirement

With a MTAA Super *Transition to Retirement (TTR) Pension* you can use your super to top up your income while you ease into retirement. If you've reached your preservation age (see 'Am I eligible?') and are still working, it's time to consider your options.

How can I benefit from a MTAA Super TTR Pension?

With a *MTAA Super TTR Pension* you can:

1. Top up your take home pay while you reduce your work hours

You can reduce your working hours and draw on your super savings to help top up the difference in your take-home pay and maintain your lifestyle.

or

2. Add extra to your super in the years before you retire

While you're working, you'll continue to receive employer contributions to your super. You can also contribute extra to your super from your before-tax pay (called salary sacrifice) and then draw payments from your *MTAA Super TTR Pension* to top up the difference in your take-home pay.

For more information and examples of how a transition to retirement strategy can work, refer to the *Pension Handbook* at mtaasuper.com.au/member-handbooks.

What are the tax benefits?

A *MTAA Super TTR Pension* can be an effective way to invest. After age 60, you don't pay tax on your pension payments and if you're under age 60, you can get a tax rebate on some of your pension income. You'll continue to pay 15% tax on investment earnings in your *MTAA Super TTR Pension* account, while in the pre-retirement phase. However, once your *MTAA Super TTR Pension* enters the retirement phase, your investment earnings will be tax-free.

Contributing more of your before-tax salary to your super via salary sacrifice can also have tax benefits. You'll pay only 15% tax on before-tax contributions to your super (including employer contributions and salary sacrifice) up to your contributions cap which may be much less than the marginal tax rate payable on the rest of your income. This means you could save on the amount of income tax you pay.

Am I eligible?

To be eligible for a *MTAA Super TTR Pension*, you must have reached your preservation age (see table below) and still be working or intend to return to work.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

When your TTR Pension enters the retirement phase, (ie, you satisfy a condition of release with a 'nil' cashing restriction such as retirement after your preservation age or reaching age 65), your balance will count towards your Transfer Balance Cap.

Transfer Balance Cap

The amount that you can transfer into your *MTAA Super TTR Pension* in the retirement phase is limited to \$1.6 million. This is known as the Transfer Balance Cap.

The cap applies to all income streams you hold.

If you exceed the cap, you may have to remove the additional amount and pay excess transfer balance tax.

How does a MTAA Super TTR Pension work?

1. You open a *MTAA Super TTR Pension* account using money from your super. You have the option to keep your MTAA Super accumulation account open, as long as there's a balance of at least \$1,000.
2. Your employer can continue to make contributions to your super and you can also make extra contributions from your before-tax income (called salary sacrifice).
3. You receive regular income payments from your *MTAA Super TTR Pension* account. You can choose the amount and frequency of your pension payments (subject to minimum and maximum payment requirements).

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We recommend you seek advice about how to structure your pension arrangements, taking into account your personal circumstances.
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Get advice

Transition to retirement strategies can be complex, so it's important to get advice before making any decisions. If you have questions, we can help.

Simple advice

For general and limited personal advice matters about your MTAA Super account, you can receive **over-the-phone** or **face-to-face** advice.

We provide simple advice to you at no additional cost - its all covered by your MTAA Super administration fee.

Comprehensive advice

We offer access to **comprehensive personal advice** through Industry Fund Services (IFS).

With comprehensive personal advice, you work with a financial planner to develop a full financial plan. This plan considers both your personal and financial circumstances and helps you set and achieve final goals.

Your first consultation with an IFS planner is at no additional cost to you. Once you have discussed your financial situation and needs with the planner, they will provide you with an obligation free quote.

All advice is provided on a strictly fee-for-service basis. Fees charged will depend on the complexity of the advice required. There are no commissions or hidden fees. Where the advice applies only to your super, the fee can be deducted from your MTAA Super account.

Member workshops

We run regular education workshops throughout Australia to help you understand and get the most out of your super. Our workshops cover all aspects of super and are suitable for those starting out in the workforce through to those approaching retirement.

These sessions are free and are facilitated by our dedicated Education Specialists.

Public workshops

Public workshops are open for anyone to attend, including non-MTAA Super members.

For more information, or to register for a workshop, go to mtaasuper.com.au/member-workshops

Tailored worksite workshops

We also run tailored worksite workshops at the request of employers.

To organise a workshop at your worksite, ask your employer to contact one of our Education Specialists at mtaasuper.com.au/field-staff

For more information, please visit our website at mtaasuper.com.au
You can also call us on **1300 362 415**. We're here to help.

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