Fact Sheet

MTAA Super
Transition to Retirement Pension

June 2018
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.

<table>
<thead>
<tr>
<th>Date of birth</th>
<th>Preservation age</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1 July 1960</td>
<td>55</td>
</tr>
<tr>
<td>1 July 1960 – 30 June 1961</td>
<td>56</td>
</tr>
<tr>
<td>1 July 1961 – 30 June 1962</td>
<td>57</td>
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<tr>
<td>1 July 1962 – 30 June 1963</td>
<td>58</td>
</tr>
<tr>
<td>1 July 1963 – 30 June 1964</td>
<td>59</td>
</tr>
<tr>
<td>After 30 June 1964</td>
<td>60</td>
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</tbody>
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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).

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

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.