



## Pension news

### 1 Temporary relief to pension payment amounts finishes soon.

The government sets an annual 'minimum amount' that must be paid from an account-based pension. For the 2012-13 financial year the minimum payment amounts are reduced by 25% below the normal requirement. This reduction finishes on 30 June 2013, so minimum pension amounts will revert to their standard levels for the 2013-2014 financial year.

### 2 Making a change to your payment

To make a change to your pension payment amount simply fill in the *Pension Variation Form* available on our website or contact us on **1300 362 415**.

### 3 Your beneficiaries

It is important to think about who you would like your pension to be paid to in the event of your death. You can nominate a reversionary beneficiary to continue receiving pension payments on your death or you can nominate a beneficiary or beneficiaries to receive the remaining account balance as a lump sum when you die. If you do not nominate a beneficiary, the balance of your account will be paid to your dependents, to your estate or a combination of both as determined by the Trustee. Different tax consequences may apply depending on the nomination you make and the ultimate recipient of any benefits on your death.

For a detailed description of beneficiaries please refer to the *MTAA Super Pension Handbook*.

### 4 ePension online access

It couldn't be easier to keep track of your pension online. Why not register and add MTA Super's ePension to your online favourites so you can access your account details any time you like.

# CEO Update

'Change is the only constant' according to an ancient Greek proverb, and many would agree this is true of superannuation right now. There is definitely a lot happening in super in 2013.

## If you are still working

From 1 July, the compulsory super rate your employer pays into your super account will increase from 9% to 9.25% (this will gradually rise to a maximum of 12% in 2019). This means more money invested into your super account to grow over time.

If you earn less than \$37,000 you'll be eligible to get back the 15% tax on the compulsory super your employer pays on your behalf. This means you could get up to \$500 extra paid back into your super account at the end of the financial year.

The changes are aimed at ensuring the super system continues to help all of us save money for our retirement. There are many more changes proposed and on our radar for 2014 – we will continue to keep you informed.

## If you are retired or approaching retirement

From our perspective, we are working hard to maximise your investment dollars and improve our services.

For the last 2 years we've been working with our insurer, MetLife Australia to address our retiring members' fears of outliving their super savings. People are living longer and require better security and certainty with their pension income. In February we launched 'MTAA Super RetireSafe' – a new pension product that we believe addresses many of these issues. More information on this new product can be found on *page 3*.

I would like to encourage all members to make 2013 the year they take control of their super.

**Leeanne Turner**



## We provide a range of services to help you manage your pension.

### Seminars

#### Why not attend an MTAA Super retirement seminar?

These seminars are held across Australia by MTAA Super representatives and are open to members, their families and friends. We cover a range of subjects and there is plenty of time to ask any questions about making the most of your retirement income.



Action: To find out where the next round of seminars will be held and to register for a seminar online, visit the website at [www.mtaasuper.com.au](http://www.mtaasuper.com.au) or call us on **1300 362 415**.

### Financial Education and Advice Team

If you want someone to answer your more complex pension questions, or give you an explanation about investment options, you can call the MTAA Super Customer service centre and ask to speak to a member of the Financial Education and Advice Team (FEAT).

The information that FEAT members provide is at no charge.



Action: Call us on **1300 362 415** and ask for a member of FEAT to answer your questions

### Personal financial advice

As part of your membership of MTAA Super you have access to fee-for-service personal financial advice from Industry Fund Financial Planning (IFFP). IFFP planners do not receive commissions and their advice is tailored to your specific needs. If you have decided to obtain a detailed financial plan, consider calling an IFFP planner. The first consultation is obligation free.



Action: Call us on **1300 362 415** and ask to be put in touch with an IFFP financial planner

# Super lump sum or pension when I retire?

*The impact of taking either a lump sum or pension from your superannuation account when you retire depends on your individual situation. The decision you make can affect the amount of tax you pay and also your entitlement to a government-funded Age Pension.*

*Centrelink can provide information about how Age Pension entitlements are affected by the way in which you access your superannuation benefits.*

## MTAA Super Transition to Retirement

**Designed for working Australians aged 55-65 who would like to access part of their super while preparing for life after work.**

Wouldn't it be nice to reduce your working hours without reducing your income? Why not consider topping up your part time income with a regular income stream from your super savings.

If you are aged between 55-65 but have not retired, you may be able to convert some of your super savings into a pension to supplement your working income. This may be an option if you want to work reduced hours, or have other lifestyle considerations. You can even continue to work full time and commence a pension whilst contributing more to your super via salary sacrifice. This opens up a good opportunity to build retirement savings by making use of the generous tax concessions which apply to super pensions on one hand, and to super contributions on the other (as long as you stay within the contributions limits imposed by the government).

## MTAA Super Pension

**Designed for members that are ready to retire, are eligible to withdraw money from their super and want to take advantage of the tax concessions that come with this.**

When you retire, you can use your super savings to provide a regular income. To do this, in a tax effective environment, you can start a pension using your super (called an 'account-based pension'). You can choose the amount of income you want and when you get paid. An MTAA Super pension can offer significant tax advantages.

A pension is not currently subject to tax on investment earnings in the Fund regardless of age and gives you concessional tax treatment on annual pension payments if you are under 60 and tax-free pension payments if you are 60 or over. In addition, withdrawals from your pension account do not incur lump-sum tax if you're over age 60.

## An MTAA Super Account Based Pension:

- offers flexible payments (above the minimum level)
- currently enjoys tax free investment earnings
- provides tax free payments after age 60
- is concessionally treated by Social security (income test)
- allows lump sum withdrawals
- has a choice of investment options



**ACTION:** We recommend you seek financial advice on how to structure your pension arrangements, taking your personal circumstances into account. Call **1300 362 415** to contact an Industry Fund Financial Planner (IFFP) who understands MTAA Super. You may also wish to talk to our Financial Education and Advice Team.

## NEW PRODUCT - Introducing MTAA Super RetireSafe



**Designed so members may enjoy their retirement years without worrying about whether they will outlive their super savings.**

MTAA Super RetireSafe, developed in conjunction with MetLife Australia, is a guaranteed income for life product, providing protection against market and longevity risk, and is payable as a pension. MetLife Australia provides the guarantee.

A key benefit of MTAA Super RetireSafe is the fact that your monthly pension payments continue to be paid even when your Account Balance reduces to nil, although the annual amount of the pension can go up or down. Further, MTAA Super RetireSafe offers members the potential for growth when markets are strong, protection against negative investment performance, access to capital and a death benefit.

### MTAA Super RetireSafe

- ✓ Guarantees an income for life<sup>1</sup>
- ✓ Can grow when markets are strong
- ✓ Offers protection against negative investment performance
- ✓ Allows you to retain access to your capital<sup>2</sup>
- ✓ Provides a death benefit<sup>3</sup>

1. The amount of your pension is not guaranteed and may go up and down.  
2. Excess lump sum withdrawals will affect the guarantee base and therefore the amount of your pension.  
3. If there is no reversionary beneficiary.

## Change in fees

As an industry fund, we know it's important to keep to the principle of low fees and we know the fees you pay can greatly affect your final retirement payout. This year we're moving away from a flat administration of \$7.50 a week to a new administration fee of \$1.60 a week plus a 0.15% per annum asset based fee.

With this new structure, we believe we can keep our fees competitive - staying true to the industry fund model. We are also removing some other activity based fees and we're capping the administration fee at \$533 per annum. This is our way of further ensuring we keep to the principle of low fees.

### Change to our Investment Management Costs

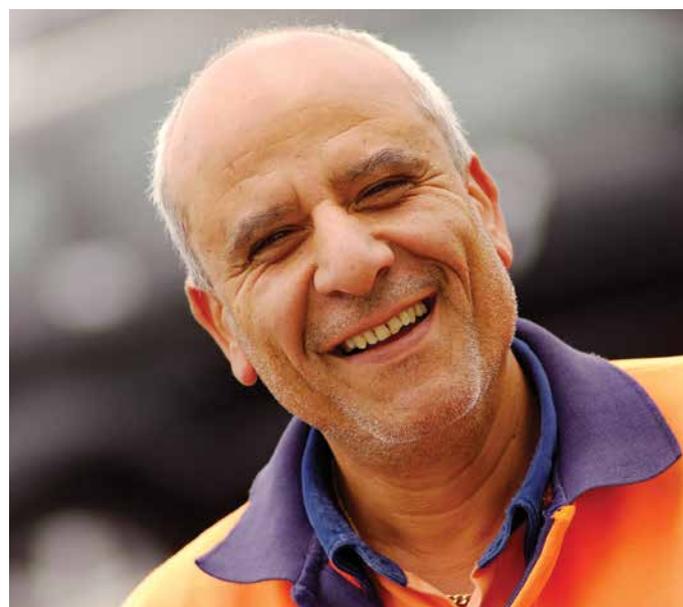
The investment management costs for the Fund's investment options are calculated annually in arrears at 30 June. They have been updated to reflect the year ending 30 June 2012 and are based on the annual fund accounts.

Investment Option	Estimated Investment management costs - 2011	Estimated Investment management costs - 2012	Difference
Conservative	0.50%	0.50%	0.00%
Balanced	0.83%	0.80%	-0.03%
Growth	0.98%	0.95%	-0.03%
Cash	0.13%	0.13%	0.00%
Australian Shares	0.14%	0.33%	+0.19%
International Shares	0.79%	0.70%	-0.09%
Diversified Fixed Interest	0.19%	0.20%	+0.01%
Target Return	1.23%	1.21%	-0.02%

## Changes to performance fees

MTAA Super pays performance fees to some investment managers when their performance exceeds agreed targets. These fees are included in the estimated investment management costs (shown in the previous table).

Investment option	Estimated Performance Fees per investment option- 2011	Estimated Performance Fees per investment option-2012	Difference
Conservative	0.04%	0.05%	0.01%
Balanced	0.08%	0.09%	0.01%
Growth	0.08%	0.10%	0.02%
Cash	0.00%	0.00%	0.00%
Australian Shares	0.02%	0.15%	0.13%
International Shares	0.27%	0.21%	-0.06%
Diversified Fixed Interest	0.00%	0.00%	0.00%
Target Return	0.07%	0.05%	-0.02%



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