

Fact sheet

Pension drawdown relief

On 18 February 2009, the Government reduced the minimum amount that must be withdrawn from account based pensions by half. This temporary change covers both the 2008/2009 and 2009/2010 financial years and is intended to assist pension members during this volatile time.

Q What is changing?

In accordance with Government regulations, AustralianSuper Pension members must draw down a minimum annual amount in each financial year. This amount is calculated by multiplying a member's account balance as at 1 July (or as at the date of establishment if they joined during the financial year) by a percentage factor based on their age.

The change, effective immediately, is to reduce the minimum annual payment that must be taken by half.

Q Why has the change been made?

The downturn in global financial markets has significantly reduced the underlying account value of many member's pension accounts. Unfortunately, the minimum annual pension draw down requirements may mean members lock in losses when they draw more pension income than they need.

The temporary change means that members who are able to afford it, can reduce their minimum annual pension amount by up to half. This will allow them to preserve more of their capital and put them in a stronger position when investment markets recover.

Q How do I work out my new minimum amount?

Around 15 July each year, AustralianSuper send you a letter to confirm your annual minimum amount for the current financial year. If you commenced your pension during the year, this information was provided when you joined.

To work out your new minimum amount you simply need to divide this figure by 2.

Example

Previously advised minimum annual amount	\$12,000
New minimum annual amount...	$\$12,000 \div 2 = \$6,000$

Q How do I reduce my minimum annual payments?

If you wish to reduce your minimum annual payments you must notify us in writing. You can do this by downloading and completing a *Pension Variation* form which you can download from our website at:

www.australiansuper.com/ChangePensionDetails

Send the completed form to:

AustralianSuper
Locked Bag 6
Carlton South VIC 3053

Q Will I be forced to reduce my minimum annual pension payment?

No. If you wish to receive (or have already received) an amount equal to or greater than the current minimum annual pension amount you don't have to do anything.

Q Is the change going to be permanent?

Initially the change was intended as a temporary measure and only applied to the 2008/09 financial year. However, the Government has extended the arrangement to the 2009/2010 financial year as part of the reforms to super and pensions within the May 2009 Federal Budget.