Account Based **Pension**

GROUP

Helping committed clients achieve and maintain financial security

WHAT IS AN ACCOUNT BASED PENSION?

An **account-based pension** creates a regular income stream for you, purchased with money you have accumulated in your super.

HOW IT WORKS?

An account-based pension is started with a lump sum transfer of money from your accumulation super fund to your new account-based pension. This can only be done once you have reached your preservation age. There is a minimum withdrawal amount you will have to take out each year. This has been reduced temporarily for 2020-2021 financial years.

These amounts can be found in the table below:



BENEFITS OF AN ACCOUNT BASED PENSION

- You are to determine the pay amount.
- You won't pay tax on pension payments from age 60.
- You can access a lump sum at any time.
- Your balance will increase as investment earnings are added to your account.
- You can choose how the money is invested by the fund manager.
- You don't pay any tax on investment earnings.

DRAWBACKS OF AN ACCOUNT BASED PENSION

- Your investment earnings are not guaranteed and may fluctuate depending on the investment option you choose.
- There is no guarantee that your money will last as long as you.



Age	Annual Payment as a % of Account Balance	Minimum Drawdown for 19/20 FY and 20/21 FY
Under 65	4%	2%
65-74	5%	2.5%
75-79	6%	3%
80-84	7%	3.5%
85-89	9%	4.5%
90-94	11%	5.5%
95 +	14%	7%

FS360 - What does being financially secure mean?

Visit **mgroup.partners** to find out more about our framework built to help you on that journey.

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