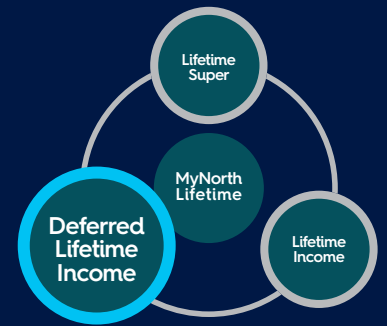


# MyNorth Deferred Lifetime Income account



For adviser use only  
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## The first pension account in Australia that accepts contributions

The MyNorth Deferred Lifetime Income account is a unique, hybrid solution that can span both the accumulation and retirement stages of a client's life. This product can be suitable for clients over 60 who have met a full condition of release and who may, or may not, wish to draw on their super while accessing tax-free earnings and bonuses.

By allowing contributions, rollovers-in, and lump-sum withdrawals via commutations, it offers flexibility to achieve a range of outcomes. These can include equalising super balances between spouses, optimising pension balances (subject to legislated caps), and potentially increasing age pension eligibility or reducing income tax while still accumulating super. Withdrawal of funds will reduce the purchase amount by the full withdrawal.



### Tax-free earnings

This account accepts contributions subject to a members caps, rollovers-in, and provides tax-free earnings with no requirement to draw income.



### Guaranteed annual bonus

Members are paid an annual bonus, guaranteed by an insurer (rates are published in the PDS).



### Diverse investment choice

Invest however you wish from the extensive MyNorth Super and Pension menu, including ESG options and MyNorth Guarantees.



### Potential Age Pension benefits

40% discount on the asset test used to calculate age pension eligibility.



### Access to lump sum withdrawals

Gives you access to withdrawals up to the maximum annual withdrawal rate. Withdrawal of funds will reduce the purchase amount by the full withdrawal.



### Couples Option

Choose to add a reversionary spouse to the account at commencement and rest assured they will continue to receive an income for life, in the event of a member's death.



### Optional Death and Exit Benefit

Opt in to a death and exit benefit at commencement to receive the starting balance less income paid (subject to legislated maximums and account balance).



### Seamlessly switch to income

Start receiving income after holding the account for 12 months or longer by converting to a Lifetime Income account.

## How does it work?

The MyNorth Deferred Lifetime Income account can be set up by advisers using any investment options on MyNorth's extensive Super and Pension menu.

The income stream can be deferred for as long as desired (up to age 100), with no requirement to specify in advance the duration of the deferral period. If the account holder wishes to access withdrawals, they can make commutations up to the maximum withdrawal rate stated in the MyNorth Super and Pension Product Disclosure Statement. And, when the member elects to start receiving an income, they can be easily transitioned into a MyNorth Lifetime Income account.

All investment earnings from Deferred Income are tax-free and annual bonuses are payable, though there are restrictions on access to the capital at death or exit.

The annual bonus is similar to life insurance, but in reverse. Instead of paying annual premiums that rise each year in exchange for a lump sum to be paid to the estate after death, clients are paid an annual bonus that increases the longer they live. In return, the premium is paid from the client's estate when they die or exit the platform.

Please refer to the full PDS and TMD for further information.

## The MyNorth Deferred Lifetime Income account in action

Here's an example of how this account can work for your clients.

Steve is 60 years old, single, and recently left his old employer for a new fulltime role.

Steve's story is illustrative only and isn't an estimate of the outcomes your client may achieve, or the fees and costs they may incur. This example is based on the assumptions described throughout the case study.

The information provided is not a reliable indicator of future performance in that it is predictive in nature and may be affected by inaccurate assumptions, unknown risks and other uncertainties. Therefore, the prospective financial information may differ materially from the results ultimately achieved.

Situation	Goals	Strategy
<ul style="list-style-type: none"> <li>Met a condition of release by ceasing his previous employment on or after the age of 60</li> <li>Earns \$100,000 pa gross salary, indexed to wage inflation</li> <li>Has \$380,000 in super and his employer contributes 12%</li> </ul>	<ul style="list-style-type: none"> <li>Wants to retire at age 70</li> <li>Wants regular income in retirement that will not run out, as well as money aside for discretionary spending</li> </ul>	<ul style="list-style-type: none"> <li>Puts \$190,000 (50% of his super into a Deferred Lifetime Income account</li> <li>Keeps \$190,000 (50%) of his super in a standard super account</li> <li>Splits contributions evenly between both accounts</li> <li>70% growth investment profile, generating 6.48% pa net of investment earnings and platform administration fees</li> </ul>

## Steve's balance and assessable assets for Age Pension at age 70

To illustrate this feature, let's compare, what we will call a 'standard super' account to a Deferred Lifetime Income account in the example below.

Asset	If Steve keeps 100% in standard super		If Steve uses the strategy outlined above	
	Actual Value	Assessable	Actual Value	Assessable <sup>1</sup>
Deferred Lifetime Income account	\$0	\$0	\$350,709 <sup>2</sup>	\$116,461 <sup>3</sup>
Standard super	\$668,750 <sup>4</sup>	\$668,750	\$333,547 <sup>5</sup>	\$333,547
Other assets	\$100,000 <sup>6</sup>	\$100,000	\$100,000	\$100,000
<b>Total</b>	<b>\$768,750<sup>7</sup></b>	<b>\$768,750</b>	<b>\$784,256<sup>8</sup></b>	<b>\$550,008<sup>10</sup></b>

**NOTE 1:** Deferred Lifetime Income accounts accrue a purchase amount equal to all rollovers, transfers and contributions less commutations (not including investment savings). A further 40% is applied to the purchase amount, which is then assessed for the aged pension asset test. As such, at age 70, Steve's Deferred Lifetime Income account purchase amount is equal to \$194,101<sup>9</sup>, of which only \$116,461 is assessable.

**NOTE 2:** Like 'standard super' accounts, Deferred Lifetime accounts allow concessional and non-concessional contributions. However, unlike a 'standard super' account, Deferred Lifetime Income accounts receive tax-free investment earnings, and a guaranteed annual bonus. As such, Steve's Deferred Lifetime Income account balance is approximately \$17,000 higher than his standard super account at age 70.

<sup>1</sup> These values are the assessable amounts for the asset test used to calculate Centrelink age pension benefits only. For the Deferred Lifetime Income account, transfer balance is equal to starting balance plus contributions. When standard super is transferred into an account-based pension, the full balance will be assessable for transfer balance cap purposes.

<sup>2</sup> Capital values are displayed in real terms using CPI. Nominal value is equal to \$448,937.

<sup>3</sup> Capital values are displayed in real terms using CPI. Nominal value is equal to \$149,080.

<sup>4</sup> Capital values are displayed in real terms using CPI. Nominal value is equal to \$856,057.

<sup>5</sup> Capital values are displayed in real terms using CPI. Nominal value is equal to \$426,968.

<sup>6</sup> Capital values are displayed in real terms using CPI. Nominal value is equal to \$128,008.

<sup>7</sup> Capital values are displayed in real terms using CPI. Nominal value is equal to \$984,065.

<sup>8</sup> Capital values are displayed in real terms using CPI. Nominal value is equal to \$1,003,914.

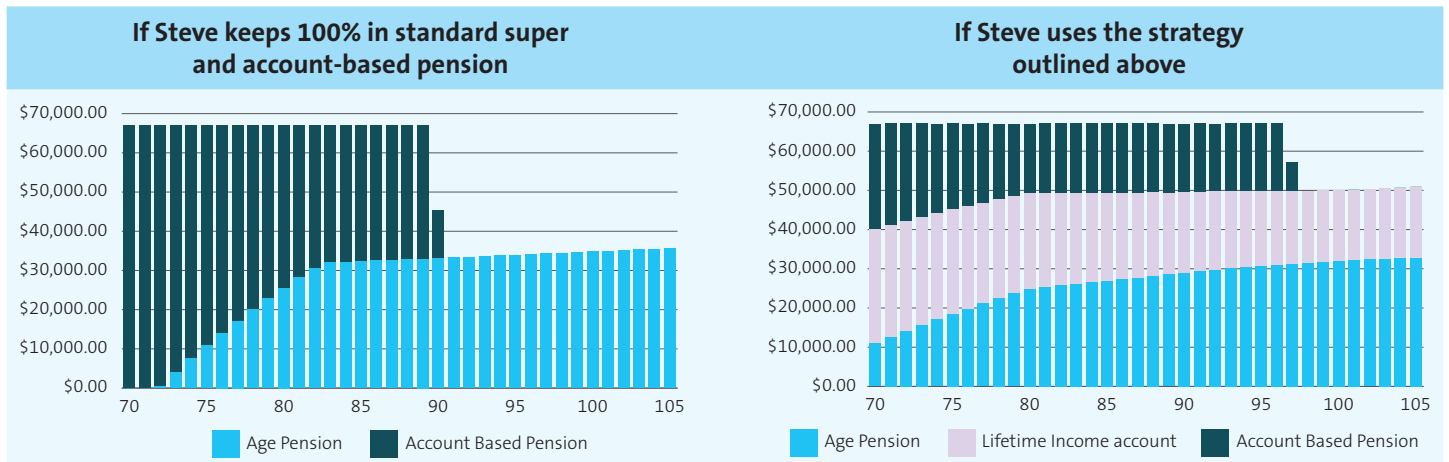
<sup>9</sup> Capital values are displayed in real terms using CPI. Nominal value is equal to \$248,466.

<sup>10</sup> Capital values are displayed in real terms using CPI. Nominal value is equal to \$704,057.

## Steve's retirement outcome

Steve retires at 70, is a homeowner, and wants to receive \$67,000 income in today's dollars indexed to CPI. He rolls his Deferred Lifetime Income account into a Lifetime Income account, and rolls his standard super into an account-based pension.

As seen in the graphs below, Steve would receive the age pension 3 years earlier in the Lifetime Income Account versus a 'standard super' account. His account-based pension lasts 5 years longer when held in conjunction with a Lifetime Income account and so Steve continues to receive an income above age pension for the remainder of his life.



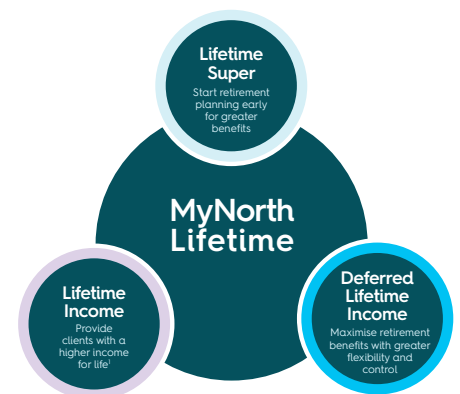
### Assumptions

- All projections assume 2.5% CPI rate of inflation, and 3% wage inflation (AWOTE)
- All income, capital and Age Pension projections are real
- Investment Earnings Tax is 15% (of a standard super account)
- Concessional Contributions Tax is 15%
- All concessional contributions are within concessional cap
- 20 September 2023 Age Pension rates, deeming rates and thresholds applied (subject to inflation)
- Lifetime Account annually pay a \$180 account fee + a 10bp lifetime fee
- Standard Super and Account Based Pensions annually pay a \$180 account fee
- All investment earnings are assumed to be net of fees

## A range of ground-breaking solutions.

The MyNorth Deferred Lifetime Income account is part of our MyNorth Lifetime range of solutions, specially created to help put financial advisers at the forefront in catering for the retirement needs of Australians. These products are only available through a financial adviser.

MyNorth Lifetime accounts are not pooled and offer advisers complete control over investment choice and strategy from MyNorth's extensive menu of investment options.



## We're here to help

For more information on any of the MyNorth Lifetime products, please contact your Business Development Manager or email [retirementspecialists@amp.com.au](mailto:retirementspecialists@amp.com.au)

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<sup>1</sup> Compared to typical account based pension income rates.