

You've spent your
working life contributing
to your super.

Now's the time to enjoy it.





Use your super to help you retire right

Use an account-based pension (ABP), also known as an allocated pension, to draw down on your super during retirement like a regular wage or salary.

An ABP is a tax-effective retirement strategy that gives you the control and flexibility to determine the retirement lifestyle you want, and how much you want to leave behind for loved ones.

6 ways a MyNorth Pension can help you live your retirement goals

1. You can design the retirement lifestyle you want

Enjoy the best of both worlds:

- A regular income stream to meet general living expenses.
- Flexibility to take lump sum payments for those special moments, holidays or unexpected expenses.

2. It's tax effective so you can hold onto more of your money

An ABP is a tax-effective retirement solution.

Tax benefits can include:

- Tax-free investment earnings¹
- 15% tax offset on payments when you're aged between your super preservation age and 60
- Tax-free income on payments or withdrawals once you're over age 60.

3. You can look after your loved ones

ABPs can run for as long as there are sufficient funds available, and can be left to certain beneficiaries² (such as your spouse). It can be a good way to provide for your loved ones in the event of your death.

4. Gives you flexibility to grow or protect your nest egg

MyNorth's three investment menus contain investment options to suit a range of income and growth needs. From cash options (like term deposits) to over 360 managed funds and shares, you can easily manage your portfolio to suit your investment needs whenever you want.

5. You can pick the fee structure that best supports your goals

Only pay for what you need with MyNorth's highly competitive Core, Select and Choice investment menus.

6. You can keep an eye on things, wherever you may be

Who knows where retirement will take you. Keep track of your investments wherever you are through our award-winning North Online or My AMP, available on desktop, mobile or tablet devices.

¹ As part of its 2016 Federal Budget announcement, the Government is proposing to introduce a \$1.6 million superannuation transfer balance cap. If legislated, this cap will limit the total amount of accumulated superannuation benefits that an individual will be able to transfer into the retirement income phase.

² A beneficiary must be a spouse, child, legal personal representative, financial dependant, or any person who has an interdependency relationship with you.



How Greg and Alice used an ABP to live a more comfortable retirement.

Greg and Alice are both newly retired and aged 65. They own their own home and have a combined total of \$350,000 in super.

Greg and Alice are eligible for the age pension and will receive around \$32,978 per year³, which will be sufficient to cover their general living expenses. However Greg and Alice want a little bit extra in terms of spending money so they can spoil their grandchildren, and take some trips locally and abroad every now and then.

Together with their financial adviser, Greg and Alice have decided to roll their super into an account-based pension (ABP). They've also chosen to only withdraw the legislated minimum pension amount from their ABP, which as at FY 2016 is 5% of the account balance. This takes their overall retirement income in the first year to \$50,478.

As both Greg and Alice are retired and aged over 60, they will receive the ABP pension income completely tax free. In addition, they also have the flexibility with an ABP to take out lump sum payments for any unforeseen expenses in the future.

³ Ignores any other assets / income and is based on rates and thresholds current as at 30 June 2016.

Not ready to stop work yet?

If you've reached your super preservation age, you may be able to keep working while drawing down some of your super benefits as an income stream. This strategy is called Transition to Retirement (TtR). To find out more speak to your financial adviser.

Make sure you understand what you are buying

- Account-based pensions are designed to give you access to a range of investments. This is good, because your assets can continue to grow and generate income in retirement, but also comes with some risk, as your investment returns are not guaranteed and depend on the performance of your chosen investment options.
- Make sure you have the right strategy. For example, if you want your savings to grow to fund specific retirement goals, make sure you choose with your financial adviser an investment option where it has the potential to grow—otherwise you're just drawing from your retirement savings.
- Your ABP payments will cease once the account balance is exhausted, it is not guaranteed income for life.
- We recommend that you consult your financial adviser to assist you in deciding whether an ABP is suitable for your individual circumstances and to help you make the right investment choices.

Need more information?

- Contact your financial adviser.
- Call us on **1800 667 841**.
- Visit northonline.com.au.
- Email north@amp.com.au.

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What you need to know

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