

Super Pensions

When can I access a pension?

Once a member turns 65 they have access to all of their pension benefits. Before the age of 65 the member will need to satisfy one of the following in order to satisfy the conditions of release:

- Preservation age (continue reading)
- Temporary or permanent incapacity
- Terminal medical condition
- Severe financial hardship

Reaching the preservation age means a member can access their full benefit if they are retired, or up to 10% of the benefit balance if they are still working. This is referred to as a Transition to Retirement Pension.

Warning: Super taken before the age of 60 remains taxable. (Rebates apply. Generally untaxable after the age of 60.)

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

What is the maximum I can withdraw?

An account based pension is required to pay an income stream to the member with a government regulated minimum and maximum regulated amount.

Once a member has reached the age of 65 they are entitled to their total benefit as a maximum. Members in transition to retirement are entitled to a maximum of 10%.

What is the minimum I can withdraw?

The minimum pension is calculated using a percentage based on the age of the member. This percentage is then applied to the member benefit balance as at the 1st of July that year.

Age	Percentage
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
Over 94	14%

Can I top up my pension?

Once a member has begun a pension they cannot top up or add to the balance of that pension. Any new contribution will need to be made to a new contribution account.

The member will then have several options:

- Continue to run the accumulation account to accept contributions made in future years.
- Shift the accumulation account into pension mode and run two separate pension accounts.
- Roll back the existing pension account to accumulation mode, to enable the two accounts to be combined and the total shifted into pension mode.

More Information

For further information please contact us:

P: (03) 5143 0041

E: enquiries@bcsaccountants.com.au

W: bcsaccountants.com.au

M: 441 Raymond Street, Sale VIC 3850
147 Johnson Street, Maffra VIC 3860