

Turn your super into a regular income

with Choice Income

April 2024



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More than 3.30 million Australians trust us to look after over \$315 billion¹ of their retirement savings.

With our history of strong long-term returns for the Balanced investment option², and a member-first approach³, we can help you achieve your best financial position in retirement.

¹ As at 31 December 2023.

² AustralianSuper Balanced investment option compared to the SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60–76) Index to 31 December 2023. Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.

³ Putting members' interests first. AustralianSuper's purpose is to help members achieve their best financial position in retirement. Driven by this purpose and our members first culture, our strategy is to deliver strong long-term performance and provide help, education and access to advice for members when they need it.

Getting a regular income in retirement

You've worked hard for your super, so make your super work for you when you retire.

You can turn your super into a regular income with an account based pension like a Choice Income account, while keeping the rest of your savings invested.

What is an account based pension?

An account based pension lets you access your super as a regular income when you reach your preservation age and retire. This means you don't have to withdraw your super as a lump sum to access it.

By transferring money from your super to an account based pension like our Choice Income account, you can draw regular income payments, while your balance stays invested. This gives you the potential for investment returns throughout your retirement.

Benefits include:



turning your super into a regular income that goes straight into your bank account



having flexibility and control, you can access extra money whenever you need it to pay for bills, holidays and other big ticket items



keeping your savings working for you - money in your account stays invested



tax-free investment returns and tax-free income payments (from age 60)



topping up your Government Age Pension if you're eligible.

When to access super

You may start enjoying the benefits of Choice Income as soon as you reach your preservation age and have permanently retired.

Your preservation age

If you were born...	You may access your super at...
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
1 July 1964 or after	60

You can also open a Choice Income account if you are aged 60 to 64, and have stopped working for an employer on or after 60. Or if you're aged 65 or older, even if you're still working.



Find out more about your preservation age and accessing your super at australiansuper.com/retirement/access-super



How Choice Income works

When you reach your preservation age and permanently retire (or turn 60 and stop working for an employer, or turn 65 even if you're still working), you can open a Choice Income account to access some of your super when you need it and leave the rest invested. To do this, you need to transfer all or some of your super into a new Choice Income account.

You have the flexibility to choose how much income you want to receive¹ and how often, and which investment options you prefer. And your money isn't locked away. You can withdraw extra money to pay for bills, holidays or other big ticket items whenever you need it.

Here's how Choice Income works

1

Transfer all or some funds from your super account to open your Choice Income account. Once opened, you can't add more money to this account, by law.

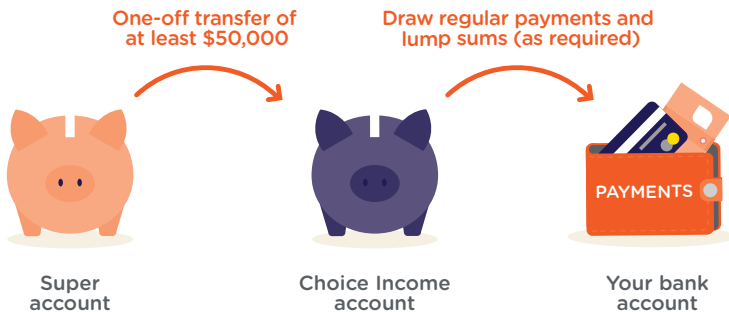
2

Draw regular payments and lump sums from your Choice Income account.

Payments are tax-free once you turn 60.

3

You can change your payment and investment options anytime, while your Choice Income balance remains invested and investment returns are tax-free.



¹ The government requires a minimum amount to be paid each financial year from Choice Income. Refer to australiansuper.com/retirement/minimumdrawdowns

For more details, read the *Choice Income Product Disclosure Statement* at australiansuper.com/pds



Who is eligible for a Choice Income account?

To open a Choice Income account you'll need to rollover at least \$50,000 from your super account, which you already have with AustralianSuper or another super fund. You'll also need to have met a condition of release, see the *When you can start* section on page 7 of the *Choice Income Product Disclosure Statement* at australiansuper.com/pds

Only monies in super can be used to start a Choice Income account, so any other money you would like to have in your Choice Income account needs to be added to your super first¹.

¹ Before adding to your super, consider your financial circumstances, contribution caps that may apply and tax issues. We recommend you consider seeking financial advice.



For more information about eligibility to open a super account, or add to super, please download the *Add to your super and retire with more* fact sheet at australiansuper.com/ContributionLimits



Why Choice Income?

Our account based pension called Choice Income is award-winning¹ with a history of strong long-term returns for the Balanced investment option². With our members first approach, we can help you achieve a better retirement.

Benefits of Choice Income

With a Choice Income account, you'll also benefit from:

- ✓ tax-free income payments (from age 60)
- ✓ flexible payment options³, including withdrawing extra money when you need it
- ✓ low administration fees⁴
- ✓ your balance stays invested and investment returns are tax-free
- ✓ a range of investment options so you're in control
- ✓ Smart Default to easily set up your account, if you prefer leaving some decisions with us
- ✓ easy ways to manage your Choice Income account
- ✓ advice options to support you throughout retirement⁵.

Administration fees

Our admin fee is only \$1 a week, plus 0.10% of your account balance each year (up to a maximum of \$600 p.a.).

Choice Income received the Canstar Outstanding Value award for account based pension in 2023, for the sixth year in a row¹.

¹ [canstar.com.au/star-ratings-awards/account-based-pensions](https://www.canstar.com.au/star-ratings-awards/account-based-pensions) Awards and ratings are only one factor to be taken into account when choosing a super fund.

² AustralianSuper Balanced investment option compared to the SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60–76) Index to 31 December 2023. Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.

³ The government requires a minimum amount to be paid each financial year from Choice Income. Refer to australiansuper.com/retirement/minimumdrawdowns

⁴ Source: Zenith CW Pty Ltd (Chant West) (ABN 20 639 121 403). Chant West Pension Fee Survey June 2023. Survey compares administration fees and costs for multi-manager growth options (61-80% growth assets) for a \$250,000 balance. Other fees and costs apply. Fees may change in the future which may affect the outcome of this comparison.

⁵ Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Fees may apply.



Keep super invested

Keeping your money invested once you're retired helps you control how long your savings last.

You can have peace of mind knowing that AustralianSuper has a history of strong long-term returns for the Balanced investment option¹.

We have investment options to suit different retirement goals. You can leave your investment choice to us by using our Smart Default option or you can choose your own.

8.75 % Average annual return over
10 years for the Choice Income
p.a. Balanced option²

¹ AustralianSuper Balanced investment option compared to the SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60–76) Index to 31 December 2023. Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.

² Returns as at 31 December 2023. Investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns.

Enjoy tax savings

You've paid plenty of tax over the years, so you deserve to pay as little as possible from now on.

A Choice Income account may help reduce the amount of tax you pay on your retirement savings.

- ✓ Your investment returns are tax-free.
- ✓ Once you've turned 60, you won't pay tax on your income payments. Before you turn 60, you may receive a 15% offset for the tax you pay on your income payments.

How much you can transfer into a Choice Income account?

To open a Choice Income account, you'll need to transfer at least \$50,000 of your super.

Transfer balance cap

The government also has a lifetime limit on the amount of super you can transfer into any tax-free retirement income account(s). From 1 July 2023, this transfer balance cap is \$1.9 million for individuals who commence their first retirement income account. However, if you had a retirement income account prior to this date, you may have a personal transfer balance cap between \$1.6 million to \$1.9 million.

You can view your personal cap amount at any time, by logging into your myGov account and going to the Australian Taxation Office (ATO) section at my.gov.au

Compare Choice Income at australiansuper.com/compare-us
Ready to open a Choice Income account? Find out how on page 23.



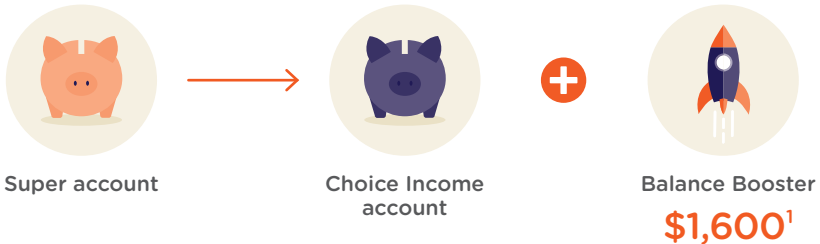
Boost your balance

If you're already with AustralianSuper, you could be eligible to receive an additional boost to your account balance when you move to Choice Income. It's called Balance Booster. The amount you could be eligible to receive will vary depending on your balance, investment options, investment performance as well as the time invested.

Balance Booster will count toward your transfer balance cap, see page 10. You'll need to make sure that the amount you transfer from your super or TTR Income account, plus any Balance Booster, and any other money you hold in other retirement income accounts, do not exceed this cap.

Boosting members' balances

During the 2022/23 financial year, we paid almost \$13 million to nearly 7,700 members who opened a Choice Income account. The average Balance Booster paid to these members was over \$1,600¹.



¹ Based on the Balance Boosters paid up to 30 June 2023. The value of the Balance Booster will vary based on your investment circumstances. Depending on investment performance, the Balance Booster may reduce to zero, but it will never be negative.

Learn more about Balance Booster at
australiansuper.com/BalanceBooster



Top up the Government Age Pension

You can apply for the Government Age Pension even if you have money in your super.

Around 58%¹ of Australians aged 65 and older receive either a part or full Government Age Pension. And the great news is, you may not have to spend all of your super before you can access it.

You could use payments from your Choice Income account to top up any Government Age Pension payments you're eligible for, giving you additional income to support you in your retirement.

The extra income gives you more to spend on everyday expenses like groceries and bills, or something else you're saving for.

Components of retirement income



Government Age Pension



Account based pension - Choice Income account



More money every fortnight

¹ Source: Australian Institute of Health and Welfare, 31 March 2023.

Find out more at australiansuper.com/AgePension



Set up your account your way

With a Choice Income account, you can set up your payment and investment options to suit you and change them at any time. Or you can leave these decisions to us, with Smart Default.

Take it easy

Setting up your account is easy with Smart Default. Leave the decisions to us now, but change your options later if you need to. We'll pre-select your payment and investment options for you.

Your payment and investment options are modelled and managed by a trusted team of investment experts¹. We'll pre-select your payment and investment options for you.

Setting up with Smart Default means:



✓ You're initially invested in 12% Cash and 88% Balanced.



✓ You initially receive at least 6% of your balance each year; and as you get older this amount will change².



✓ You get paid every two weeks.



✓ Your income is first drawn from the balance of your Cash option, then once it reaches \$0 from your Balanced option.

¹ Investment returns are not guaranteed. Past performance isn't a reliable indicator of future returns.

² For details on Smart Default drawdown amounts, view the *Choice Income Product Disclosure Statement* at australiansuper.com/pds

Flexible payments

If you set up your account with Smart Default, your payments will be selected by us, but you can change them at any time.

If you prefer to choose your own payments, you can:



Choose how much you'll be paid

Tell us how much income you want to receive and we'll pay it to your bank account. You can choose:

- the minimum payment (set by the government)¹, or
- a specific amount as a set dollar amount.



Choose how often you'll be paid

You can receive your income payments:

- every two weeks
- once a month
- once every three months
- twice a year, or
- once a year.

You can check our payment calendar at australiansuper.com/PaymentCalendar

¹ The government sets a minimum amount that must be taken as an income each year from account based pensions such as Choice Income. This amount varies with your age. To learn more view the *Choice Income Product Disclosure Statement* at australiansuper.com/pds

With Choice Income, it's easy to manage your account:

- online at australiansuper.com/login
- on the mobile app (download at australiansuper.com/MobileApp), or
- over the phone on **1300 300 273** (8am to 8pm AEST/AEDT weekdays).

Investment options

The right investment option can make a big difference to how long your savings could last.

Setting up with Smart Default means you leave the investment decisions to the experts. Or you can choose your own options if you want to.



PreMixed options

Hands on level: Low

PreMixed investment options are diversified investment options that are designed for members who want to be hands-off. These options are made up of more than one asset class and have different investment objectives, with varying levels of risk, investment timeframes and expected returns.

Your PreMixed choices are:

- High Growth
- Balanced (default investment option)
- Socially Aware
- Indexed Diversified
- Conservative Balanced
- Stable.



DIY Mix options

Hands on level: Medium

DIY Mix investment options are designed for members who want to be more hands-on in constructing their own investment portfolio to match their personal risk appetite and objectives, by combining with other investment options. They provide investment exposure to specific asset classes (plus a small proportion of cash) and have different investment objectives, with varying levels of risk, investment timeframes and expected returns.

Your DIY Mix choices are:

- Australian Shares
- International Shares
- Diversified Fixed Interest
- Cash.



Member Direct option

Hands on level: High

The Member Direct investment option gives you the greatest control of all options.

You invest your own super in a range of listed securities, including:

- Shares in the S&P/ASX 300 Index
- Exchange Traded Funds (ETFs)
- Listed Investment Companies (LICs)
- Term deposits.

You'll need at least \$50,000 in your Choice Income account to be eligible to invest in this option.

Find out more about your investment options at australiansuper.com/InvestmentOptions



Nominate beneficiaries

It's important for you to let us know where you want your money to go should your savings outlive you.

If that happens, you'll want to ensure you've made a binding nomination, non-binding nomination or reversionary nomination request.



Binding nomination

We can pay your account as a one-off payment or as an income stream (conditions apply). You can nominate your dependants¹ or your Legal Personal Representative². You can change your binding nomination at any time (binding nominations expire after three years).

OR



Non-binding nomination

You can nominate who you'd prefer your account to be paid to. Your preferred beneficiary, however, is not legally binding. Although we'll consider who you choose, ultimately, the Trustee is legally responsible and will need to consider relevant laws when making a decision. You can nominate your dependants¹ or your Legal Personal Representative².

OR



Reversionary nomination

Your retirement income can continue to be paid as income payments to your dependant¹ until your balance reaches zero. If you nominate your child aged 18 years or older, if they meet certain criteria.

¹ Dependants, as defined by superannuation law, generally include your spouse or de facto, children, financial dependants, and other people with whom you have an interdependency relationship at the time of your death.

² A Legal Personal Representative is generally the executor of your will or administrator of your estate.

For more information, visit australiansuper.com/beneficiaries



Get support and guidance

When it comes to retirement, a little bit of learning can go a long way.



If you're still in planning mode, you might want to check out our *Preparing for your retirement journey* webinar.

You'll learn:

- ✓ how you can boost your super while you're still working
- ✓ how you can meet your income needs in retirement
- ✓ how account based pensions work, and
- ✓ accessing the Government Age Pension if you're eligible.



Once you open a Choice Income account and transition to retirement, we'll continue to support you by providing deep dive education sessions.

We'll cover topics like:

- ✓ investing in retirement
- ✓ how your investments are performing
- ✓ how you can maximise your lifestyle in retirement, and
- ✓ estate planning.

Register for a webinar at australiansuper.com/webinars





Help and advice

Financial decisions can be complicated, so it's important to talk to an adviser before making a decision.

You can access general information at no additional cost. For broader advice, meeting face-to-face, over the phone or online with an adviser can help when you want a detailed financial plan and have a number of financial matters to think about.



Online

australiansuper.com

For general information.

How it works

Contact us through **Live Chat** at **australiansuper.com/contact-us** or via our app for general information about your super. To check out the online calculators to help you plan for a better future, visit **australiansuper.com/calculators**

If you're simply after some more information on your advice options, visit **australiansuper.com/advice**

How much it costs

No additional cost.



Simple¹

For general information or simple, personal advice over the phone.

How it works

Call us on **1300 300 273** and ask to speak with a member of the advice team for simple, personal advice on Choice Income such as:

- how it works
- if you're eligible
- making an investment choice
- adding extra to your super
- sorting your insurance.

We will then book a convenient time for the advice team to call you back.

How much it costs

A fee may be payable if transition to retirement (TTR) or Choice Income advice is given.

¹ There's no charge for general advice about your super account. The financial advice you receive will be provided by Link Advice Pty Ltd, ABN 36 105 811 836, AFSL 238145 and will be their responsibility. Personal product advice provided may attract a fee, which will be outlined before any work is completed and is subject to your agreement.



Comprehensive¹

For broader personal financial advice.

How it works

A financial adviser can speak with you face-to-face about broader financial matters, such as your retirement needs and goals.

And where available, you may have the option to meet with an adviser using a secure video link from the comfort of your own home.

Arrange an appointment at australiansuper.com/find-an-adviser or call us on **1300 300 273**.

How much it costs

In most instances, there is no cost for your first consultation. If you receive personal advice, a detailed financial plan called a *Statement of Advice* (SoA), will be provided on a once off fee basis. A fee is discussed and agreed between you and your financial adviser upfront.

¹ Personal financial product advice is provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd. Some personal advice may attract a fee, which would be outlined before any work is completed and is subject to your agreement. With your approval, the fee for advice relating to your AustralianSuper account may be deducted from your AustralianSuper account subject to eligibility criteria.



**“I have peace of mind.
I check my balance regularly
and I am very happy.”**

**Chrisoula,
Choice Income member**

The views expressed are those of the member based on their particular circumstances, reproduced with their continuing consent.

Opening a Choice Income account

You only need \$50,000 to open an account.

Things to consider

It's a good idea to consider, if you have super to combine¹, to have all your money in one place before opening a Choice Income account. This includes super from other funds and any lost super you may have found.

If you've made personal contributions to super that you intend to claim a tax deduction for, you need to tell your super fund that you plan to claim a tax deduction **before** you transfer some or all of it to a Choice Income account. Download the form to do this at australiansuper.com/TaxDeduction or call us on **1300 300 273** for a copy.

To get started, just follow these simple steps:



1. Go to australiansuper.com/join and click on the Choice Income tab or use the application form at the back of the *Choice Income Product Disclosure Statement*.



2. Complete your personal details and step through the online form at your own pace. You can save the application and come back to it later if you need to.



3. You'll start to receive a regular income as soon as we've processed your application.

¹ Before making a decision to combine your super, consider any fees or charges that may apply, and the effect a transfer may have on benefits in your other fund such as insurance cover. We recommend you consider seeking financial advice.

If you wish to claim a tax deduction for personal super contributions, you must lodge a notice of intent to claim a tax deduction with your other fund, before you combine your super.

From 1 July 2023, every individual will have their own personal transfer balance cap between \$1.6 and \$1.9 million, depending on their circumstances. To learn more view the *Choice Income Product Disclosure Statement* at australiansuper.com/pds There are special rules for certain disability and structured settlements that enable the \$1.9 million cap to be exceeded.

You can find the *Choice Income Product Disclosure Statement* at australiansuper.com/pds



Have questions?

Call **1300 300 273**

8am to 8pm AEST/AEDT weekdays

Visit **australiansuper.com/retirement**



Important information

This document has been prepared and issued in April 2024 and is subject to change.

This information may be general financial advice which doesn't take into account your personal objectives, financial situation or needs. Before making a decision about AustralianSuper, you should think about your financial requirements and refer to the relevant Product Disclosure Statement available at australiansuper.com/pds or by calling **1300 300 273**. A Target Market Determination (TMD) is a document that outlines the target market a product has been designed for. Find the TMDs at australiansuper.com/tmd AustralianSuper Pty Ltd, ABN 94 006 457 987, AFSL 233788, Trustee of AustralianSuper ABN 65 714 394 898.

Reader's Digest Most Trusted Brands – Superannuation category winner for 11 years running 2013–2023, according to research conducted by independent research agency Catalyst Research. AustralianSuper received the Canstar Outstanding Value Award for Account Based Pension in 2023 canstar.com.au/star-rating-reports/account-based-pensions Awards and ratings are only one factor to be taken into account when choosing a super fund.