

Fact sheet

Pension

The AustralianSuper Pension is designed for those who are approaching retirement or who are permanently retired.

You don't already have to be a member of AustralianSuper to take up the Pension. You just need to have super to the value of \$10,000 or more to invest. More than one in 10 working Australians is a member of AustralianSuper, making us one of Australia's largest super funds. As an industry fund we're run only to profit our members, unlike funds that pay dividends to shareholders and commissions to agents. Our key purpose is to maximise our members' retirement savings.

Through the AustralianSuper Pension we can now help our members and other retired Australians make the most of their savings.

If you're like most Australians, you'll be busy in retirement. Travelling, playing sport, gardening, reading, spending time with family – this time (your time) is what you've worked hard for.

How best to access your hard-earned super at this time will depend on your personal circumstances. If you're not keen on taking a lump sum payment and having to manage it throughout your retirement, you might be interested in accessing your super as regular payments through the AustralianSuper Pension.

What is an account-based pension?

The AustralianSuper Pension is an account-based pension (account-based pensions have replaced allocated pensions). An account-based pension allows members to roll over their super account into a pension that provides regular income payments during their retirement.

By law, a minimum amount must be withdrawn from your account-based pension each year. The minimum is simply a percentage of your account balance (the percentage is based on your age). There's no maximum amount that must be withdrawn which means you can withdraw all or part of your account balance as the need arises (unless you've taken up the Transition to Retirement option which restricts you to withdrawing up to a maximum of 10% per year).

What is the Transition to Retirement option?

If you've reached your preservation age (currently 55 years of age or older) and have not yet retired, you may be eligible to take up the AustralianSuper Pension under the Transition to Retirement option. This option allows you to set up a pension using some or all of your super savings before you permanently retire. If you're still working, this option allows you to keep adding to your super on the one hand and drawing income from it on the other.

Depending on your circumstances, this option could help to ease your way into retirement by giving you the opportunity to supplement your income if you cut down your working hours and/or reduce the amount of tax you pay. It could even potentially increase your retirement savings.

You can take up an AustralianSuper Pension under the Transition to Retirement option if you meet the age eligibility requirements, have not yet retired and have a super benefit of \$10,000 or more to invest.

See our Transition to Retirement fact sheet for further details. You can download a copy at www.australiansuper.com/pension or call 1300 789 932.

What are the benefits of the AustralianSuper Pension?

When you take up an AustralianSuper Pension you'll enjoy the benefits of:

- strong long-term investment performance
- low fees
- a range of 15 investment options*
- tax-free investment earnings

- online account access
- flexible payment options
- estate-planning options that ensure your Pension is not lost in the event of your death.

What about investment performance?

AustralianSuper has a history of delivering strong long-term investment performance to members. The Balanced Investment Option returned a five year average of 13.19%# to 30 June 2008.

AustralianSuper also offers you a range of 15 investment options so you can choose the option or options that best suits your individual needs.

Our website has an investment section featuring detailed information on our regular updates on performance and fees. Visit our website at www.australiansuper.com/pension

Please note: The historical return information provided is an estimate only of the rates that would have applied if the AustralianSuper Pension had previously been available. It is based on the assumptions outlined below.

1. Returns quoted have been reduced only for the cost of investing (investment fees).
2. Returns within AustralianSuper Pension are tax-free.
3. Historical returns have therefore been calculated by taking the declared investment returns for each option within the Accumulation Division and adding back an estimate for the tax payable.
4. The tax rate applicable to each investment option for the 2007/08 financial year has also been used when calculating estimated historical returns for previous years for each investment option.

The calculated investment returns were prepared by the AustralianSuper Investment Department. Past performance is not an indication of future returns. The AustralianSuper Pension has been available from 1 January 2008. In calculating historical return information for AustralianSuper we have combined return information from previous ARF and STA investment options. Where only one of the merging funds previously offered an equivalent to an option in the new product suite, the returns of that option have been used. Where both funds offered an equivalent option, the returns have been asset weighted across both options on a monthly basis, where possible.

And fees?

If you have an AustralianSuper Pension, you pay an administration fee of \$1 per week plus 0.22% of your account balance per year. The 0.22% annual fee will not exceed \$1,100 per year for accounts of \$500,000 or more. We deduct these amounts directly from your account.

You also pay investment management fees. Investment management fees are expressed as a percentage, which varies depending on the investment option, or options, you choose. These fees are the same as those applied to members who have their super invested with us: for the 2007/08 financial year, these investment costs ranged from 0.13% pa to 0.83% pa. We deduct these fees from investment earnings before we credit them to your account.

See our Fees and your AustralianSuper Pension fact sheet for further details. You can download a copy at www.australiansuper.com/pension or call 1300 789 932.

* The ASX 200 Shares Investment Option is not available to Pension members.

Do I need a financial adviser?

Deciding how best to fund your lifestyle in retirement depends on your personal circumstances and an adviser may be able to help you make a decision that's right for you.

Members of AustralianSuper have access to commission-free financial advisers through Industry Fund Financial Planning (IFFP).^{*} IFFP is a national fee-for-service financial planning practice that was established to help industry super fund members with their financial futures.

Your discussion with an IFFP adviser is charged on a fee-for-service basis and the cost is agreed up-front. To arrange a time for a free initial discussion or for more information, you can contact an IFFP adviser on 1300 138 848 or go to www.iffp.com.au

^{*} AustralianSuper does not recommend, endorse or accept responsibility for these services. Terms and conditions apply – these should be obtained from IFFP. AustralianSuper does not accept liability for any loss or damage caused by the services provided by IFFP. AustralianSuper may invest in IFFP but does not receive any commissions from this organisation as a result of members using their services.

Want to know more?

For full details on the AustralianSuper Pension, including an application form, see our Pension Product Disclosure Statement available at www.australiansuper.com/pension or by calling AustralianSuper on 1300 789 932.