

EISS Super and EISS Pension

Transition to Retirement Explained

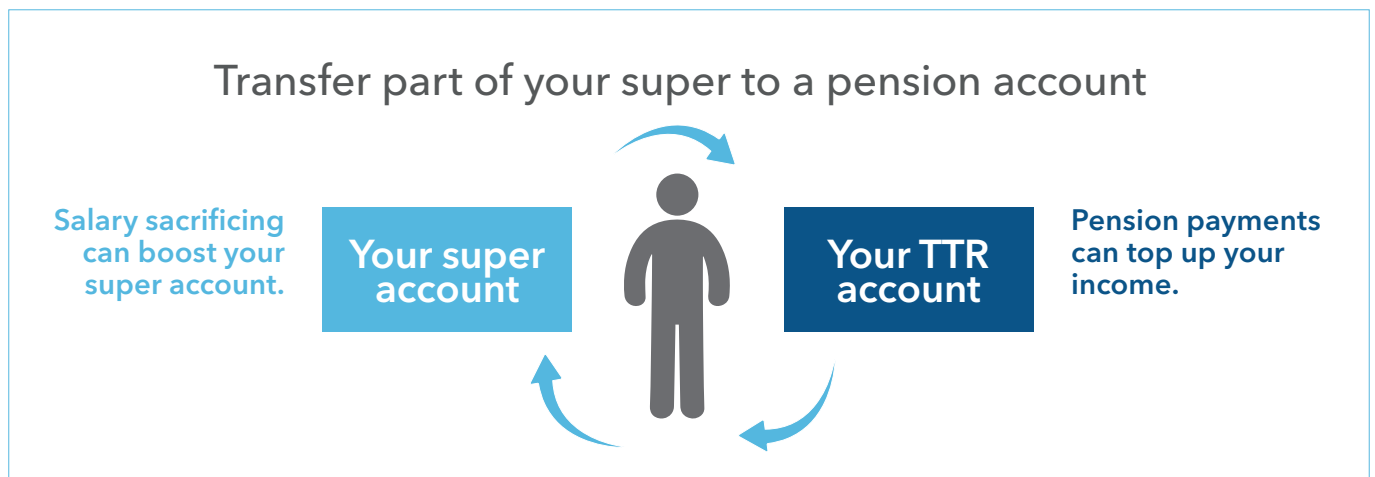
Are you thinking about making a gradual move to retirement? Super is money set aside for your retirement however, if you have reached your preservation age and are still working you can access some of your super money with a 'Transition to Retirement' (TTR) strategy.

A Transition to Retirement (TTR) strategy can:

- boost your super;
- provide tax savings; and
- allow you to access some of your super early.

How a TTR pension strategy works

A TTR pension strategy allows you to transfer part of your super to a pension account. A TTR pension allows you to work longer (in a reduced capacity e.g. less hours) and retire later.



Save on tax

Tax savings occur when the tax you pay on your salary sacrifice contributions is less than the tax you pay on your salary (15% compared to your individual marginal tax rate). In addition, when you turn 60 the payments you receive from your pension account become tax-free, if you are under 60 you may receive a tax rebate on your pension income. It is these tax savings that can result in extra super.

Boost your super

Your super balance will keep growing as your employer continues to make contributions to your super such as Superannuation Guarantee (SG) payments and award contributions. Additionally, salary sacrifice contributions you make will further boost your super.

What are the advantages?

Establishing a TTR pension may offer many benefits, including:

- flexibility to work part-time or full-time and the ability to supplement or maintain your income;
- increasing your retirement savings through a salary sacrifice arrangement into your super account;
- salary sacrifice super contributions are taxed up to 15% instead of your individual income tax rate (if within the contributions cap). This is generally lower than your marginal tax rate;
- tax-free pension payments if you are 60 and over;
- if you are aged between your preservation age and 60, the taxable component of your TTR pension payments are taxed at your marginal tax rate less a 15% tax offset;
- a TTR pension allows you to maintain your current lifestyle; and
- investment earnings from your TTR pension are concessionaly taxed at up to 15% just like super.

When can a TTR pension commence?

A TTR pension can commence once you have reached your preservation age, depending on your date of birth:

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
1 July 1964 onwards	60

Seek professional advice

Our financial planners provide advice over the phone, at our offices or at a location near you.




To book an appointment, please call **1300 369 901** or visit eisuper.com.au/appointment.

Considerations

Maintaining your income while reducing your tax sounds great, however you should take the following into consideration:

- you cannot withdraw a lump sum payment from your TTR pension until you permanently retire;
- there are minimum and maximum yearly pension amounts. The total amount of pension income you can receive must be between 4% (minimum) and 10% (maximum) of your TTR pension balance as at 1 July each year; and
- contributions made to super are subject to contributions caps and if exceeded you may incur a higher tax rate. Be mindful not to exceed the concessional contribution cap to avoid higher tax rates.
- when you notify us you meet a full condition of release (such as permanent retirement, ceasing employment after age 60 or reaching age 65) your TTR pension will become a standard account based pension. Please refer to the 'Account Based Pensions explained' fact sheet at eisuper.com.au/factsheets.

We're here to help

 1300 369 901

 eisuper.com.au

 GPO Box 7039, Sydney NSW 2001

Energy Industries Superannuation Scheme Pty Limited ABN 72 077 947 285, RSE Licensee L0001373 and AFS Licence 441877 as trustee for Energy Industries Superannuation Scheme Pool A ABN 22 277 243 559, RSE R1004861 and Pool B ABN 64 322 090 181, RSE R1004878, and trading as EISS Super. This information is current as at the date of issue, of a general nature only and has been prepared without taking account of your objectives, financial situation or needs. Before acting on this information or making an investment decision about whether to acquire, hold or sell a financial product, you should consider its appropriateness having regard to your financial objectives, situation and needs and read the relevant Product Disclosure Statement, available at eisuper.com.au/pds or by contacting us on 1300 369 901. You can obtain the Target Market Determination for the product from eisuper.com.au/tmd. You should also consider obtaining financial, taxation and or legal advice which is tailored to your personal circumstances before making a decision. 1094.8 ISS6 09/21