

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

What happens now?



# What is an AP?

Super is a way of accumulating funds for your retirement savings. The best part comes next. An allocated pension (AP) is when you draw down on your investment during retirement, a bit like receiving a salary from your own savings.

How long you continue to receive an income depends on the amount you put in, how much you take out and any investment earnings you make. APs could save you more tax than other strategies in retirement. That's because investment earnings in an AP—interest, dividends, capital gains—are tax free.<sup>1</sup>

Every year you'll need to withdraw a minimum pension payment, which will be calculated according to your age. There is no maximum payment amount which needs to be drawn each year, unless the pension is started before you retire.

<sup>1</sup> The transfer balance cap of \$1.6M cap applies.



Converting your AMP SignatureSuper<sup>®</sup> into an account-based or allocated pension (AP) can provide you with a regular and tax-effective income stream during your retirement.

When you retire you stop getting a regular income (unless you're eligible for the Government Age Pension) and for many, that's a daunting prospect. That's where an AP comes in. You're able to receive regular payments when you need it. An AP can be like your personal pay office. You deposit your retirement savings into it and set up a regular amount to go into your bank account. During your working life you go to work to provide yourself with a regular income. Then, with an AP, it's your savings that go to work while you can enjoy the regular tax-free income (if aged 60 or older).

# Why SignatureSuper Allocated Pension may be right for you:

## 1. Access your money when you need it

- You can choose to receive your payments regularly and you can change it any time.
- Plus your money isn't locked away. From time to time you may need extra funds and that's ok. You may be able to take extra lump-sum payments when you need to.<sup>1</sup>
- Regular payments make budgeting easier than drawing down from a lump sum in a bank account.

## 2. Minimal fees means more money is reinvested

- Most APs don't cost you anything to set up; withdraw your money from; change your investment options; or cancel your AP.

## 3. Tax effectiveness

An AP may be more tax-effective than other options available. The tax-free earnings remain in your account and increase the value of your investment, so you can potentially receive more income with each payment or increase how long the money in your AP will last.

- Tax-free investment earnings.
- Tax-free income on payments or withdrawals once you're over 60.
- 15% tax offset (rebate on pension income) on payments when you're aged between 55 and 60.
- Note: There is a \$1.6 million transfer balance cap which limits the amount you are able to transfer into a tax-free retirement pension account. Penalties apply if you exceed this cap.

## 4. Online access – [amp.com.au/myamp](https://amp.com.au/myamp)

My AMP is the new way to manage your super, investments, insurance and banking online all within one secure site.

My AMP lets you keep an eye on your finances and manage your accounts anytime, anywhere from your mobile, tablet or desktop. You can:

- See up-to-date account balances for your super and investments
- Access statements and generate personalised reports
- Update your personal details
- Manage your contributions, nominate beneficiaries and change your investment mix.

## 5. You control where your money goes

Looking after a loved one, should anything happen, is important to many people. With APs, you can choose which of your eligible beneficiaries you want any remaining monies to go to (known as nominating a beneficiary).

- APs can continue to provide a regular income for as long as there are sufficient funds available. And, these income payments can continued to be paid to your beneficiary (generally your spouse) if you list them as a Revisionary Beneficiary. It can be a good way to secure an income stream for them, should something happen to you.

<sup>1</sup> You may make extra withdrawals once a condition of release has been satisfied. Refer to the Product Disclosure Statement for a list of conditions.

## Make sure you understand allocated pensions

- Allocated 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 retirement savings to grow, you could consider choosing an investment option where it has the potential to grow—otherwise you're just drawing from your retirement savings.
- Your AP 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 AP is suitable for your individual circumstances and to help you make the right investment choices.
- APs will count toward your \$1.6 million transfer balance cap. Penalties will apply should you exceed your pension transfer cap. Broadly, the transfer balance cap is a limit on how much you are able to transfer into tax-free retirement pensions.



Need more  
information?

### Ask for a copy of the Product Disclosure Statement

- Contact your financial adviser.
- Call us on **1300 366 019**.
- Visit [signaturesuper.amp.com.au](https://signaturesuper.amp.com.au).
- Email [signaturesuper@amp.com.au](mailto:signaturesuper@amp.com.au).

## Did you know?

If you are considering an annuity as part of your retirement investment, you can purchase a Challenger Guaranteed Annuity (Liquid Lifetime), Challenger Guaranteed Annuity and Challenger CarePlus through AMP.

You can see your account and your Challenger annuities together on My AMP, which gives you a complete view of your retirement savings. To find out more contact your financial adviser.

## Contact us

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