

Retirement

Don't just retire, make a transition.

Transition to Retirement

While putting more of your money into superannuation via salary sacrifice[#] can be a tax-effective way to build your retirement savings, it's a trade off because the more salary you sacrifice, the less you have to live on. But if you're over 55* and plan to continue working, there's a clever way to make your super savings grow faster— without affecting your lifestyle.

Under the Transition to Retirement (TTR) rules, you can top up your income by converting part of your existing super to an Account Based Pension. This facility then pays you a regular income, or pension, which in turn allows you to put a larger part of the salary from your job back into your super. So your super grows through salary sacrifice, but your lifestyle is maintained because you live on the combination of the Account Based Pension income plus the balance of your salary.

If your circumstances are right, the benefits of doing this can be considerable.

For example:

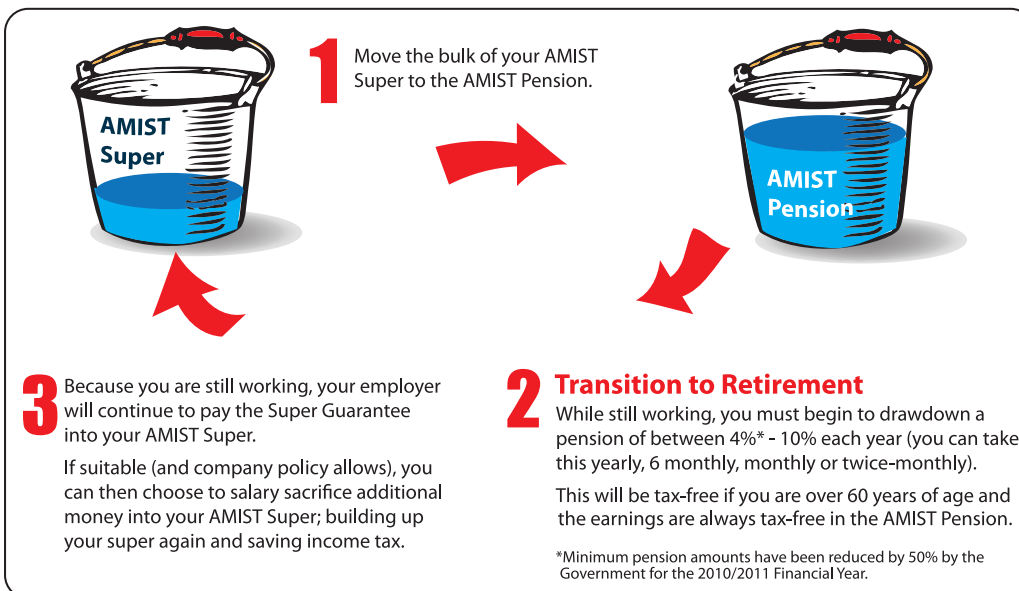
- You may pay less tax because your salary sacrificed super contributions are taxed at 15%, rather than your current marginal tax rate (which could be as high as 46.5%).
- You may pay less income tax because the proportion of your salary you take in cash will be substantially reduced.
- You may pay less tax because the amount you draw from your pension attracts a 15% pension offset and is tax free if you're over age 60.

- You may pay less tax on your investment earnings because Account Based Pensions attract NO tax on earnings, compared to up to 15% on superannuation earnings and your Marginal Tax rate on earnings from investments outside of superannuation.
- Your retirement savings could grow at a faster rate because you're putting more in, and saving on tax.

Effectively, you could be drawing an income from your super and salary sacrificing your wages and saving yourself tax. It's better in your pocket!

Call our Pension Hotline on **1800 255 521** for a copy of the AMIST Pension booklet or hop onto the website to read through it.

[#] Salary sacrifice is a method of making super contributions from your gross income. Your money enters the super fund as an Employer Contribution and is only taxed at a maximum of 15% (not your marginal tax rate). As a result, your taxable income may be decreased and more money will enter the fund. Your employer must agree to allow you to salary sacrifice and you should check if they will still then pay your Super Guarantee, leave payments and other entitlements on your before salary sacrifice income. You may wish to seek financial advice to check if salary sacrifice is the right thing for you to do.*Members born after 1 July 1960 will not have access to a TTR pension until they reach early retirement age, which will be after age 55. Refer to the AMIST Super Product Disclosure Statement or contact the AMIST Pension Hotline on 1800 255 521 for more details.



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