



Turn your super into a regular income

with Choice Income

April 2023



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3.06 million Australians trust us to look after \$274 billion¹ of their retirement savings.

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

¹ As at 31 December 2022.

² AustralianSuper Balanced investment option compared to the SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60–76) Index to 31 December 2022. Investment returns aren't guaranteed. Past performance is not a reliable indicator of future returns.

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 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



saving on tax – 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.

| 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 since turning 60, or are 65 or older.



Find out more about your preservation age and accessing your super at australiansuper.com/AccessYourSuper



How Choice Income works

When you reach preservation age and retire (or turn 60 and stop working for an employer, or turn 65), 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 some or all of your super into a new Choice Income account.

You can choose how much income you want to receive 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 by law.

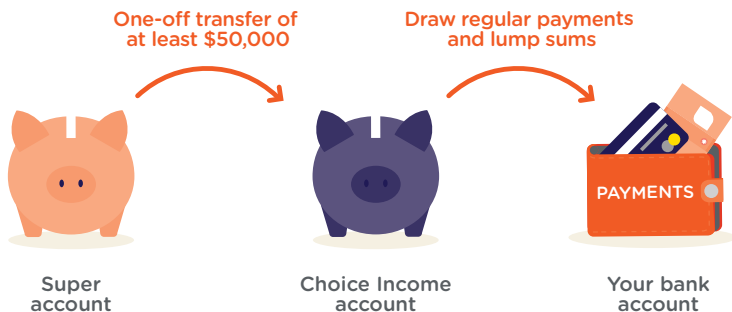
2

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.



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 will 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 section 'When you can start' in 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 first.¹

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 fact sheet *Add to your super and retire with more* at australiansuper.com/ContributionLimits



Why Choice Income?

Our account based pension – 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 a Choice Income account

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

- ✓ tax-free income payments (from age 60)
- ✓ flexible payment options including withdrawing extra money when you need it
- ✓ your balance stays invested and investment returns are tax-free
- ✓ a range of investment options so you're in control
- ✓ easy ways to manage your Choice Income account
- ✓ advice options to support you throughout retirement

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 pa).

¹ AustralianSuper received the Canstar Outstanding Value Award for Account Based Pension in 2022. Awards and ratings are only one factor to be taken into account when choosing a super fund canstar.com.au/star-ratings-awards/account-based-pensions

² AustralianSuper Balanced investment option compared to the SuperRatings Pension Fund Crediting Rate Survey – SRP50 Balanced (60–76) to 31 December 2022. Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.

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





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 option.

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.

9.63%
pa

Average annual return over
10 years for the Choice Income
Balanced option¹

¹ Returns as at 31 December 2022. 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.



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 a few things, including your balance and investment options.

Boosting members' balances

During the last financial year (2021/22), we paid almost \$17 million to nearly 8,400 members who opened a Choice Income account. The average Balance Booster paid to these members was over \$2,000.¹



Super account



Choice Income
account



Balance Booster
\$2,000¹

¹ Based on the Balance Boosters paid up to 30 June 2022. The value of the Balance Booster will vary based on your investment circumstances. Depending on market 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 62%¹ of Australians over the age of 65 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 can 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 2021.

Find out more at australiansuper.com/AgePension



Set up the account your way

With a Choice Income account, you can set up your payments and investment options to suit you, and change them at any time. Or you can leave them to us.

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.

Smart Default will turn your super into an income that could last up to 20 years or more. Your payment and investment options are modelled and managed by a trusted team of investment experts.¹

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 change.²



- ✓ You get paid every two weeks.

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

Your income will be drawn from your Cash option first, until the balance in Cash reaches \$0. Your income is then taken from your Balanced option.



Flexible payments

If you set up your account with Smart Default, your payments will be pre-selected, 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* australiansuper.com/RetirementGuide

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–8pm AEST/AEDT weekdays).

Investment options

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

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



PreMixed options

Hands on level: Low

PreMixed options are diversified options that invest across different combinations of asset classes such as shares, property, infrastructure, fixed interest and cash.

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 options provide investment exposure to specific asset classes. You choose how much you want to invest in each in a mix that can also include one or more PreMixed options.

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.

If you're a super member with us, you'll need \$10,000 or more in your account to invest in Member Direct. If you're a retirement income member, it's \$50,000.

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



Nominate beneficiaries

Your Choice Income account is designed to last right through your retirement, so some of your savings may even outlive you.

If that happens, we'll make sure what's left in your account goes where you want it to. All you have to do is make a 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) to your nominated dependants¹ or Legal Personal Representative.² You can change your binding nomination at any time.

OR



Reversionary nomination

Your retirement income can continue to be paid as income payments to your dependant.¹

¹ Dependants are people who rely on you for financial support as defined by Superannuation Law.

² A Legal Personal Representative is someone who looks after your estate or Will.

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** 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.

How much it costs

A small fee may be payable if Transitioning 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 Limited 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 necessary, a detailed financial plan called a *Statement of Advice* (SOA), can be provided on a once off fee basis. A fee is discussed and agreed between you and your financial adviser upfront, but you may be able to pay for some advice relating solely to your AustralianSuper account.²

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.

² Conditions apply.



**“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 make sure you combine your super¹ and 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.

To get started, just follow these simple steps:



1. Go to **australiansuper.com/join** 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 2021, every individual will have their own personal transfer balance cap of between \$1.6 to \$1.7 million, depending on their circumstances. To learn more view the *Choice Income Product Disclosure Statement* **australiansuper.com/RetirementGuide** There are special rules for certain disability and structured settlements that enable the \$1.7 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 2023 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.

Online calculators allow you to explore your potential options in more detail. The financial outcomes provided by our online calculators should be read together with the relevant Product Disclosure Statement. These outcomes are reliant on the accuracy of the information you have entered and before taking action you will need to consider the appropriateness of the financial outcomes, taking into account your objectives, financial situation and needs.

Reader's Digest Most Trusted Brands – Superannuation category winner for 10 years running 2013–2022, according to research conducted by independent research agency Catalyst Research. AustralianSuper received the Canstar Outstanding Value Award for Account Based Pension in 2022 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.