



Life Pension Conversion Factors

Effective 1 January 2010*

As an RBF member, you may be entitled to purchase an RBF Life Pension under certain circumstances if you have had a continuous financial interest in RBF since 14 May 1999.

Some RBF Life Pensions are calculated using actuarial pension Factors based on life expectancy. These pensions can be reversionary to the spouse on death of the pensioner, or non-reversionary. If a pension is reversionary, some of the benefit may revert to a surviving spouse on the death of the pensioner.

Please see the RBF Life Pension fact sheet for more information about benefits and features of the RBF Life Pension. The fact sheet is available on our website, www.rbf.com.au or by calling **1800 622 631**.

If you would like to discuss your options please make an appointment with a Superannuation Consultant by calling our office.

Life Pension Conversion Factors are used to determine the annual value of your RBF Life Pension. Once this value is established, it is adjusted by the value of Consumer Price Index on a six monthly basis. The initial annual value of the pension is calculated by dividing the amount being used to purchase the pension by the relevant Life Pension Conversion Factor. If the pension commences part way through a financial year, the annual amount is pro rated. Worked examples are shown on the next page.

Pensions with Reversion to Surviving Spouse			Pensions with No Reversion to Surviving Spouse		
Age	Female	Male	Age	Female	Male
55	19.5882	19.8385	55	18.8946	18.1547
56	19.3102	19.5680	56	18.5998	17.8201
57	19.0215	19.2871	57	18.2948	17.4745
58	18.7221	18.9956	58	17.9798	17.1177
59	18.4116	18.6933	59	17.6546	16.7500
60	18.0898	18.3801	60	17.3189	16.3713
61	17.7565	18.0558	61	16.9728	15.9820
62	17.4116	17.7205	62	16.6162	15.5823
63	17.0549	17.3739	63	16.2489	15.1725
64	16.6864	17.0162	64	15.8709	14.7531
65	16.3059	16.6473	65	15.4823	14.3246
66	15.9136	16.2673	66	15.0831	13.8875
67	15.5093	15.8764	67	14.6732	13.4426
68	15.0933	15.4748	68	14.2528	12.9906
69	14.6658	15.0627	69	13.8224	12.5325
70	14.2269	14.6406	70	13.3817	12.0691

*RBF Life Pension factors are regularly reviewed and **can change at any time**. If you are thinking of commencing an RBF Life Pension please contact RBF on **1800 622 631** to ensure you have the most up to date information.

Continued overleaf



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Notification of changes to Life Pension Factors is made via notice in the Public Service Gazette.

RBF keeps members up to date about important information via our quarterly Member News. Please contact RBF to make sure we have your current postal address so that you receive this update.

Example 1

Michael was born on 18 August 1951 and retires from the workforce on 1 July 2010 and elects to commence an RBF Life Pension. He is 58 on the day his pension commences.

Michael has \$250,000 in his RBF Investment Account and he decides to rollover \$250,000 from XYZ superannuation fund into his RBF Investment Account. He then uses the entire balance of his Investment Account to purchase an RBF Life Pension, ie \$500,000.

Michael is male, he is 58 and he has chosen a reversionary life pension therefore his life pension conversion factor is currently 18.9956. His annual pension value is calculated in the following way:

$$\frac{\text{Total purchase price of the pension}}{\text{Life Pension Conversion factor}}$$

In this example:

$$\frac{\$500,000}{18.9956}$$

Total gross pension: **\$26,321.90pa**

When Michael dies, 2/3 of the pension value at the time of his death will revert to his surviving spouse[#]. His spouse will also have the option of converting some or all of the pension into a lump sum benefit. If Michael does not have a spouse at the time of his death, the pension ceases. No funds are paid to the estate.

[#] The RBF Board will determine if a potential beneficiary qualifies as a spouse based on the RBF Regulations.

Example 2

Jane was born on 15 June 1949 and retires from the workforce on 20 June 2010. She elects to commence an RBF Life Pension on 1 July 2010. Jane is 61 on the date her pension commences.

Jane has \$350,000 in her RBF Investment Account and she makes a contribution of \$50,000 before she decides to start her life pension. Jane uses the total balance of \$400,000 to commence her life pension.

Jane is female, she is 61 and she has chosen a non-reversionary life pension therefore her life pension conversion factor is currently 16.9728. Her annual pension value is calculated in the following way:

$$\frac{\text{Total purchase price of the pension}}{\text{Life Pension Conversion factor}}$$

In this example:

$$\frac{\$400,000}{16.9728}$$

Total gross pension: **\$23,567.20pa**

Because Jane has chosen a non-reversionary pension option, when she dies her pension ceases. No funds are paid to her estate or anyone else.

The RBF Board is not licensed to provide financial product advice in relation to RBF pensions. You should obtain and read a copy of the relevant brochures and fact sheets available at www.rbf.com.au or by calling us directly on **1800 622 631** before making a decision based on the information in this document.

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