



TRANSITION TO RETIREMENT

Transition to Retirement (TTR) is designed to encourage people over preservation age to stay in the workforce. This assists Government in managing the impacts of an aging population.

Employers can benefit from TTR programs by retaining expertise and corporate knowledge with this group of employees who may otherwise have retired.

Members benefit by being able to move to retirement more slowly. Some members prefer to ease into retirement by simply working less hours as they are not yet ready to retire full time. For some members the incentive is financial as TTR will allow them to continue to earn while accessing their super.

Members may be able to combine both reasons and reduce their working hours without reducing their income and top up their income from their retirement savings. For some members, the opportunity will exist to save even more towards their retirement by using salary sacrifice contribution strategies.

What is Transition to Retirement?

Transition to Retirement (TTR) allows members to cash all or part of their superannuation benefits as a **non-commutable income stream** when they reach their preservation age. There is no requirement for the member to retire or change their employment conditions.

A non-commutable income stream is either a:

- Life pension or
- A non-commutable allocated pension

The Transition to Retirement rules mean that it is now possible for members to purchase a life pension (if eligible) or non-commutable allocated pension whilst still employed. Members can continue to receive superannuation support from their employer while using TTR.

Who can access TTR?

The Transition to Retirement rules apply to RBF members who have attained their preservation age.

Members are able to access their accrued RBF-TAS SG and/or RBF Investment Account entitlements under the Transition to Retirement rules.

Preservation Age

Preservation Age is the age under Commonwealth legislation at which you can gain access to preserved superannuation benefits, provided you satisfy a condition of release.

Your preservation age depends on your date of birth and is determined as follows:

Date of Birth	Preservation Age
Before 1/7/60	55
1/7/60 – 30/6/61	56
1/7/61 – 30/6/62	57
1/7/62 – 30/6/63	58
1/7/63 – 30/6/64	59
After 30/6/64	60

Preserved money can usually only be accessed before preservation age in the case of death, permanent incapacity, severe financial hardship or on compassionate grounds.

Can Contributory Scheme members use TTR?

Defined benefit scheme members (including RBF Contributory Scheme, TASSS & SFCSS) cannot access their defined benefit scheme entitlements to commence Transition to Retirement.

Members who have retirement savings in their RBF Investment Account may wish to utilise these savings under the Transition to Retirement rules.

Features of TTR Income Streams

A TTR income stream can be a life pension or Allocated Pension or a combination of the above.

A TTR Life Pension will not differ from any other RBF Life Pension.

A TTR Allocated Pension will be similar to other RBF Allocated Pensions with the following conditions:

- Maximum annual drawdown of 10% of the allocated pension account balance
- Cash withdrawals not permitted

Age	Minimum Annual Payment Required	Maximum Annual Payment Required
Under age 65	4% of the account balance	10% of the account balance

After age 65, the TTR Allocated Pension will revert to a standard Allocated Pension with cashing and maximum payment rules removed.

How will my super be affected?

You will be required to allocate a portion of your superannuation entitlement to purchase a TTR income stream. These funds can come from your RBF Investment Account and/or RBF-TAS SG Account.

Your employer will continue to provide superannuation support according to the rules of your scheme membership.

This means:

- Current RBF-TAS SG members will continue to receive employer superannuation guarantee contributions in their RBF-TAS SG Account while in receipt of an income stream from the Fund. Members may also continue to contribute to the RBF Investment Account through non-concessional (personal) contributions or Salary Sacrifice.
- Defined benefit scheme members (Contributory Scheme, TASSS & SFCSS members) will continue to contribute to their defined benefit scheme. Members may also continue to make non-concessional (personal) contributions or Salary Sacrifice to the RBF Investment Account.
- Former employees of the State and Spouse Account holders can continue to contribute to the RBF Investment Account while in receipt of a Transition to Retirement benefit.

What happens when I retire?

The TTR income stream you commence is non-commutable. That means no cash withdrawals can be made.

If you establish a TTR Allocated Pension, once you retire the cashing restrictions will be lifted and you will be permitted to make capital withdrawals. The maximum benefit allowable in any year will also be removed.

There will be no change to a Life Pension established under TTR. Cash withdrawals are not permitted at any time with this pension.

Will TTR affect my current employment?

No. Under the Transition to Retirement rules you can remain employed and continue to receive employer superannuation support. RBF does not discuss your TTR with your employer.

Your employer is not involved in establishing TTR unless you wish to work fewer hours or change other employment conditions. Your employer will continue to provide superannuation support according to the rules of your scheme membership.

For further information

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Personal interviews are available in Hobart, Launceston, Burnie and Devonport by appointment only.

To arrange an interview, telephone 1800 622 631

Disclaimer

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