

REDUCTION OF THE MINIMUM PENSION WILL CONTINUE INTO 2022/23

PRODUCT UPDATE | MAY 2022

In response to the economic impact of COVID-19, the Government provided temporary relief to pension members by halving the minimum amount they must receive as a pension for the last three financial years (2019/20, 2020/21 and 2021/22). The Government has recently extended this relief for another year.

Why has this relief been extended for another year?

The Government relief provides pension members of an allocated pension, term allocated pension (TAP) and transition to retirement pension (TTR), given ongoing volatility in markets, with the choice not to sell assets in order to satisfy the minimum drawdown requirements.

By reducing the minimum amount of pension that must be paid for the last three financial years and into 2022/23, the risk of investment losses when markets are down is minimised by pensioners who elect to take up the minimum payment option.

1. Allocated pensions and transition to retirement (TTR) pensions

What is your minimum annual pension for 2022/23?

The minimum pension drawdown rates for allocated pensions and transition to retirement (TTR) pensions will remain halved for 2022/23 and are detailed in the table below.

From 1 July 2023, the minimum drawdown rates are expected to revert back to the Standard rates which applied before the Government relief was provided (refer below).

Age at 1 July	Reduced minimum drawdown rates for 2022/23 (p.a.)	Standard minimum drawdown rates for 2023/24 (p.a.)
Under 65	2.0%	4.0%
65 to 74	2.5%	5.0%
75 to 79	3.0%	6.0%
80 to 84	3.5%	7.0%
85 to 89	4.5%	9.0%
90 to 94	5.5%	11.0%
95 or more	7.0%	14.0%

You can estimate your minimum annual pension payment for 2022/23 by multiplying your account balance on 1 July 2022 by the applicable reduced minimum drawdown rate for your age at 1 July 2022 (refer to the table above).

What happens from 1 July 2022?

From 1 July 2022, the following automatically applied if you're receiving an allocated pension or TTR pension, but you can request a change:

- if you have nominated to receive the minimum, then for 2022/23 you will continue to receive the minimum pension calculated at 1 July 2022 (using the reduced minimum drawdown rate for your age - refer to the table on the previous page), or
- if you nominated to receive a particular amount of pension for 2021/22, then for 2022/23 you will continue to receive the same amount of pension (unless it is below the minimum annual pension required to be taken for 2022/23, in which case it would be brought up to this amount).

We will write to you to confirm your annual pension for 2022/23.

How do I change my annual pension for 2022/23?

You can phone or email Customer Services with your full name, member number and instructions to:

- apply the temporary minimum drawdown rate, or
- pay a fixed dollar amount of pension, or
- suspend pensions payments until 2023/24 (once you have received the minimum pension for 2022/23).

2. Term Allocated Pensions (TAPs)

What is your minimum annual pension for 2022/23?

Your 'annual pension amount' is the total value of your pension account on 1 July of a year divided by a payment factor applicable to the remaining term of your pension on 1 July of that year.

With the reduced minimum drawdown relief applying for the last three financial years and continuing through to the 2022/2023 financial year, you can vary your calculated annual pension amount by up to 50%. The annual pension is effectively halved for these financial years.

From 1 July 2023, the annual pension is expected to revert back to the standard rates.

What happens from 1 July 2022?

From 1 July 2022, one of the following automatically applies unless you request a change:

- If you have previously nominated to reduce your annual pension by 50% (i.e. the minimum pension payment) and have not changed these instructions, then for 2022/23 you will continue to receive the minimum pension payment.
- Alternatively, if you nominated to receive a particular amount of pension, then for 2022/23 you will continue to receive the same amount of pension. However, if your nominated amount of pension is not within the minimum and maximum amount of pension that you can take with us for 2022/23, it would be brought within the required range. Note, the maximum amount of pension is 110% of your calculated annual pension amount at 1 July 2022.

We will write to you to confirm your annual pension for 2022/23.

How do I change my annual TAP pension for 2022/23?

You can phone or email Customer Services with your full name, member number and instructions to:

- apply the temporary minimum pension amount (i.e. 50% of your calculated annual pension amount at 1 July 2022), or
- pay a fixed dollar amount of pension (as long as it is within the minimum and maximum amount of pension that can be taken for 2022/23), or
- suspend pensions payments until 2023/24 (once you have received the 45% minimum pension for 2022/23).

Any questions?

If you have any questions or require further information, please:

- speak to your financial adviser
- call Customer Services on **13 38 63** , weekdays between 8.30am and 6.30pm (AEST), or
- email **client@onepathsuperinvest.com.au**

This Product Update is issued by OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) (OPC) as the trustee of the Retirement Portfolio Service (ABN 61 808 189 263) (RPS) and the issuer of the ANZ OneAnswer pension products which are part of the RPS.

The information in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Before making a decision based on this information, you should consider the appropriateness of the information, having regard to your objectives, financial situation and needs. You should consider obtaining financial advice before making any decisions based on the information. You should obtain a Product Disclosure Statement (PDS) relating to the financial products mentioned in this communication and consider it before making any decision about whether to acquire or continue to hold those products. Target Market Determinations (TMDs) for relevant products are also required to be made available and considered by distributors/members/investors. A copy of the PDS (or other disclosure documents) and TMD are available upon request by Customer Services or by searching for the applicable product on our website at anz.com

OPC is part of the Insignia Financial group of companies comprising Insignia Financial Ltd (formerly known as IOOF Holdings Ltd) (ABN 49 100 103 722) and its related bodies corporate ('Insignia Financial Group'). An investment with OPC is subject to investment risk, including possible delays in repayment and loss of income and principal invested. Past performance is not an indication of future performance. The repayment of capital, the performance of, or any rate of return of an investment with OPC is not guaranteed by any member of the Insignia Financial Group or any other company, unless expressly disclosed in the relevant PDS.

The Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZ) brand is a trademark of ANZ and is used by OPC under licence from ANZ. ANZ and the Insignia Financial Group are not related bodies corporate. ANZ does not stand behind or guarantee the issuer or ANZ OneAnswer pension products.