Account Based Pension Payments
How Much Pension Income Will You Receive?
You must take at least the annual minimum pension. This is a percentage of your account balance when you start your pension and at 1 July in later years. This calculation is rounded to the nearest $10. The percentage depends on your age as shown in the table below.

Minimum Pensions

<table>
<thead>
<tr>
<th>Age</th>
<th>Min. % of Account Balance</th>
<th>Age</th>
<th>Min. % of Account Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 65</td>
<td>4%</td>
<td>85–89</td>
<td>9%</td>
</tr>
<tr>
<td>65–74</td>
<td>5%</td>
<td>90–94</td>
<td>11%</td>
</tr>
<tr>
<td>75–79</td>
<td>6%</td>
<td>95 or over</td>
<td>14%</td>
</tr>
<tr>
<td>80–84</td>
<td>7%</td>
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</tbody>
</table>

There is no maximum pension requirement unless you have a transition to retirement pension, in which case there is an annual limit of 10% until you turn 65 or you retire.

If you start a pension part way through a financial year, your minimum pension amount is apportioned according to the days remaining in the financial year, including the commencement day.

If you invest between 1 June and 30 June, you do not have to take a pension payment for that financial year. You may choose to delay the commencement of your pension payments until the next financial year.

Can You Commute Your Account Based Pension?
You are able to commute (cash in) all or part of your account based pension at any time. (Restrictions apply to the transition to retirement pension. See the Transition to Retirement Account Based Pensions fact sheet for details.)

However, if you elect to cash in your whole pension account, you must have received at least the pro rata minimum pension payment for that financial year.

Sample Calculations

Example 1
At 1 July, Joan is aged 70 and her pension account balance is $100,000.

Step 1: determine Joan’s minimum percentage
From the table, at age 70, Joan must take at least 5% of her account balance as a pension.

Step 2: calculate Joan’s minimum pension
Joan’s minimum pension = account balance x minimum percentage
= $100,000 x 5%
= $5,000

As Joan is over age 65, there is no maximum to the pension she may take. Joan could elect to take an annual pension payment of between $5,000 and her whole account balance.
Example 2
Fred is **aged 60** at 1 July and has a **transition to retirement** pension with an account balance of **$200,000**.

**Step 1: determine Fred’s minimum percentage**

At age 60, Fred must take at least **4%** of his account balance as a pension.

**Step 2: calculate Fred’s minimum pension**

Fred’s minimum pension = 4% x $200,000

= **$8,000**

**Step 3: calculate Fred’s maximum pension**

As Fred has a transition to retirement pension, he is restricted to taking a **maximum of 10%** of his account balance as a pension.

Fred’s maximum pension = account balance x maximum percentage

= $200,000 x 10%

= **$20,000**

Fred could select an annual pension payment **between $8,000 and $20,000**.

Joan and Fred’s minimum and maximum pensions will be re-calculated on 1 July next year and will depend on their account balances at the time.

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