Transition to Retirement
Account Based Pensions
What Is A Transition To Retirement Account Based Pension?

A transition to retirement account based pension is an account based pension with some restrictions. If you are not eligible to take out an ordinary account based pension, a transition to retirement account based pension allows you to access your super if you are aged between your preservation age and 64. This would normally occur because you have not yet retired from the workforce. For example, if you want to transition to retirement, you may be able to reduce your working hours and use a transition to retirement account based pension to top up your income.

A transition to retirement account based pension is the same as an ordinary account based pension except:

- The maximum annual pension you can take is 10% of your account balance at the start of the financial year;
- The investment earnings on a transition to retirement pension account are subject to the same tax treatment as a non-pension account;
- Lump sum withdrawals can only be made in the following circumstances:
  - to pay a surcharge assessment;
  - for a Family Law payment split;
  - to cash in any unrestricted non-preserved amount;
  - if you retire;
  - if you terminate any employment arrangement after reaching age 60;
  - when you reach age 65;
  - if you become totally and permanently incapacitated;
  - upon your death; or
  - if you satisfy another condition of release (see the Conditions of Release fact sheet for details).

Are The Restrictions Permanent?

When you reach age 65, you retire or you satisfy another condition of release (such as terminating an employment relationship after reaching age 60), your transition to retirement account based pension will convert to an ordinary account based pension. This means that there will be no annual maximum applied to your pension, you will be able to make lump sum withdrawals and there will be no tax on the investment earnings in the ordinary account based pension. The balance on commencement of the ordinary account based pension will count towards your individual transfer balance cap. (See Tax and Account Based Pensions fact sheet for details.)

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