

Minimum annual pension payment amounts have been reduced by 50%

The Government announced in May 2009 that the minimum pension payment amount for allocated pensions, pre-retirement allocated pensions and term-allocated pensions will be reduced by 50% for the 2009/10 financial year.

If you selected the minimum annual pension payment amount when you commenced your pension, you will automatically receive the 50% reduction.

On the basis of these Government announcements, it is anticipated that this 50% reduction will only apply to the 2009/10 financial year and the minimum will revert to the standard higher level in future financial years.

What if I want to change my pension payment amount during the year?

If you would like to increase or change your annual pension payment amount you can do so by instructing us in writing or by calling us. The decision whether to adjust your pension payments depends on your personal circumstances.

We encourage you to speak with your financial adviser before you make an investment decision.

There have been no changes to the maximum annual amount you are allowed to withdraw from your pension. For pre-retirement pensions this maximum is 10%, and no maximum limit applies to allocated pensions. The maximum for term-allocated pensions depends on your personal circumstances.

How is my minimum pension payment amount calculated?

The minimum annual pension payment amount is determined by your age and the value of your pension account at the commencement of your pension or the first day of the financial year. This is pro-rated when your account is opened during the financial year. The higher your age, the higher the percentage of your account balance that must be taken as the minimum annual payment amount:

Age	Annual minimum pension payment (standard rules)	New annual minimum pension payment 2009/10
Under 65	4%	2%
65 – 74	5%	2.5%
75 – 79	6%	3%
80 – 84	7%	3.5%
85 – 89	9%	4.5%
90 – 94	11%	5.5%
95 or over	14%	7%

More information

To find out more about minimum annual pension amounts please contact your financial adviser, read the Product Disclosure Statement and the 'Super Terms Explained' page at colonialfirststate.com.au/supertermsexplained, or call us on 13 13 36, Monday to Friday, 8am to 7pm, Sydney time.

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