

Setting up an account-based pension

A checklist for SASS members

When you use your super to set up an account-based pension, there are a few decisions you'll need to make along the way.

This step-by-step checklist provides you with some important things to consider before you put your plans in motion.

Step 1: Consolidate your super

Once you've rolled your funds into an account-based pension you won't be able to add to it.

Consolidating your super savings into the one place means that you'll only need to go through the process once. Before consolidating your super, you should consider any fees or loss of benefits such as insurance cover that you have with another fund and any tax implications.

I have consolidated my super into one super fund (if applicable)

Step 2: Decide how many accounts you need

You have the choice of opening more than one account-based pension if you wish.

If, for example, you win or inherit an unexpected sum of money or you wish to diversify your investments across different funds, you might wish to open multiple account-based pensions. Keep in mind that you will be charged fees for each account you open. Our financial planners can help you determine the best option for your circumstances.

I have considered whether to open one or multiple account-based pensions

Step 3: Make your investment choice

When you set up an account-based pension, you'll need to decide which investment option best suits your retirement needs.

Your investment choices will range from defensive, right through to growth options. The right investment choice for you will depend on how hard your savings need to work in retirement, when you'll need access, and the level of risk you're comfortable taking. A financial planner can help you assess the right investment option for you.

I have considered the different investment options

Step 4: Decide when to receive your payments

You can choose to receive fortnightly, monthly, quarterly, half-yearly or annual payments.

Your decision might depend on how diligent you are at sticking to a budget. If you're inclined to over-spend, a monthly payment might help you stick to a plan. If you need to access a one-off lump sum at any time, you can do that too.

I have chosen between fortnightly, monthly, quarterly, half-yearly or annual payments

Step 5: Decide how much you want to receive

The minimum amount you must draw ranges from 2% of your account balance for a member under the age of 65, and 2.5% for members between 65–74 years¹.

Working with a financial planner, you can identify what regular income you'll need from your account-based pension (and other sources such as the Age Pension) to fund your retirement lifestyle. Your planner can also advise you on what strategies will provide the opportunity for your savings to last throughout retirement.

¹ For the financial year 2020/2021. This is expected to return to 4% and 5% respectively for the financial year 2021/2022.

I have considered what payment amount I would like to receive

Step 6: Decide on your death benefit nomination

With an account-based pension, you'll need to nominate who should receive the balance of your retirement savings should something happen to you.

Make sure that you consider your death benefit nomination in conjunction with your wider estate planning.

I have considered my death benefit nomination

Step 7: Learn more about our account-based pension

Every fund is different, so it's important to find out about the features, fees and process from the super fund you choose.

To learn more about our pension products, call **1800 620 305**.

I understand the benefits and costs of opening an account-based pension in retirement

Step 8: Get advice from a retirement expert

With any financial decision, you'll need to consider how your retirement income will affect your overall financial plan.

Our planners specialise in SASS and can review your circumstances to make sure you're exiting SASS at the right time. They'll take into account other factors too, such as whether you're making the most of the available tax incentives. And, if you decide to start an account-based pension, we will take care of the set-up process for you.

To book an obligation-free appointment and discuss the best level of advice for you, call us on **1800 620 305** or visit aware.com.au.

I have booked an appointment with a financial planner

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