



Stimulus package changes impacting account-based pensioners

The stimulus package includes the reduced pension minimums as well as additional changes that can help support retirees.

Temporary reduction in minimum pension factors

This means the pension minimum you are required to take has been reduced. You can reduce your pension to the new the minimum rate or increase it as suits your needs.

Allocated Pensions

The reduction applies for the 2019-20 and 2020-21 financial years.

Age	Default minimum drawdown rates	Reduced minimum drawdown rates for 2019-20 and 2020-21
Under 65	4%	2%
65 to 74	5%	2.5%
75 to 79	6%	3%
80 to 84	7%	3.5%
85 to 89	9%	4.5%
90 to 94	11%	5.5%
95 or more	14%	7%

Term Allocated Pensions

The minimum pension you are required to draw in the 2019-20 year is 50% of your previously calculated minimum.

The minimum pension for 2020-21 will be calculated on 1 July 2020 based on the new halved minimums.

Deeming rate changes

Effective **1 May 2020**, Centrelink will apply reduced deeming rates, reflecting the lower expected return from financial investments going forward. The new rates are as follows:

	Single	Pensioner couple (combined)	New rate per annum
Lower threshold	Up to \$51,800	Up to \$86,200	0.25%
Upper threshold	Over \$51,800	Over \$86,200	2.25%

Temporary early release of superannuation

If your employment is affected by COVID-19 you can apply to the ATO through myGov to access up to \$10,000 of your super this financial year and an additional \$10,000 between 1 July and 24 September 2020. The ATO has notified us that these amounts can only be paid from your super account and cannot be taken directly from your Transition to Retirement pension.

You can however, transfer funds from your pension account into your super account before applying for the payment. If you do not have a super account with us and would like to open one please contact your financial adviser or our ClientFirst team on **1800 913 118** or clientfirst@ioof.com.au.

\$750 tax free payments

Two separate payments of \$750 will be made over the coming months for eligible individuals. The first payment was at the end of March, and the second payment will be made from 13 July 2020.

To be eligible for the payments:

- You must reside in Australia;
- You must be receiving an eligible benefit, such as the age pension, Commonwealth senior's health card, pensioner concession card, carer payment, carer allowance or disability support pension. You are not entitled to multiple payments if you receive multiple benefits; and
- You were receiving a benefit on 12 March 2020 or lodged a claim for an eligible payment or concession card between **12 March 2020** and **13 April 2020**.

The payment is tax-free and does not count as income by Centrelink or the Department of Veterans' Affairs.

Updating values with Centrelink

Automatic investment value updates

Centrelink automatically recalculates the value of shares and managed funds each **20 March** and **20 September**. In addition, pension providers, like us, report current balances to Centrelink each August and February.

Centrelink are in the process of updating values based on positions at **20 March 2020** and should reflect the recent downturn in markets.

You can request an update to your investment value

If you wish to update the value of your investment manually, Centrelink are requesting individuals use **MyGov** to do so.

Account-based pension value updates

Centrelink have been working closely with us and other pension providers to update account-based pension balances given the reduction in value since the last review in February. Pension providers have commenced reporting updated values to Centrelink.

This means your pension value will be more accurately reflected in Centrelink's records.

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