



Confused about whether you can access your Super while you are still working?

Here are some facts.

Until recently, once you turned 55, you only had two options when it came to thinking about retirement:

1. retire from work completely and take your super savings as a lump sum payment or a retirement income stream
2. keep on working and contributing to your super

If you're 55 or over, you can now have your cake and eat it too

From 1 July 2005, those of us 55 or over, can continue to work and also access some of our super as a regular payment to supplement our income. The options provide flexibility to maintain, increase or reduce working hours and still maintain or improve our lifestyle.

Transition to retirement

On 1 July 2005 the Government introduced 'transition to retirement' legislation - effectively allowing those of us aged 55 or over to keep working and also tap into our super as a 'non-commutable pension'.

What's a 'non-commutable pension'?

Non-commutable means that there are some cashing restrictions placed on it and you must take the money as a regular income payment. You cannot take this super money as a lump sum cash payment until your full retirement. Of course there are some exceptions to this rule.¹

Do I have to reduce my working hours?

Transition to retirement was designed to give you flexible lifestyle choices. There are no maximum or minimum hours you must work. Taking your super savings as a non-commutable pension empowers you to participate in significant benefits normally given to those who previously had to fully retire.

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¹ For a complete list, see your financial adviser

What are the benefits?

The lifestyle and financial gains can be substantial. Transition to retirement means you can:

- continue working
- supplement your income from your super
- reduce your tax liability – minimising income tax, Medicare levy and capital gains tax[#]
- salary sacrifice your working salary into super for further tax benefits
- claim the Mature Age Workers Tax Offset up to \$500

Should I consider using transition to retirement?

Transition to retirement is designed to benefit many Australians aged 55 and over, and may be relevant if you:

- are in a higher marginal tax bracket
- plan to scale down working but maintain your after-tax income
- have direct property investments in your Self Managed Super Fund and wish to capitalise on the current property market prices (and pay no CGT) rather than waiting for permanent retirement
- have unrealised capital gains in your super fund investment portfolio and wish to switch portfolios in a tax effective manner
- prefer to be in an environment where no tax is payable on investment earnings
- wish to obtain an additional 15% tax offset on your pension income

The value of professional financial advice

Australian legislation is complex, and making the correct financial decision can be difficult. Professional financial advice can add real value to your current lifestyle and future financial security. By analysing your specific circumstances your financial adviser can design a transition to retirement strategy to maximise your income, minimise your tax and even enhance your lifestyle choices.

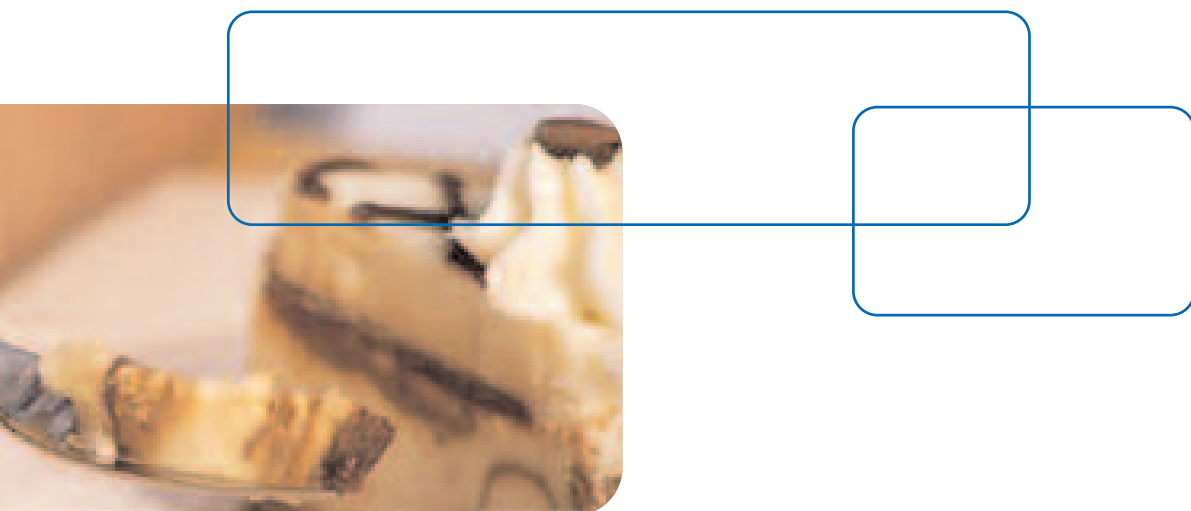
Which pensions can provide transition to retirement?

Allocated pensions and growth pensions (term allocated pensions) can be used for transition to retirement. However, if you use an allocated pension, it must be 'non-commutable' and not all product providers offer this.

If you choose to take advantage of the transition to retirement facility, you can always change your mind, retire or in some instances, cash certain types of superannuation money.

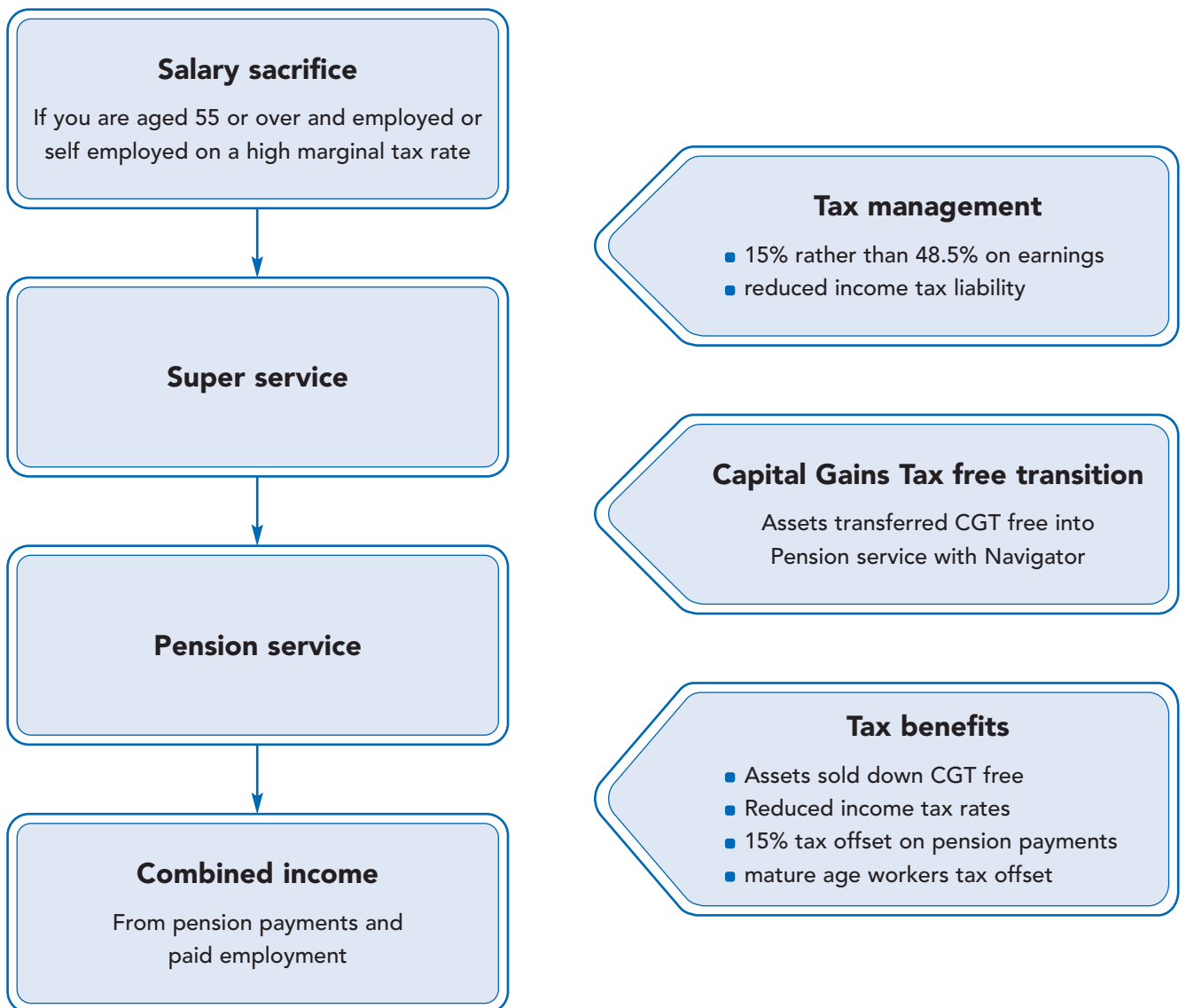
Navigator makes it easy for you with a range of transition to retirement options:

- Navigator Personal Retirement Plan – Superannuation and Pension Services
- Navigator Access – Super and Pension
- Navigator Super Solutions – Employer Service and Allocated and Growth Pensions

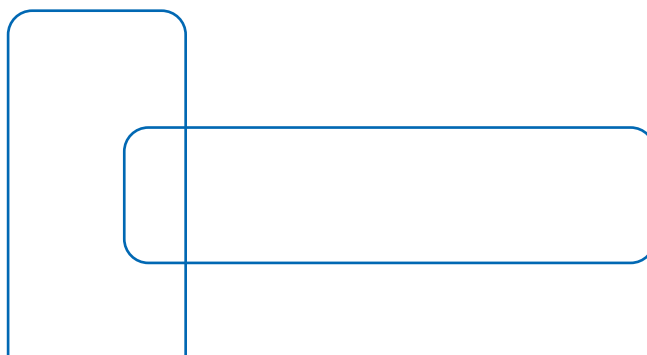


[#] You can transfer investments from Navigator super to pension without paying CGT. Assets sold in the pension phase do not incur any CGT.

By combining the sophisticated tax management processes of Navigator Personal Retirement Plan or Navigator Access Super and Pension with 'Transition to Retirement', you can have your cake and eat it too.



So, if you are 55 or over and still working, the new transition to retirement facility allows you to effectively increase your income payments and minimise your tax liability. You can salary sacrifice into super (15% contributions tax with no surcharge), transfer the assets from super to pension phase (no Capital Gains Tax) and draw down a non-commutable allocated pension payment (15% tax offset) to replace any loss in income resulting from super salary sacrifice or drop in salary. If you are on the higher marginal tax brackets, the benefits could be substantial.



For more information on 'transition to retirement', contact your financial adviser, visit navigator.com.au or call Navigator on 1800 653 710.



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