

# maximise your Retirement Income

Currently, if you purchase a complying annuity, the entire amount is exempt from the Asset Test. The new Government rules will mean that this type of income stream will no longer hold the 100% exemption but the exemption will be reduced to 50% of the value of the asset. Or conversely, 50% of its value will still be assessed as an asset when calculating your Age Pension entitlement. Therefore, if you are

considering purchasing a complying annuity, you may be significantly better off doing so before the transition date.

Other news in this area will see the introduction of "Growth Linked Pensions". To be introduced after the 20th of September, this new product will give retirees the advantage of being able to invest superannuation capital in the sharemarket to achieve good returns but also have a 50% asset test exempt status.

The characteristics of Growth Linked Pensions will see them sit somewhere in between an Allocated Pension (producing a tax effective income with chance of capital growth) and complying annuities which have asset test exemption status but lock up all your capital and do not give you the opportunity for growth. Like Allocated Pensions, Growth Linked Pensions will need to be purchased with superannuation monies.

## Who should call us?

- Those considering retirement in the near future and wondering about the Age Pension.
- Those who have been thinking of a complying annuity and sitting on the fence.
- Those who wish to reduce their assessable assets to receive some (or more!) age pension.

	Centrelink Treatment Pre September 20	Centrelink Treatment Post Sept 20
<b>Allocated Pension</b>	100% Asset Tested	100% Assets Tested
<b>Complying Pension</b>	100% Assets Test Exempt	50% Assets Test Exempt
<b>Market Linked Growth Pension</b>	n/a	50% Assets Test Exempt

*Table: sample of retirement income streams and their treatment pre and post the transition date of 20 September 2004.*