

Preparing for retirement



If you're starting to plan for your retirement, you might have questions about what you can do with your super, and when. We're here to help by answering two of the common questions we get asked by our super members.

When can I access my super?

When you reach 65 or retire, there are three options to manage your super account. You can choose one of these options, or a combination of all three.

You can:

1. Leave your money in your super account

By leaving your money in super your retirement nest egg can continue to be invested, while investment earnings are taxed at a maximum of 15%. If you decide to leave your money in super, please refer to the 'How can I contribute to my super after age 65' section for more information.

2. Start an income stream or pension*

A pension product provides you with the comfort of a regular income payment. The investment earnings in the pension account are not subject to tax and the pension payments made to you are tax-free provided you are 60, or older.

3. Withdraw cash from your super account

Once you have reached 65 you can access your superannuation whenever you like. Depending on your circumstances, you may prefer to pay off debt, or invest outside super. No tax is payable on withdrawals from super once you are 60 or over.

Before you make a decision

While there are tax differences when investing in an income stream compared to an accumulation super product, it is important to remember, that all three options may have

different outcomes for you in terms of how long your money will last and what social security benefits you will receive. Before deciding on which option is right for you, speak to your Financial Adviser for personal advice tailored to your specific financial situation, objectives and needs.

How can I contribute to my super after age 65?

If you want to contribute to your super after you turn 65, you will need to satisfy the work test or the work test exemption. This means you'll need to have been gainfully employed for at least 40 hours over 30 consecutive days in the financial year (ending June 30) before you make the contribution.[^]

From 1 July 2019, if you are aged between 65-74 and no longer working, are you able to make voluntary contributions and be exempt from the work test in your first year of retirement, provided your total super balance¹ is less than \$300,000 pm the previous 30 June. The exemption can only be used once in your life time.

Your employer contributions (including super guarantee contributions or 'SG contributions') are not affected by the work test and will be accepted by your fund at any age.

The types of contributions that require the work test for members between 65 and 69 years of age include:

- Voluntary employer contributions, such as salary sacrifice
- Voluntary member contributions
- Spouse contributions.

* Generally, you must also be an Australian or New Zealand citizen or a permanent resident of Australia

[^] Prospective employment cannot be taken into account in relation to this work test – you must have worked at least 40 hours in the financial year before we can accept your contribution.

1. For more information on total super balance refer to ato.gov.au

Before age 65	<p>Your fund can accept:</p> <ul style="list-style-type: none"> – All contribution types.
Age 65-69	<p>Your fund can accept:</p> <ul style="list-style-type: none"> – Mandated contributions, including SG contributions. <p>You will need to satisfy the work test for your fund to accept:</p> <ul style="list-style-type: none"> – Employer voluntary contributions (salary sacrifice) – Member voluntary contributions – Spouse contributions.
Age 70-74	<p>Your fund can accept:</p> <ul style="list-style-type: none"> – Mandated contributions, including SG contributions <p>You will need to satisfy the work test for your fund to accept:</p> <ul style="list-style-type: none"> – Employer voluntary contributions (salary sacrifice) – Member voluntary contributions <p>Note: voluntary contributions for this period must be received no later than the 28th day of the month after you turn 75. For example, if you were turning 75 at any time in January, your final voluntary contribution would need to be received on or before 28 February.</p> <p>Your fund cannot accept:</p> <ul style="list-style-type: none"> – Spouse contributions.
Age 75+	<p>Your fund can only accept</p> <ul style="list-style-type: none"> – Mandated contributions, including SG contributions.

Important note: Limits (known as caps) apply to the amount of most contributions that can be made to your super. If you exceed the contribution caps, additional tax may be payable. It is your responsibility to make sure you don't exceed the caps.

To notify us that you have satisfied the work test or work test exemption you can either fill in the **Eligibility to Contribute form** and return it to BT, or call us on 132 135 to confirm your eligibility to contribute over the phone. You will need to complete the form each year that you wish to make contributions requiring the work test.

We're here to help

If you have any other questions about your BT Super account, call our team of super specialists on 132 135 between 8.00am and 6.30pm (Sydney time) Monday to Friday. Or speak to your financial adviser if you have one.

Planning your retirement?

It's never too early or too late to start preparing for the lifestyle you want in retirement. Visit bt.com.au/retirement to get started.

For more information

bt.com.au | 132 135 | Speak to your financial adviser



Important Information

Information current as at March 2019. This information does not take into account your personal objectives, financial situation or needs and so you should consider its appropriateness having regard to these factors before acting on it. The tax position described is a general statement and is for guidance only. It has not been prepared by a registered tax agent. It does not constitute tax advice and is based on current tax laws and our interpretation. Your individual situation may differ and you should seek independent professional tax advice. BT Lifetime Super Employer Plan forms part of Retirement Wrap ABN 39 824 542 991 and is issued by BT Funds Management Limited ABN 63 002 916 458 AFSL 233724. BT Business Super forms part of Westpac Master Trust Superannuation Division ABN 81 236 903 448 and is issued by Westpac Securities Administration Limited ABN 77 000 049 472 AFSL 233731.