

## PENSION CAPS, RATES & THRESHOLDS FACTSHEET — 2011/12

This factsheet provides you with up-to-date information on minimum income limits, rates and thresholds for the 2011/12 financial year.

A description of these caps, rates and thresholds are included in the MAP Pension Plan Product Disclosure Statement (PDS) and you should read this factsheet together with the PDS which is available on our website at [www.mapfunds.com.au](http://www.mapfunds.com.au) or by calling us on 1800 640 055.

### Tax payable when you start a pension plan

There is generally no tax payable when you start a pension plan.

However, if the taxable component of the amount rolled in has an untaxed element (such as Government unfunded retirement schemes), contributions tax of 15% is charged on entry to the fund. If the untaxed element exceeds \$1 million, PAYG tax will be deducted by the paying fund before money is rolled to a pension plan.

### Minimum Income Limits

If you invest in a pension plan, you are required by law to drawdown a minimum income amount each year. There is no maximum amount (except accountholders in Transition to Retirement Pensions who are subject to a maximum drawdown limit of 10% of their account balance).

On 30 June 2011 the Federal Government announced it will continue to support self-funded retirees by extending the drawdown relief for 25% for account-based superannuation pensions to 2011/12 (refer column three below).

Age at 1 July	Minimum as a % of Account Balance	Minimum as a % of Account Balance 2010/11
Under 65	4%	3%
65 - 74	5%	3.75%
75 - 79	6%	4.5%
80 - 84	7%	5.25%
85 - 89	9%	6.75%
90 - 94	11%	8.25%
95 or more	14%	10.5%

### Tax on super income streams

The table below outlines the tax rate payable on the taxable component of income stream payments.

Age	Taxed Element*
60 and over	No tax (with or without TFN provided)
Over preservation age but under age 60	Taxed at Personal Marginal Rates with a Tax Offset of 15%
Under preservation age	Taxed at Personal Marginal Rates with no Tax Offset (15% Tax Offset is available if a disability super benefit)

\* Plus 1.5% Medicare Levy.

The 'tax free component' of a pension plan may include:

- Personal Non-concessional Contributions
- Government Co-contributions
- Capital Gains Tax Exempt Component
- Certain disability benefits received pre 1 July 2007 (Post June 1994 Invalidation Component)
- Pre July 1983 benefits calculated at 30 June 2007

The 'tax free component' of your income stream payments is calculated as a percentage of the total amount rolled in to your pension account. For example, Bill aged 65 rolls in \$300,000 to a Pension Plan. Of this amount, \$90,000 is a tax free component (accumulated personal contributions). The tax free component of Bill's income stream will be \$90,000/\$300,000 or 30%.

## Tax on lump sum payments

Components	Age of Person	Amount subject to Tax	Tax Rate*
Taxable Component - Taxed Element	Age 60 or above	Nil (amount is non-assessable)	Nil
	Over preservation age but under age 60	If TFN provided, taxable component is tax free up to the Low Cap Rate (currently \$160,000) with the balance subject to 15% plus Medicare Levy.	15%
		If TFN not provided, taxable component is subject to tax at the highest marginal rate plus Medicare Levy.	45%
	Under preservation age	Whole amount	20%
Death Benefit	No tax is payable on death benefits to dependants (see page 13 of the Pension PDS). The taxable component of a Death Benefit payable to a non-dependant is taxed at 15% plus Medicare Levy.		

\* Plus 1.5% Medicare Levy

Tax is payable on the 'untaxed element' of a lump sum payment. Further information on the taxation of lump sum payments can be obtained directly from the Australian Taxation Office website at [www.ato.gov.au](http://www.ato.gov.au).

## Social security

You may be eligible for Centrelink benefits subject to the income and assets test. Your pension plan account balance and income stream is assessable under Centrelink's income and asset test. For more information on Centrelink and your eligibility for a Centrelink age pension, please visit the Centrelink website, [www.centrelink.gov.au](http://www.centrelink.gov.au).

## Where can I get more information?

If you require general advice regarding pension caps, rates and thresholds or the MAP Pension Plan, contact a MAP Representative on 1800 640 055 or email [enquiries@mapfunds.com.au](mailto:enquiries@mapfunds.com.au)

Tax benefits and payments can be complex and vary depending on your personal circumstances. Therefore, if you require personal tax advice, we recommend you seek professional taxation advice about investing in superannuation.

## Contact Us

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