

Our Retirement Income Strategy

September 2023

At Prime Super, we know that saving for your retirement through your superannuation is only one part of your journey. A fulfilling retirement with peace of mind is why you are saving your hard-earned money in the first place.

Helping you achieve this is our focus.

Our retirement strategy aims to:

1. Maximise expected retirement income over the period of retirement
2. Manage expected risks to the sustainability and stability of retirement income over the period of retirement, including longevity risks, investment risks and inflation risks
3. Have flexible access to expected funds over the period of retirement.

Who is the focus of this strategy?

Our retirement strategy applies to all members aged 50 years or over. From age 50 we encourage you to consider the resources, support, and guidance we offer so that you can plan your retirement according to your needs and situation. We believe it is better for us to inform and help you with your retirement strategy sooner, rather than later.

What does 'retirement income' mean?

For the purposes of this Strategy, we determine the meaning of 'retirement income' to include:

- The regular pension you might receive from an account-based pension held with Prime Super.
- The age pension where you may be eligible based on age and relevant means tests.

Prime Super has determined the 'period of retirement' as the time of life when one chooses to permanently leave the workforce behind. If you continue to work beyond the age of 65, we also consider that your retirement period starts for superannuation purposes, as you have met a condition of release where you can use your super regardless of your employment status.

What does support for our members look like?

We are here to support our members, whether you are nearing retirement, transitioning to retirement, or are retired.

Nearing retirement

Somewhere between realising that retirement is on the horizon and making sure you have a sound retirement plan, there can be a moment of panic. It's our job to support you through this time by helping you consider your retirement income needs and understand how to access a retirement income rather than only see your super as a lump sum payment.

Our support will include:

- Information in the form of seminars, articles, and one-on-one discussions to help you understand how your superannuation can be used to fund your cashflow and lifestyle needs in retirement. This includes how to get the most out of your super and grow your super to support a retirement income.
- Articles to help you understand the risks to consider in relation to your retirement income.
- A hub of information on our website giving you access to important retirement topics such as eligibility for the age pension, aged care needs, downsizer contributions, beneficiary nominations, estate planning.
- Demonstrating how you can use your super to fund your income and lifestyle needs in retirement as opposed to using it only as a lump sum payout.
- Providing you with life stage-specific emails to help guide your pre-retirement and retirement journey. This will help to see which super and retirement strategies may be relevant to you at the time, what options are available, and how to better manage any risks.
- Help to determine your retirement income needs and budget through a retirement needs calculator.
- A comprehensive retirement illustrator estimating your income in retirement, including how long certain levels of income may last.
- Help in understanding the tax effectiveness of using your super to fund your retirement income and lifestyle needs versus a once off lump sum that is invested in a taxed environment.

Transitioning to retirement or retired

Whether you are navigating the transition to retirement or working out how to use your super savings as income, retirement can be challenging. We are here to support you find that balance between accessing your savings and maximising your income, no matter your retirement needs.

Our support will include:

- Access to budgeting tools and expenditure calculators on the website to help you determine your retirement income and the super you might need over time.
- Providing an easy to manage default option in our pension income stream product to make transitioning from your super to pension easier. Our team of super and retirement specialists are there to guide this process and explain all options.
- Providing information on all the retirement income products and drawdown options so you can make an informed decision that best meets your retirement income needs.
- Access to our super and retirement specialists to keep you updated on taxation and other benefits of funding your retirement through a pension income stream.
- A comprehensive retirement illustrator estimating your income in retirement, including how long certain levels of income may last.

Our retirement income products

Prime Super continues to provide exceptional retirement income stream products to complement other sources of retirement income (e.g. the age pension and other savings) you may have.

Our retirement income stream products are:

- An account-based pension designed to use once you have retired. The retirement income stream lets you convert your super into a regular income in retirement, whilst your savings remain invested.
- A transition to retirement account, designed to use as an income stream to access your super while you're still working. Alternatively, if you are looking to scale back your working hours leading up to retirement, a Transition to Retirement (TTR) Income Stream could help you supplement your income.

Access to advice

Getting the right support can make all the difference. Whether you are just starting to focus on your super or are a seasoned investor, we are ready to help.

Our members have access to our superannuation and retirement specialists to help them prepare for retirement, transition to retirement, as well as get the most out of retirement at no additional cost. Depending on their needs, these discussions may be only factual or educational in nature, general advice, or limited intra-fund advice. There are many ways our members can access guidance in person, via telephone, or online with Microsoft Teams.

We recognise that advice needs can be varied and unique and you may have more complex advice needs or require help in a specialised area that we are not able to help with such as aged care advice. To better help you, we have established relationships with a panel of experts we are confident are subject matter experts, and can make the introduction.