

Getting ready for retirement

Did you know that if you are working and have reached your Preservation Age, you can open up a Pre-Retirement Pension (PREP) account in the APSS?

What is a Pre-Retirement Pension?

An APSS Pre-Retirement Pension or PREP allows members who have reached their Preservation Age to transfer some of their super to a separate PREP account and draw an income from it while still working.

So what are the Benefits of an APSS PREP account?

Pre-Retirement Pensions can provide lifestyle and tax benefits for some members nearing retirement.

The benefits of a Pre-Retirement Pension may include:

- Being able to work less and receive the same take-home pay
- Accessing your super while still working in the form of regular pension payments
- If you are aged 60 or above you may be able to benefit from tax savings by increasing your super contributions while continuing to receive the same take-home pay.

Tax concessions and your PREP

- Currently, there is no tax on the investment earnings in your PREP account
- If you are aged 60 or above, there is a further tax advantage as your PREP payments are tax free.

More information

To find out more about the tax concessions available refer to the *APSS Pensions Product Disclosure Statement (PDS)* available on the APSS website at apss.com.au or give us a call on **1300 360 373** and we'll post you one.

How does a PREP work?

Firstly you need to meet the minimum age to start a Pre-Retirement Pension.

How it works is you transfer at least \$20,000 from your APSS super to open a Pre-Retirement Pension account and set up regular pension payments.

The rules are:

- You can transfer 100% of your Member Savings to start the PREP
- You can transfer up to 50% of your accrued defined benefit to start the PREP
- If you have Member Savings, you must use all of these first before using part of your accrued defined benefit
- Once you have started a PREP you're not able to make additional transfers or contributions to it.

Minimum and maximum pension payment limits apply each year, as outlined in the APSS Pensions PDS.

If you use part of your accrued defined benefit to start a PREP, a special offset account will be set up for you and the balance of this account (accumulated with investment earnings) will be deducted from your benefit when it becomes payable. You need to be aware of how this works before you make a decision about starting a PREP. For details refer to the *APSS Pensions PDS* or call **1300 360 373**.

The minimum age you can start a PREP, is your 'Preservation Age'. This is age 55 for those born before 1 July 1960 and a higher Preservation Age applies for those born after 1 July 1960.

For details see the *Glossary of terms* in the *APSS Pensions PDS*.

Getting ready for retirement (continued)



Product Disclosure Statements (PDS)

A *guide to APSS Pensions PDS* explains key information about the PREP including:

- How the APSS Pensions work
- Eligibility
- Pension income payment limits
- Investments
- Fees and costs
- Application forms.

You should read the PDS before making a decision about starting a Pre-Retirement Pension.

Would you like an APSS Pensions PDS including application form? Just give us a call on **1300 360 373** and we'll post you a copy or go to the APSS website at apss.com.au

Opening a PREP

Simply complete the APSS Pension Application form attached to the APSS Pensions PDS or give us a call on **1300 360 373** and we'll post you a copy. A 14-day cooling off period applies during which time you can cancel your PREP, further details are in the PDS.

Financial Advice

It is important to consider your objectives, financial situation and needs when making plans for your retirement. We recommend you consult a financial adviser if you are thinking about opening a PREP account.

Your direct phone line to the APSS

You can call *SuperPhone* on **1300 360 373** and speak to customer service between 9am and 5.30pm (AEST) Monday to Friday, or you can request information using the automated phone service 24 hours a day.

Important

This brochure contains general information about Australia Post Superannuation Scheme (APSS). It is not intended to be financial product advice and does not take your personal circumstances into account. Before acting on any information contained in this document you should first consider its appropriateness to your own circumstances. You may wish to seek the advice of a licensed financial adviser. Neither Post Super Limited nor Australia Post or any Associated Employers holds an Australian Financial Services Licence and, therefore neither is licensed to provide you with financial product advice.