Government announces changes to the minimum drawdown relief for pensions

The Federal Government has announced it is extending the temporary relief on minimum pension payments to the 2011/12 financial year, but is changing the minimum amount that can be requested. Effective 1 July 2011 the Government will increase the minimum allowable pension payments for account-based, allocated and term allocated pensions from 50% of the legislated minimum to 75% for the 2011/12 financial year. After that time it is proposed to return to the standard minimum rate.

**What does this mean for members that hold pensions with OnePath?**
The announcement means that from 1 July 2011 the option for members to reduce their pension payment below the standard legislated minimum will be restricted to a payment that is no less than 75% of that minimum.

Members that currently receive a pension payment that is between 50% and 75% of the legislated minimum will have their new pension payment increased to 75% of the legislated minimum from 1 July 2011.

Members who already receive a pension payment at 75% of the legislated minimum, or higher, are not affected.

**What do members need to do?**
Members do not need to take any action. However, those members that are impacted by these changes should determine whether the new minimum amounts are appropriate for their circumstances.

Members can nominate a different pension payment amount for the 2011/12 financial year at anytime by writing to, or contacting, OnePath’s Customer Services team on 133 665.

**Can a member take advantage of the drawdown relief at this point in time?**
Any member that is not currently taking advantage of the relief but wishes to apply is advised to write to us or contact OnePath’s Customer Services team on 133 665.

**How will members know what their new payment will be for 2011/12?**
The annual pension payment amounts are calculated in July based on the account balance and the member’s age at the start of each financial year. Their pension details will be provided with their Annual Statement.

**How will affected members be advised of the change?**
We will shortly be mailing pension members who currently receive a payment amount of less than 100% of the legislated minimum. This letter will advise them of the government’s recent announcement and the changes to the pension arrangement for the new financial year.

**Further information**
If you have any questions or require further information, please:

- call Customer Services on 133 665, weekdays between 8.30am and 6.30pm (Sydney time)
- email us at customer@onepath.com.au
- speak with your financial adviser.

This information is current at May 2011 but may be subject to change. This information has been produced by OnePath Custodians Pty Limited (ABN 12 008 508 496, AFSL 238346, RSE L0000673) and OnePath Life Limited (ABN 33 009 657 176, AFSL 238341) (together the ‘issuers’). Each issuer is a wholly owned subsidiary of Australian and New Zealand Banking Group Limited (ABN 11 005 357 522) (ANZ). ANZ is an authorised deposit taking institution (Bank) under the Banking Act 1959 (Cth). Although the relevant issuer of each product is owned by ANZ it is not a Bank. Except as described in the relevant Product Disclosure Statement (PDS), an investment in the product is not a deposit or other liability of ANZ or its related group companies and none of them stands behind or guarantees the issuer of the capital or performance of an investment. An investment is subject to investment risk, including possible repayment delays and loss of income and principal invested. Before acquiring a product or deciding whether to continue to hold a product, investors should consider the relevant PDS which is available at onepath.com.au or by calling Customer Services on 133 665.