

Tax Effective INCOME STREAMS

Ask Financial Lifestyle Solutions for professional advice on...

Investments & Superannuation

- Account Based Pensions
- Personal Superannuation
- Employer Sponsored Superannuation
- Super Consolidation & Rollovers
- Annuities
- Self Managed Super Funds
- Lump Sum Investments
- Gearing
- Savings Plans

Insurance

- Income Replacement
- Business Expenses Insurance
- Life Insurance
- Total & Permanent Disability
- Trauma / Critical Illness Insurance

Strategic Advice

- Estate Planning
- Centrelink Assistance & Guidance
- Total & Permanent Disability Claims
- Permanent Incapacity Claims
- Aged Care Planning
- Transition to Retirement Planning



FINANCIAL LIFESTYLE SOLUTIONS

a Level 3, 300 Flinders Street
Adelaide, 5000 SA

p 08 8100 3303

f 08 8100 3301

e info@flssa.com.au

www.financiallifestylesolutions.com.au

Connected Wealth Management Pty Ltd trading as
Financial Lifestyle Solutions SA is a Corporate
Authorised Representative of Millennium3 Financial
Services Pty Ltd ABN 61 094 529 987. AFSL No. 244252

This information is general in nature and does not
consider your individual circumstances or needs. Do not
act until you seek professional advice and consider the
Product Disclosure Statement.



FINANCIAL LIFESTYLE SOLUTIONS

“

Understanding how super works
can help you plan your future

”

When do Tax Effective Income Streams become available?

Tax effective income streams or Account Based pensions
may be available if:

- You have attained preservation age even if you are still working
- You are permanently incapacitated where the trustee of the superannuation fund is reasonably satisfied that, because of the ill health, you are unlikely to be gainfully employed in a position for which you are reasonably qualified by education, training or experience.



What is an Account Based pension?

Account Based Pensions are simply investment accounts within superannuation funds.

It is from the investment account that a regular income is generated. The size of the account can vary over time depending on:

- The amount initially invested;
- Any withdrawals you make;
- The earnings generated by the investments; and
- The level of pension income that is paid each year.

Pension payments continue to be paid whilst there are sufficient funds in your account. If you withdraw large amounts, or receive poor investment returns, your account balance may eventually be exhausted.



Why Account Based Pension?

The advantages of investing in an Account Based pension are:

- Account Based pensions are very flexible in the sense that you can vary the amount of pension that you receive each year (subject to the government imposed minimum limits) according to your income needs. It makes sense to re-assess your annual budget needs when you receive details of the minimum amount at the beginning of each new financial year.
- Lump sums can be withdrawn from your Account Based Pension at any time (subject to lump sum tax). Lump sums can be withdrawn tax-free once you are over the age of 60.
- Investment earnings (including capital gains) within an Account Based pension are not subject to tax.
- If you are under the age of 60, your pension payment will be taxable. However, you will be entitled to a tax free component as well as a 15% tax rebate on the taxable component from the age of 55.
- In terms of assessing your eligibility for Centrelink assistance, the balance of the Account Based pension account is assessed under the Assets Test; with only a portion of the income assessed under the Income Test.
- You can include a provision for your pension payments to continue to be paid to a partner after your death (Reversionary Option). Alternatively, and balance remaining in your Account Based pension account will be paid to your dependants or estate in the form of a lump sum (this depends on the rules of the particular superannuation fund).