

Rollover options

Anyone who changes their job needs to decide what to do with their superannuation. For many people, rolling over their money (which simply means leaving it in the super system) is the most convenient and cost-effective option.

This factsheet is for members of smartMonday PRIME.

Rolling over your superannuation benefit has a number of advantages. It allows you to:

- keep your super for retirement
- defer paying tax—the amount of tax you pay reduces significantly after age 55 and from age 60 you pay no tax at all on benefits
- wait for a more tax-effective time to cash in your super eg a later tax year when the tax-free threshold may be higher, or when you may have a lower taxable income
- pay a lower tax rate on your investment earnings than you would on regular savings or investment accounts (while in the super system, investment earnings are taxed at a maximum rate of 15%)
- keep your entitlement to a lower tax rate when you eventually cash in your super (if you have pre-July 1983 service).

Rollover options include:

- smartMonday PRIME—retained membership
- your new employer's super fund
- a personal super fund
- a retirement savings account
- an approved deposit fund
- an annuity
- a transition to retirement pension account in smartMonday PENSION
- a retirement pension account—also available in smartMonday PENSION.

Leaving your employer

If you leave your employer, you will stay in your employer's super plan in smartMonday PRIME on a retained basis, or transfer to the Aon Eligible Rollover Fund (ERF), depending on your account balance.

- Balance of \$5,000 or more: stay in your employer's super plan on a retained basis. You'll continue to receive most of the benefits that you received in your account when you were with your employer.
- Balance under \$5,000: transfer to the Aon ERF. The Aon ERF is a public offer superannuation fund designed to be a temporary repository for small or lost superannuation balances. The features of the Aon ERF mean it may not suit your longer-term needs.

See our [Leaving your employer](#) factsheet for more information.

New employer's fund

If your new employer uses smartMonday PRIME, we can transfer your account across to your new employer's plan. We can also arrange to roll over your benefit to any other complying super fund.

Personal super fund

A personal superannuation fund provides for people who may not be in an employer-sponsored corporate fund, industry fund or master trust. This could take the form of the personal section of an industry fund, a retail master trust or a self-managed superannuation fund. Personal super funds accept superannuation rollovers, personal lump sum or regular contributions, as well as employer contributions.

Retirement savings account (RSA)

RSAs are not trusts but are subject to similar regulatory standards as other super products. They must be capital guaranteed (ie the capital you invest will be returned) and are typically invested in low-risk low-return investments. As such, they are unlikely to provide a significant level of long-term growth.

Approved deposit fund (ADF)

You can only deposit eligible terminations payments (such as super benefits) into an ADF. You can access non-preserved amounts at any time and you must withdraw your account balance by age 65. Investment earnings on ADF accounts are taxed in the same way as super (15%).

Deferred annuity

A deferred annuity is similar to an ADF except income payments start at a later date, but by age 65 at the latest. If you're at retirement age, you can buy an immediate annuity to provide you with income payments straight away.

Transition to retirement pension (TRP)

If you are 55 or over and planning for your retirement, you can rollover some or all of your super into a non-commutable pension, even if your super is preserved. This can provide you with a regular income* while you are still employed. See the [smartMonday PENSION Product Disclosure Statement](#) for more information on the TRP.

Retirement pension

You can use the unrestricted non-preserved part of your super benefits to buy a retirement pension—this will provide you with an income* in retirement.

Key features:

- you can decide how much income you would like to receive as long as it meets the minimum limit set by the Government
- vary the amount of your income as often as you like providing it stays within the limits
- choose to receive your income payments monthly, quarterly, half-yearly or annually
- if you're age 60 or over, you receive your income payments tax-free
- if you're under age 60, a tax rebate of up to 15% may be available on the taxable part of your income payments
- investment earnings on assets in your retirement pension are tax-free
- you can make withdrawals at any time (subject to individual fund rules)
- you cannot add to your pension account once income payments start.

With a smartMonday PENSION, you have a choice of investment options and you can choose which investment option(s) your income is to be paid from. This can be changed at any time at no cost. See the [smartMonday PENSION Product Disclosure Statement](#) for more information.

* Income from a pension is not guaranteed—the member bears all the investment risk.



Financial advice

There are many rollover options to choose from. Your financial adviser can help you make an informed decision. If you don't have an adviser, call us on 1300 880 588 or email enquiries@smartmonday.com.au to ask about the advice services you can access through your membership.

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