

▶ Providing support for retirees

Extension to temporary reduction in super minimum drawdown requirements

The Government has extended the temporary reduction in minimum drawdown rates for super income streams for a further year to 30 June 2022.

Age	Default minimum drawdown rates	Reduced rates by 50% for 2021/22 OPTIONAL
Under 65	4%	2%
65-74	5%	2.5%
75-79	6%	3%
80-84	7%	3.5%
85-89	9%	4.5%
90-94	11%	5.5%
95 or more	14%	7%

Example

Mike is a 66 year old retiree with a superannuation account-based pension. The value of Mike's account-based pension at 1 July 2021 was \$200,000. Under minimum drawdown requirements, Mike would be required to draw down 5% of his account balance, which means that Mike would have to draw down \$10,000 by 30 June 2022 to comply with the minimum drawdown requirements.

Under the temporary reduction in minimum drawdown requirements, Mike is only required to draw down 2.5% of his account balance (that is, \$5,000), by 30 June 2022.

Social security deeming rates

In May 2020, there was a reduction in the upper and lower deeming rates used by Centrelink to calculate pensioner income, and an increase in the asset threshold above which the upper rate is applied.

As at 1 January 2021:

Rate	Single	Couple
0.25%	\$53,000	\$88,000
2.25%	above \$53,000	above \$88,000

Pension rates

From 20 March 2021, the maximum full aged pension increased \$8.40 per fortnight for a single person and \$6.30 per person per fortnight for a couple. The maximum basis rate for a single person is \$868.30 per fortnight, and \$654.50 per person per fortnight for a couple.

Asset test thresholds for a full pension:

	Homeowner	Non-homeowner
Single	\$268,000	\$482,500
Couple	\$401,500	\$616,000

We're here to help

If you're unsure about your pension or investments, speak with one of our financial planners about your retirement income strategy. Call 1800 757 607 to chat with a financial planner.

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