

# Government Stimulus Measure: Temporary Reduction of Superannuation Minimum Drawdown Requirements

## What is the stimulus/relief?

The Government is temporarily reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50 per cent for the 2019-20 and 2020-21 income years.

## What is the aim of this initiative?

This measure will benefit retirees with account-based pensions and similar products by reducing the need to sell investment assets to fund minimum drawdown requirements.

## Who is eligible?

The reduction applies to:

- account-based pensions (including transition to retirement income streams);
- allocated pensions (including transition to retirement pensions); and
- market linked pensions (also commonly called term allocated pensions).

The relief does not apply to lifetime or life expectancy pensions.

## How do I get it?

No need to apply, just reduce the amount of pension withdrawn according to the following table:

Age	Default minimum drawdown rates (%)	Reduced rates by 50 per cent for the 2019-20 and 2020-21 income years(%)
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

**Note:** If a pensioner has already drawn more than their reduced minimum they cannot return the surplus pension payments to the fund.

## Who should use this stimulus/other considerations?

Those clients that do not need the funds and do not wish to sell assets in the current market to fund the withdrawal.

## Closing comment

The Government is moving quickly and things are changing daily with regards to the response to COVID-19.

Should you have any queries regarding this measure or any Government measure announced in relation to COVID-19, **please contact the Brentnalls SA team.**

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