

Retirement bonus

1 July 2024

You may receive a retirement bonus when you start a Managed or Control Pension, subject to eligibility rules.



Why do I get the retirement bonus?

When we transfer your money to a tax-free retirement phase account like our Managed or Control Pension, the money that we put aside to pay certain taxes while your money was in the super phase can be returned to you.

The current retirement bonus rate is 0.30%

How much will I receive?

The bonus is calculated as a percentage of the amount you transfer to start your Managed or Control Pension, subject to eligibility rules.

There's no cap on the bonus amount paid and the rate may vary in the future.

When is the retirement bonus paid?

The bonus is calculated and paid into your super account before your income stream starts and is included in the amount you transfer to start your account.

Am I eligible?

You may be eligible to receive the bonus when you first start your Managed or Control Pension. You can only receive the bonus once, and it won't apply to any new retirement accounts you open or top-ups you do in the future.

You won't receive a retirement bonus if any of the following apply to you:

- commence a Transition Pension
- convert your Transition Pension to a Managed or Control Pension
- held a retirement phase income stream account before 1 April 2021
- are the recipient of an income stream as a reversionary beneficiary
- receive a death benefit and commence a death benefit pension or child pension.

You don't need to apply for the retirement bonus, it'll be calculated and paid to your account automatically.

How is the retirement bonus funded?

The bonus is funded from a reduction in tax payable by Spirit Super when a member commences an eligible Managed or Control Pension.

Complying super funds have to pay tax on investment earnings within the super (accumulation) phase. We set aside money as an estimate of the tax required to be paid when fund assets are sold.

When money is moved from the super phase to the tax-free retirement phase (Managed or Control Pension) there's no longer a requirement for Spirit Super to pay tax on these assets. This is because all investment earnings are exempt from tax in the retirement phase, whether income or capital gains. These tax savings are passed on to eligible members as the retirement bonus.

This is general information only and doesn't take into account your objectives, financial situation or needs. Before making a decision, you should consider if this information is right for you and read our *Product disclosure statements*, *Target market determinations* and *Financial services guide*. These are available at spiritsuper.com.au/pds or by calling 1800 005 166. | Issuer is Motor Trades Association of Australia Superannuation Fund Pty Ltd (ABN 14 008 650 628, AFSL 238718), the trustee of Spirit Super (ABN 74 559 365 913). Any advice is provided by Quadrant First Pty Ltd (ABN 78 102 167 877, AFSL 284443) (Spirit Super Advice), which is wholly owned by the trustee. A copy of the *Financial services guide* for Spirit Super Advice is available at spiritsuper.com.au/financial-services-guide or by calling us on 1800 005 166.

Does the retirement bonus count towards my before-tax (concessional) cap?

No. The bonus won't count towards your before-tax (concessional) cap. The bonus will be a credit of investment earnings and will be paid into your super account just before the transfer to your Managed or Control Pension.

Does the retirement bonus count towards the transfer balance cap?

Yes. You'll need to make sure that the total amount you transfer into the retirement phase, including any retirement bonus you receive, is less than the \$1.9 million transfer balance cap (2024-25) or your personal transfer balance cap, if lower.

The transfer balance cap is a limit on how much super can be transferred into retirement phase income products like the Managed Pension and Control Pension.

The transfer balance cap is \$1.9 million for 2024-25. It will be indexed in line with the consumer price index, rounded down to the nearest \$100,000. If you started a retirement phase income stream before 1 July 2023 your personal transfer balance cap may be between \$1.6 million and \$1.9 million.

This limit applies to the combined total of all tax-free retirement phase income products you hold, with both Spirit Super and other super funds. Transition Pensions don't count towards the cap.

Your personal transfer balance account is a record of all of the events that count towards your transfer balance cap. This is managed by the Australian Taxation Office (ATO). If you need to know about the status of your personal transfer balance account, you must speak with the ATO directly.

If you exceed the cap, you may need to:

- reduce the amount you have in the retirement phase by either withdrawing it or moving the excess amount back into a super account and
- pay tax on the notional earnings related to the amount exceeding the cap.

Investment earnings or losses incurred in your retirement phase income products don't impact your cap assessment.

The rules relating to the transfer balance cap are complex. We strongly recommend you consult your tax adviser about your individual tax situation if you have significant super savings.

Need advice?

We provide access to general information, education and personal (intra-fund) advice on your Spirit Super account at no extra cost. Go to spiritsuper.com.au/get-advice for more details.



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