

eDIRECTIONS

Aon Master Trust



FEATURES

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4 months to go

The 1 July 2017 pension tax changes from the last Federal Budget will affect you if you have a transition to retirement (TTR) pension or if you have more than \$1.6 million in tax-free retirement pension accounts.

Please note: By 'retirement pension' we mean retirement-phase income streams such as annuities and superannuation pensions you have once you retire from the workforce or satisfy a 'condition of release' such as ill-health.

Transition to retirement (TTR) pension

Earnings on investments in your TTR pension account are currently tax free. This will change from 1 July 2017 with the introduction of a 15% tax. If you have a TTR pension in place at 1 July 2017, the 15% tax on earnings will apply to you from that date. Importantly, the income payments you receive from your TTR pension will continue to be tax free if you're age 60 or over.

Options to consider:

- Retirement pension earnings will continue to be tax free. You can ask us to convert your TTR pension to a retirement pension if you:
 - retire from the workforce, or
 - are age 60 or over and leave your job, or
 - reach age 65, or
 - have a permanent incapacity or terminal illness.
- If you think your TTR pension may no longer be tax-effective or suitable for you, you can transfer it back into super.

TRANSACTION
PROCESSING
HOLD IN
EARLY APRIL

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IN THE SPOTLIGHT

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Your opinion

What do you think about this issue of eDirections? We'd love to know. Just email our [member experience team](#). Thanks.



More than \$1.6 million in tax-free retirement pension accounts

There is currently no limit on the total amount of money you can have in tax-free retirement pension accounts. This will change from 1 July 2017 with the introduction of a \$1.6 million cap. As noted above, TTR pensions will no longer be completely tax free from 1 July 2017 and so will not count towards the \$1.6 million cap.

If you have over \$1.6 million in tax-free retirement pension accounts, you will need to comply with the cap by:

- transferring the excess amount back into super (where earnings are taxed at 15%), or
- withdrawing the excess amount if you satisfy a condition of release.

If you do not comply, earnings on the excess amount will be subject to tax.

Generally, you will need to comply with the new cap by 1 July 2017. However, if your balance is between \$1.6 and \$1.7 million on 30 June 2017, you will have until 31 December 2017 to bring your balance under the cap.

For summaries and factsheets on the changes, see [Superannuation reforms](#) on the Treasury website.

Remember, tax issues are complex—the options available to you will depend on your personal situation. We recommend that you seek advice. If you don't have an adviser, ask us about the advice services you can access through the Aon Master Trust.



Notice of significant event: Transaction processing hold in early April

In April 2017, the Aon Master Trust will be finalising the transition of many members' super assets to Aon MySuper, as required by legislation*. To ensure that all members' account data is protected during the transition phase, transaction processing will be put on hold for approximately one week commencing Monday, 3 April 2017.

This hold will apply to paper and online transaction requests ie investment switches, account balance quotations[†] and lump sum commutation payments. The processing hold will not impact regular pension payments.

To allow us to process transaction requests before the processing hold, we must receive them (together with required documents) by Tuesday, 28 March 2017. If we receive them after this date we will process them as quickly as possible, in order of date received, once processing resumes. We process within time limits that conform to standards maintained by the trustee, using the price applicable on the date of processing.

We regret any inconvenience that the transaction processing hold may cause. We're making every effort to minimise the duration of the hold while protecting account data during the transition phase. To keep members up to date on progress, we will post updates on the [website](#) in the 'News' section and [member online service](#). Please [email](#) or call us on 1300 880 588 if you

have any queries.

* Not all members are involved in this transition. If you are involved, you would have received written notice from us in December 2016.

† During the hold period, we will be able to provide account balance quotations using the last calculated unit prices however these may not necessarily reflect the value of your account as at the date you request the quote.

Investment updates

View the latest [Asia Pacific market background](#) and Aon Master Trust investment returns to [31 January 2017](#).



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