

# Generations Personal Pension

## Product Disclosure Statement

Additional information

### How are your pension payments taxed?

The following information is referred to in the Generations Personal Pension Product Disclosure Statement (PDS).

#### Aged under 60

Your pension payments have two components – the taxable component and the tax-free component. The taxable component forms part of your assessable income and is taxed at your marginal tax rate (plus Medicare levy if applicable).

However, you may be entitled to a tax offset on your income payments relating to the taxable component from your plan of up to 15 per cent of the taxable amount if you are under the age of 60 but have reached your preservation age.

Your financial adviser can assist you to calculate the likely tax payable in your circumstances.

#### Aged 60 and over

For pensioners aged 60 or over, lump-sum benefits and income stream payments are tax free.

### Are investment earnings taxed?

Earnings on your Generations Personal Pension investment are currently exempt from tax.

### How are lump-sum benefits taxed?

The way lump-sum benefits are taxed depends on your age and the taxable component of your lump sum.

For members under age 60, the taxable component is determined by factors such as the source of the contributions and whether a tax deduction has been claimed for the contribution. If tax is payable on your lump sum, the trustee is required to withhold tax from your benefit. You will be provided with a PAYG payment summary – superannuation lump sum to include in your next tax return.

For members aged 60 and over, superannuation benefits paid from a taxed source, whether in the form of a superannuation lump-sum benefit or pension payments are tax free and are not required to be declared on your tax return.

The actual tax rates and the levels at which they apply are determined by the Australian Taxation Office (ATO) and can change each year. As you may not be making a withdrawal for a number of years this material is provided for general information only and you should check with your financial adviser, the Trustee or the ATO at the time you make a withdrawal. Further information on current rates and thresholds is available from [www.ato.gov.au](http://www.ato.gov.au).



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## How are lump-sum benefits taxed? (continued)

The following is a summary of how your commuted amount and pension payments are taxed depending on your age at the time of payment.

Age	Superannuation lump sum	Superannuation income stream
Aged 60 and above	Tax free (not assessable, not exempt income)	Tax free (not assessable, not exempt income)
Preservation age to age 59	0% up to low rate cap of threshold (indexed) Any amount above low rate cap is subject to 15% tax.	Marginal tax rates and 15% tax offset may apply.
Below preservation age	Taxable component is subject to 20% tax	Marginal tax rates (no tax offset) <sup>1</sup>

<sup>1</sup> A disability superannuation income stream also receives a 15% offset.

The following is a summary of the different components and how they are taxed as at the issue date of this PDS.

Current component	Previous component	Source	Taxation
Taxable component – taxed element	Post-June 1983 'taxed' component	Benefits relating to service or membership accrued after 30 June 1983.	If you are under 55, all of this amount is subject to tax at 21.5% (including Medicare Levy). If you are between 55 and 59, an amount up to a threshold will be tax free and the amount over this will be subject to tax at 16.5% (including Medicare Levy). If you are aged 60 years or over, any superannuation benefits paid to you are tax free.
Taxable component – untaxed element	Post-June 1983 'untaxed' component	Benefits relating to service or membership accrued after 30 June 1983 being paid directly from an employer or unfunded superannuation scheme.	Any taxable component – untaxed element rolled over to this fund will be subject to contributions tax upon receipt and will then convert to a taxable component – taxed element. Other tax rates apply if a taxable component – untaxed element is paid to you in the form of a lump sum or a pension. As this Fund is a taxed fund, these tax rates will not be relevant to you when your superannuation benefits are paid to you or your dependants.

**How are lump-sum benefits taxed?**  
(continued)

Current component	Previous component	Source	Taxation
Tax-free component	Undeducted contributions	Contributions other than by an employer, for which a tax deduction has not been claimed by the member.	Tax free
	Concessional component	Payments made before 1 July 1994 as a result of a bona fide redundancy, invalidity or approved early retirement scheme.	Tax free
	Pre-July 1983 component	Benefits relating to service or fund membership accrued before 1 July 1983.	Tax free
	Post-July 1994 invalidity component	Payments made since 1 July 1994 as a result of invalidity.	Tax free
	CGT-exempt component	Proceeds from a sale of a small business elected to be contributed to super and which are exempt from CGT up to \$1 million.	Tax free

**The Summit Master Trust Deed**

Generations Personal Pension is a plan within the Summit Master Trust Personal Superannuation & Pension Fund (the Fund) and is governed by the Trust Deed. The Trustee must operate the Fund in accordance with the provisions of the Trust Deed and the laws relating to superannuation.

Members' entitlements are determined by the provisions of the Trust Deed and the laws relating to superannuation. The investments of the Fund are held by the Trustee on behalf of all of the Fund's members and no member has an entitlement to any individual asset within the Fund. In administering the Fund, the Trustee is obliged to act in the interests of the members of the Fund as a whole. While it has the power to amend the provisions of the Trust Deed, the Trustee cannot do so in a way that is adverse to members' entitlements without their consent. The Trust Deed has special provisions relating to how and when the Fund can be wound up and how members are to be treated if this occurs.

A copy of the Trust Deed is available upon request.



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