

How to calculate your annual Term Allocated Pension payment

FOR MEMBERS WITH A TERM ALLOCATED PENSION

This fact sheet explains how to calculate your annual pension from your Term Allocated Pension for the financial year. Each financial year, you must select the amount of annual pension you wish to receive from your Term Allocated Pension.

Calculating your annual pension

The calculated amount is determined by dividing your opening account balance on 1 July each year by the pension payment factor that relates to the remaining term of your pension. The pension payment factors are shown in the table overleaf. The remaining term must be a whole number and must be rounded down if your pension commenced between 1 July and 31 December, or up if it commenced between 1 January and 30 June. Your annual pension will be rounded to the nearest \$10 dollars.

As a result of the COVID 19 crisis, the Government has temporarily reduced the minimum drawdown requirements for pension payments by 50% for the 2019-20, 2020-21 and 2021-22 financial years.

This means you now have the flexibility to choose a pension amount between 45% and 110% of your annual pension amount for the financial years commencing 1 July 2019, 1 July 2020 and 1 July 2021.

Example

Lana is aged 66 and has a Term Allocated Pension with an account balance of \$180,000 on 1 July 2021. Her pension has a remaining term of 25 years. Using the factors in the table overleaf, Lana's payment factor is 16.48.

Lana's calculated amount for 2021 - 22 is:
 $\$180,000 / 16.48 = \mathbf{\$10,920}$ (rounded to the nearest \$10 dollars).

TERM	PAYMENT FACTOR	TERM	PAYMENT FACTOR	TERM	PAYMENT FACTOR	TERM	PAYMENT FACTOR
70 or more	26.00	50	23.46	30	18.39	10	8.32
69	25.91	49	23.28	29	18.04	9	7.61
68	25.82	48	23.09	28	17.67	8	6.87
67	25.72	47	22.90	27	17.29	7	6.11
66	25.62	46	22.70	26	16.89	6	5.33
65	25.52	45	22.50	25	16.48	5	4.52
64	25.41	44	22.28	24	16.06	4	3.67
63	25.30	43	22.06	23	15.62	3	2.80
62	25.19	42	21.83	22	15.17	2	1.90
61	25.07	41	21.60	21	14.70	1 or less	1.00
60	24.94	40	21.36	20	14.21		
59	24.82	39	21.10	19	13.71		
58	24.69	38	20.84	18	13.19		
57	24.55	37	20.57	17	12.65		
56	24.41	36	20.29	16	12.09		
55	24.26	35	20.00	15	11.52		
54	24.11	34	19.70	14	10.92		
53	23.96	33	19.39	13	10.30		
52	23.80	32	19.07	12	9.66		
51	23.63	31	18.74	11	9.00		

Remaining term of your Term Allocated Pension

The remaining term of your Term Allocated Pension is the number of years remaining based on your, or your reversionary spouse's life expectancy, on commencement of the pension, or the number of years remaining where you elected a term greater than the relevant life expectancy on commencement of the pension remaining where you elected a term greater than your life expectancy on commencement of the pension.

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