

Alcoa Superannuation Plan Defined Benefit to Transition to Retirement factsheet



13 11 84 australianretirementtrust.com.au

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If you have a Defined Benefit account, it generally can't be accessed until you leave employment with Alcoa. But if you're eligible to open an Income account, then you may be able to access some of your Defined Benefit account. Before you do this, it's important to understand how it will impact your Defined Benefit account when it's eventually payable to you on leaving Alcoa.

Am I eligible?

If you've reached your preservation age (age 59 or 60 depending on when you were born), you're able to open an Income account, even if you're still working. The type of Income account you'll have depends on your age:

- If you're under age 65, you can open a Transition to Retirement Income account (TTR)
- If you're aged 65 or over, you can open a Retirement Income account

You can find information about how Income accounts work in the Super Savings Product Disclosure Statement for Income Account and Lifetime Pension which is available at art.com.au/pds

Are there any restrictions?

The Income account rules require a minimum amount of \$30,000 to open an Income account.

The Alcoa Superannuation Plan Participation Deed allows the Trustee to impose terms and conditions where members want to access their benefit while still employed by Alcoa. The Trustee has set the following rules for transferring from your Defined Benefit account to an Income account:

- **You can only access your Defined Benefit account once in the life of the product to open an Income account.**
- The balance of your Additional Accumulation account will be used before your Defined Benefit account. The exception is if you have Additional Insurance cover on your account. In this case, \$6,000 of your Additional Accumulation account will be kept with your Defined Benefit account so insurance premiums can continue to be paid.
- If you want to continue to be a defined benefit member, the maximum you can transfer is the balance in your Additional Accumulation account (less \$6,000 if you have Additional Insurance cover) plus 50% of the amount of your Defined Benefit account, less your Offset account.

Example

You have a balance of \$800,000 in your Defined Benefit account, \$51,000 in your Additional Accumulation account and \$20,000 in your Offset account. You have Additional Insurance cover that you want to keep. The maximum amount you can transfer is:

Your Additional Accumulation account less \$6,000 = $\$51,000 - \$6,000 = \$45,000$
plus 50% of amount of your Defined Benefit account, less your Offset account = $50\% \times \$800,000 = \$400,000 - \$20,000 = \$380,000$

Maximum transfer amount = $\$45,000 + \$380,000 = \$425,000$

- If you close your Income account in future and transfer the balance back to your Defined Benefit account, the transferred amount will be used clear or reduce the balance in your Offset account. If the amount transferred back is greater than the balance in your Offset account, the excess will be allocated to your Additional Accumulation account.

What if I want to transfer more than the maximum allowed or I've already used my Defined Benefit to open an Income account?

If you want to transfer more than the maximum allowed or you've previously used your Defined Benefit account to open an Income account, you can consent to closing your Defined Benefit account and transferring to an Accumulation account in the Alcoa Superannuation Plan. The transfer to an Income account would then be done from your Accumulation account.

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How does transferring to an Income account affect my defined benefit?

The amount of your Defined Benefit account used to open an Income account will be deducted from your Offset account. The balance in your Offset account will be taken off any benefit paid to you, or if you die while employed by Alcoa, will be taken from the death benefit payable to your dependants.

The value of your Offset account is subject to changes in the daily unit price of the Retirement investment option. This means your Offset account may increase over time, so the amount deducted from your final benefit may be more than the original amount transferred to open your Income account.

For more information about how Offset accounts work, see the Offset Accounts for Defined Benefit Members factsheet at art.com.au/alcoa

You can clear or reduce the balance in your Offset account at any time by transferring an amount from your Additional Accumulation account (if any) or making a contribution to your Offset account. You can do this by completing a Clear or Reduce Offset Account form. Contact us on **13 11 84** for a copy of the form.

If you choose to close your Income account in future and transfer the balance back to your defined benefit membership, the amount transferred would be used clear or reduce the balance in your Offset account.

Things to consider before you apply

Do you have Additional Insurance cover?

If you have Additional Death only or Death and Total & Permanent Disablement Insurance cover and you want the cover to continue, you need to ensure:

- there's enough money in your Additional Accumulation account to pay future insurance premiums when they're due to be paid. We'll keep \$6,000 in your Additional Accumulation account if you choose to keep your cover.
- you make at least one eligible contribution every 12 months, or you can advise us in writing at art.com.au/keep-my-insurance that you want to keep your insurance cover.

Do you want to increase your account balance?

You can increase the balance in your Additional Accumulation account by making a contribution or rolling over amounts from another super fund. To have this included in your Income account, you'll need to make the contribution or rollover **before** requesting the transfer.

Do you want to claim a tax deduction?

If you've made voluntary after-tax contributions to your Additional Accumulation account and you intend to claim a tax deduction for them, you need to let us know **before** you start your Income account. A request to claim a tax deduction isn't valid if we've started to pay an income stream using any of the contributions.

If you intend to claim a tax deduction, you can let us know by completing the online form in **Member Online** or send us a completed Notice of Intent to Claim or Vary a Deduction for Personal Super Contributions form. Visit art.com.au/forms-and-tasks for a copy of the form. We'll send you a confirmation to include with your tax return.

How do I transfer from my Defined Benefit account to an Income account?

Read the information in the Super Savings Product Disclosure Statement for Income Account and Lifetime Pension at art.com.au/pds then complete the Income Account Request form at the end of the document. Make sure you include any additional forms and documents required as shown on the form.

You'll also need to complete an Alcoa Superannuation Plan Transfer Defined Benefit to Income Account form from art.com.au/alcoa to let us know how much you want transferred.

Return both forms to us at Australian Retirement Trust GPO Box 2924 Brisbane QLD 4001.

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Need advice?

Before you transfer from your Defined Benefit account to an Income account, we recommend you speak to your adviser. If you don't have a personal financial adviser, Australian Retirement Trust has qualified financial advisers who can help you over the phone with advice about your Super Savings account. This service is included in your membership.¹ If the advice you need is more complex or comprehensive in nature, we may refer you to an accredited external financial adviser.² Advice of this nature may incur a fee.

We're here to help

For more information about your account in the Alcoa Superannuation Plan, visit art.com.au/alcoa or contact us on **13 11 84** between 8:00am and 7:30pm AEST/AEDT, Monday to Friday.

¹ Employees in the Australian Retirement Trust group provide advice to members and employers as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), that is wholly owned by the Trustee as an asset of Australian Retirement Trust. SFS is a separate legal entity responsible for the financial services it provides. Eligibility conditions apply. Refer to the Financial Services Guide at art.com.au/fsg for more information.

² The Trustee has established a panel of accredited external financial advisers who are not employees of the Australian Retirement Trust group. The Trustee is not responsible for the advice provided by these advisers and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.