

## Government Stimulus Measure: Temporary reduction of Superannuation minimum drawdown requirements

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### What is the stimulus/Relief?

The Government is temporarily reducing superannuation minimum drawdown requirements for account-based pensions and similar products by 50 per cent for the 2019-20 and 2020-21 income years.

### What is aimed to do?

This measure will benefit retirees with account-based pensions and similar products by reducing the need to sell investment assets to fund minimum drawdown requirements.

### Who is eligible?

The reduction applies to:

- account-based pensions (including transition to retirement income streams),
- allocated pensions (including transition to retirement pensions), and
- market linked pensions (also commonly called term allocated pensions).

The relief does not apply to lifetime or life expectancy pensions.

### How do I get it?

No need to apply, just reduce the amount of pension withdrawn according to the following table:

Age	Default minimum drawdown rates (%)	Reduced rates by 50 per cent for the 2019-20 and 2020-21 income years(%)
<b>Under 65</b>	4	2
<b>65-74</b>	5	2.5
<b>75-79</b>	6	3
<b>80-84</b>	7	3.5
<b>85-89</b>	9	4.5
<b>90-94</b>	11	5.5
<b>95 or more</b>	14	7

**Note:** If a pensioner has already drawn more than their reduced minimum they cannot return the surplus pension payments to the fund.

### Who should use this stimulus/other considerations?

Those clients that do not need the funds and do not wish to sell assets in the current market to fund the withdrawal.

**More Info**

<https://treasury.gov.au/coronavirus/households>

Also note from page 117 of the Explanatory memorandum below

[https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r6521\\_ems\\_84ea9dda-1a44-44b8-878b-68c376cbed56/upload\\_pdf/734816.pdf;fileType=application%2Fpdf](https://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r6521_ems_84ea9dda-1a44-44b8-878b-68c376cbed56/upload_pdf/734816.pdf;fileType=application%2Fpdf)

**Closing comment**

The government is moving quickly and things are changing daily with regards to the response to COVID-19. Should you have any queries regarding this measure or any Government measure announced in relation to COVID-19, please contact your Brentnalls Superannuation Specialist.