

# Retirement Income Covenant Retirement Income Strategy and Governance

REI Superannuation Fund Pty Ltd ATF REI Super Fund  
ABN 76 641 658 449 | AFSL 240569 | SPIN REI0001AU |  
USI 76641658449601



## 6.1 Support for Fund members approaching retirement

The Trustee's Strategy is to support Fund members as they approach retirement. In particular, the Trustee recognises the importance of assisting Fund members approaching retirement consider their retirement income rather than solely focusing on their superannuation account balance.

The Trustee will:

- Provide education that superannuation is designed to be consumed to fund their retirement;
- Provide content designed to build knowledge of the risks Fund members will need to consider in relation to their retirement income;
- Provide factual information on its Fund website about key retirement topics such as eligibility for the age pension, aged care needs, transition to retirement pension options, and how to draw down capital as a form of income;
- Provide general advice on superannuation and superannuation to pension account conversion via telephone and video services at no cost delivered by Mercer Financial Advice (Australia) Pty Ltd.
- Provide comprehensive advice on any other financial planning topic on a user pays basis delivered by Mercer Financial Advice (Australia) Pty Ltd.
- Reposition superannuation account balances as a source of retirement income;
- Provide estimates of potential levels and variability of Fund members' retirement income through:
  - Retirement income calculators;
  - Inclusion of retirement income on eligible Fund members' annual benefit statements (subject to certain member characteristic criteria).

## 6.2 Guidance for Fund members entering and in retirement

The Trustee's Strategy is to provide guidance for Fund members entering and in retirement. Members need to balance the objective of maximising their retirement income in the context of desired income stability and sustainability, and flexible access to funds as required. The Trustee recognises that Fund members have different retirement income needs, and will place different prioritisation on each of these objectives.

The Trustee will:

- Provide access to budgeting tools and expenditure calculators on its Fund website to assist members identify income and capital needs over time;
- Illustrate potential combinations of retirement income products and drawdown patterns that balance retirement income in the context of acceptable stability and flexible access to funds. This will be done in the context of member personas.
- Provide general advice on superannuation and superannuation to pension account conversion via telephone and video services at no cost delivered by Mercer Financial Advice (Australia) Pty Ltd.

- Provide comprehensive advice on any other financial planning topic on a user pays basis delivered by Mercer Financial Advice (Australia) Pty Ltd.

## 6.3 Appropriate retirement income products

The Trustee's Strategy is to provide appropriate retirement income products through the Fund which complement Fund members' other sources of retirement income (e.g. the age pension and other savings).

The Trustee currently provides the following retirement income products:

- An account-based pension product, designed with a two bucket based default investment strategy suitable for the majority of members, and sufficient investment choice options to support the needs and preferences of Fund members in retirement;
- A TTR product, designed as for the Fund's account-based pension product, but tailored for pre-retirees;

In accordance with its product governance policies, the Trustee will monitor whether the retirement income product:

- Is distributed in accordance with the Trustee's product design and distribution obligations; and
- Promotes the financial interests of beneficiaries as part of the Trustee's member outcomes framework obligations.

The Trustee will periodically investigate whether its retirement income product offerings can be extended to meet additional Fund member needs on a cost effective and sustainable basis.

## 6.4 Access to advice to assist Fund members with their retirement income decisions

Planning for and then managing income in retirement involves multiple decisions and is difficult for many Fund members. The Trustee's Strategy is built upon support and guidance. However, many Fund members will benefit from professional support and financial advice. The Trustee's Strategy is to make tailored personal financial advice available to all Fund members in addition to the factual information and general advice it provides. This will be provided by Mercer Financial Advice on a user pays basis.

## 6.5 Assessment of additional product offerings

The Trustee will periodically investigate whether its retirement income product offerings can be extended to better meet the needs of Fund members on a cost effective and sustainable basis. In particular, the Trustee intends to investigate whether its retirement income products should be extended to include:

- An enhanced account based pension product where Fund members are provided with pre-set combinations of account based pension investment strategy, managed according to set drawdown and re-allocation rules;
- Offering lifetime income retirement products through the Fund, whether payable immediately on retirement, or deferred to commence at a later age.

## Need help?

**1300 13 44 33**


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Between 8.30am and 7.00pm AEST. (Local call cost within Australia, calls from mobile phones may cost more.)

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