

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

REST

Questions on Notice, Public Hearing 21 November 2019

Question	Page Number, draft transcript
A breakdown of what the balance of accounts when members move into retirement, breakdown of percentiles, average and ranges. (Kelly)	44

The nature of retirement in Australia tends to be progressive, and not to a fixed time. Members may consolidate superannuation and potentially other savings over time, take partial lump sum amounts over time, or commence a pension while still maintaining part time work, either in a Transition to Retirement Arrangement, or less formally. Rest expects that the current Retirement Income Review commissioned by the Government will shed light on this as part of their report.

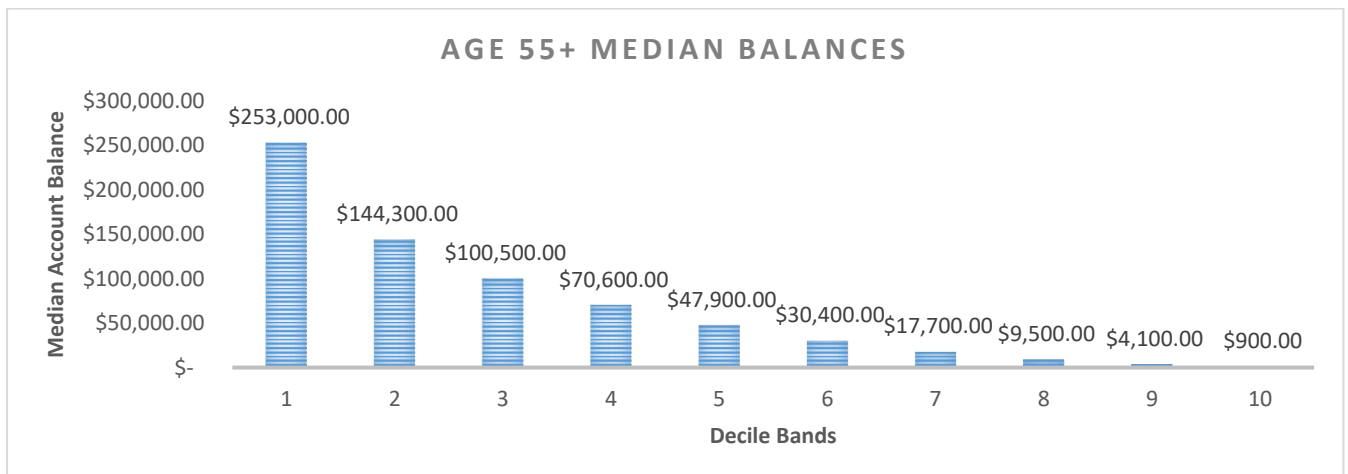
In addition, the visibility of one fund is limited to the holdings in that fund, and therefore cannot provide a whole picture of a member’s financial position or working life.

We have therefore provided a range of relevant information, which contributes to an understanding of balances held by Rest members at or around retirement in the fund.

Unless otherwise indicated, all information is for the period 1 July 2018 to current day.

Member balances held in the fund at ages 55+

The highest balance 10% of accounts held in Rest by members aged 55 and over have a median balance of \$253,000, below which there is a significant drop in balance. The middle decile band of Rest members have a median balance of less than \$50,000.

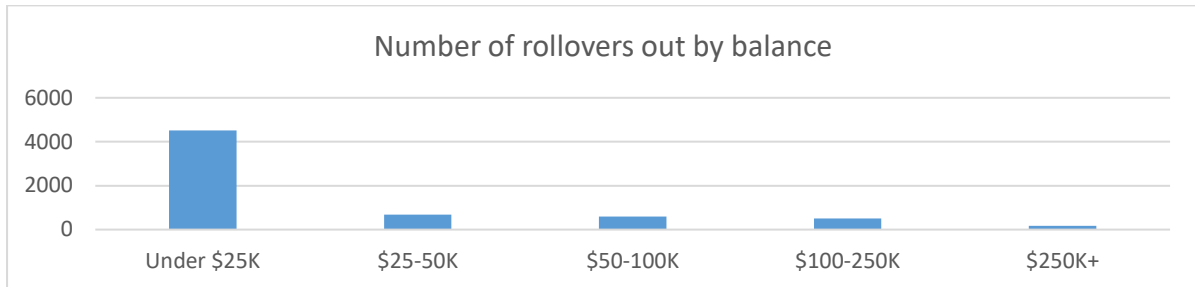


Notes

1. Total number of members ages 55+ is 163,817
2. Number of members in each decile band is ~16,382

Rollovers out from age 55

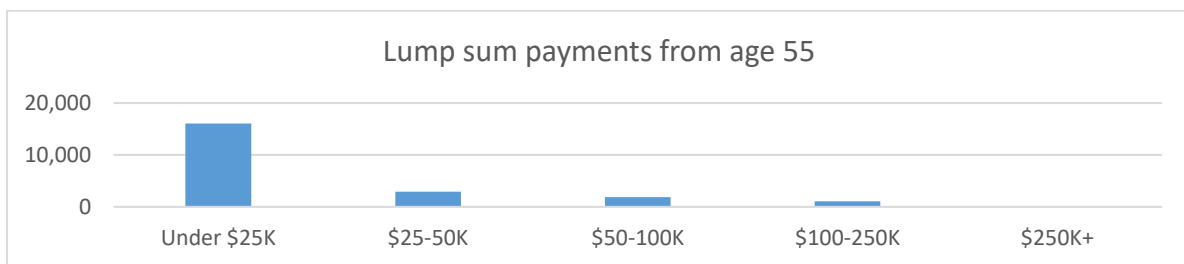
While Rest do not have visibility of decisions and workforce participation ongoing for these members, a full rollover to another fund may be an indication of retirement, planning for retirement or commencement of a pension.



Notes

1. Rollovers out by members aged 55 and over may reasonably be seen to be part of planning for retirement, but may not necessarily indicate actual retirement. Rollovers of lower balances in particular would likely indicate consolidation of superannuation accounts in that process.

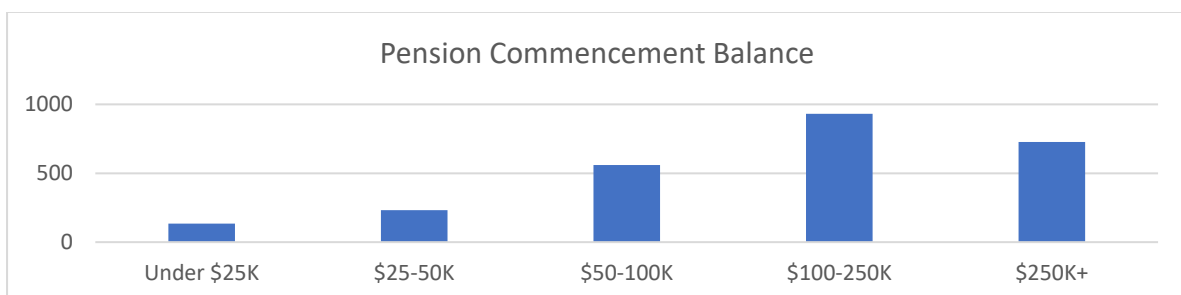
Lump sum payments from age 55



Notes

1. Number of lump sum payments out by amount bands post age 55.

Pension commencement balances



Notes

1. Estimated pension commencement balance using current day balance for pensions commenced 1 December 2018 to 30 November 2019.
2. Information includes both full drawdown of pension, and Transition to Retirement accounts, so members may still be working and contributing to superannuation while drawing down on their balances.