Moving your TRIS to a RIS

It's important to know when your transition to retirement income stream (TRIS) becomes a retirement income stream (RIS). Why? Generally, you won't notice anything different – we'll continue to pay your income stream to you as usual – but there are some changes which could mean you need to take action. Here we outline what to look out for.

Your TRIS becomes a RIS when you:

- permanently retire
- leave an employer at age 60 or later (and you are not currently employed)
- turn 65
- become permanently incapacitated.

These are known as 'conditions of release'. You need to notify us when these changes occur, except when you turn 65. Once you meet a condition of release we will change your account from a TRIS to a RIS. That includes moving your account from taxed to untaxed investment options, which you will see as a switch on your account.

What's different in a RIS?

There are a number of important differences between a TRIS and a RIS:

- there is no limit on the amount you can take as a pension each year (the 10% maximum limit no longer applies)
- there is no longer any restriction on withdrawals
- investment earnings are tax free (and there are no tax rebates on activity based fees charged to your account)
- the $1.6 million transfer balance cap applies
- some of the investment option objectives are different.

A TRIS-RIS comparison

	While you hold a TRIS	When you move to a RIS
Income payments	You cannot withdraw more than 10% of your account balance annually.	There is no annual limit on the amount you can withdraw.
Lump sum payments	Generally not allowed	Allowed as long as you receive your minimum payment for the year
Investment earnings	Taxed up to 15%	Tax free
Rebates and tax credits for activity based fees	You receive a 15% tax rebate	Tax rebates don't apply as a RIS isn't subject to tax
$1.6 million transfer balance cap	The cap doesn't apply to your TRIS.	The cap applies to the amount of super you use to set up your RIS.

Our income streams offer **convenience** and **flexibility**

What is the transfer balance cap?

The **transfer balance cap** is a lifetime limit on the amount of super you can transfer from your super account(s) to a retirement income stream. All retirement phase income stream(s) you hold (but not transition to retirement income streams) count towards the cap; it is not a separate limit for each account.

The cap will start at $1.6 million and will be indexed in $100,000 increments in line with the Consumer Price Index. If you use a part of the cap, only the unused portion will be indexed.

The cap relates to the amount you transfer to retirement income streams, so your retirement income stream balance is not measured against the cap each year. If your retirement income stream(s) grows over time to more than $1.6 million, you won't exceed your cap. If the amounts go down over time, you can't 'top it up' if you have already used your full cap.

If you think you might be affected by the cap

The Australian Tax Office (ATO) manages the cap. While we calculate and report your income stream(s) value and commutation(s) to the ATO, we cannot tell you your cap balance or how much cap space you have left. If you are concerned about the transfer balance cap, you can contact us. We have financial advisers who can answer any questions you may have.

How do you tell us you've met a condition of release?

If you meet a condition of release, generally it's a good idea to let us know, so that you no longer pay tax on your investment earnings. If you haven't already let us know, please use the form relevant to your situation as listed below. These are available on our website at **firststatesuper.com.au/forms** and from customer service.

Condition or release	Paperwork
You reach age 65	No documents required
You permanently retire	*Change of income stream membership details* form
You leave an employer after age 60 and you're not currently employed	*Change of income stream membership details* form
You become permanently incapacitated	Two *Confidential medical report on permanent incapacity* forms completed by two medical practitioners

Changes to investment objectives

The investment earnings of a TRIS are taxed, while RIS investment earnings are not taxed. When your TRIS becomes a RIS we move your account from taxed to untaxed investment options. For this reason, the investment objectives for some RIS investment options are slightly higher than the same options within a TRIS.

Investment objectives

	TRIS	RIS
Growth	CPI + 3.75% pa over rolling 10-year periods net of tax and fees.	CPI + 4.25% pa over rolling 10-year periods net of tax and fees.
Balanced Growth	CPI + 2.75% pa over rolling 10-year periods net of tax and fees.	CPI + 3.25% pa over rolling 10-year periods net of tax and fees.
High Growth	CPI + 4% pa over rolling 10-year periods net of tax and fees.	CPI + 4.5% pa over rolling 10-year periods net of tax and fees.
Diversified Socially Responsible Investment	CPI + 3.75% pa over rolling 10-year periods net of tax and fees.	CPI + 4.25% pa over rolling 10-year periods net of tax and fees.
Conservative Growth	CPI + 1.0% pa over rolling 10-year periods net of tax and fees.	CPI + 1.5% pa over rolling 10-year periods net of tax and fees.

Here to help!

Super can be quite complicated and sometimes you just want to know that you're making the right decisions. Because the right decisions about your super can make a real difference to your financial future.

So if you've got any questions, or you just want the comfort of knowing you're on the right track, getting some advice can help.

StatePlus is our financial planning business and is wholly owned by us. The team at StatePlus can answer simple questions about your super over the phone, or if your situation is more complex, prepare a full financial plan for you. It's all up to you, no obligation. Book online at firststatesuper.com.au/advice or call **1800 620 305** (Monday to Friday 8.15 am to 8.15 pm AEST/AEDT) to arrange an appointment.

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