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Natural Selection

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**Actuaries
Institute**



Deferred Annuities – What Exactly do they look like?

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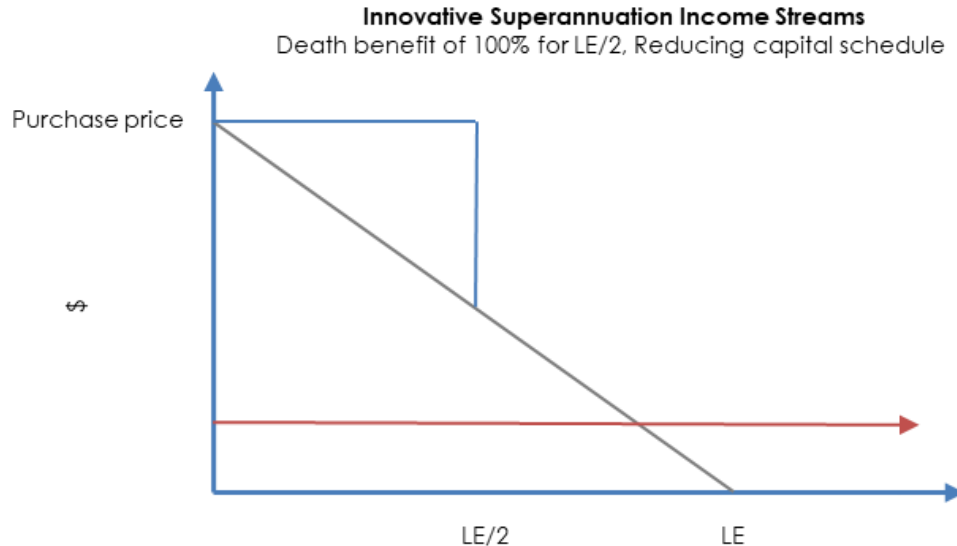
Historic impediments to DLAs

Impediment	Rating
SIS definition of superannuation pension	
Earnings tax treatment during deferral period	
Minimum surrender value standard	
Means testing treatment	
Minimum drawdown rules	

Current state

Impediment	Rating
SIS definition of superannuation pension	
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Innovative Superannuation Income Streams



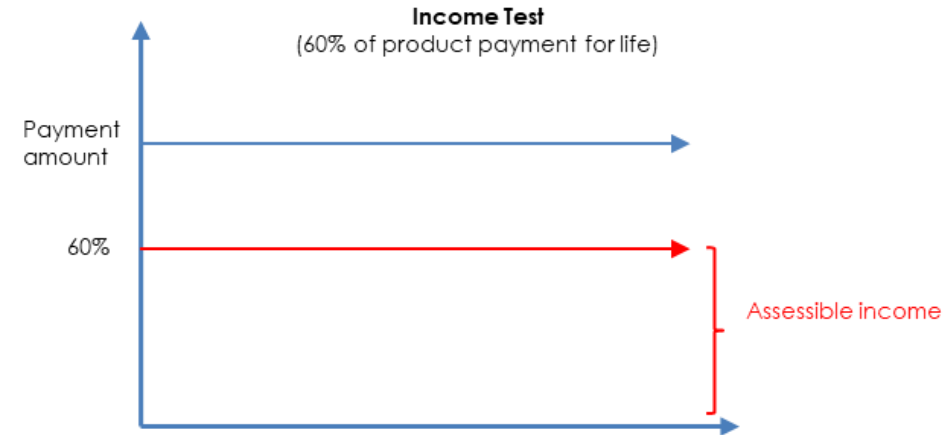
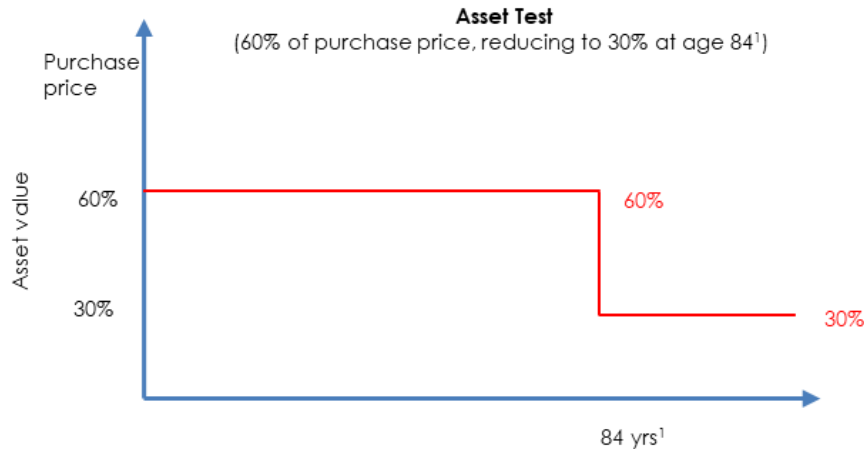
Payment commencement can be deferred to a later event

Subject to decline capital access schedule

Once payments commence:

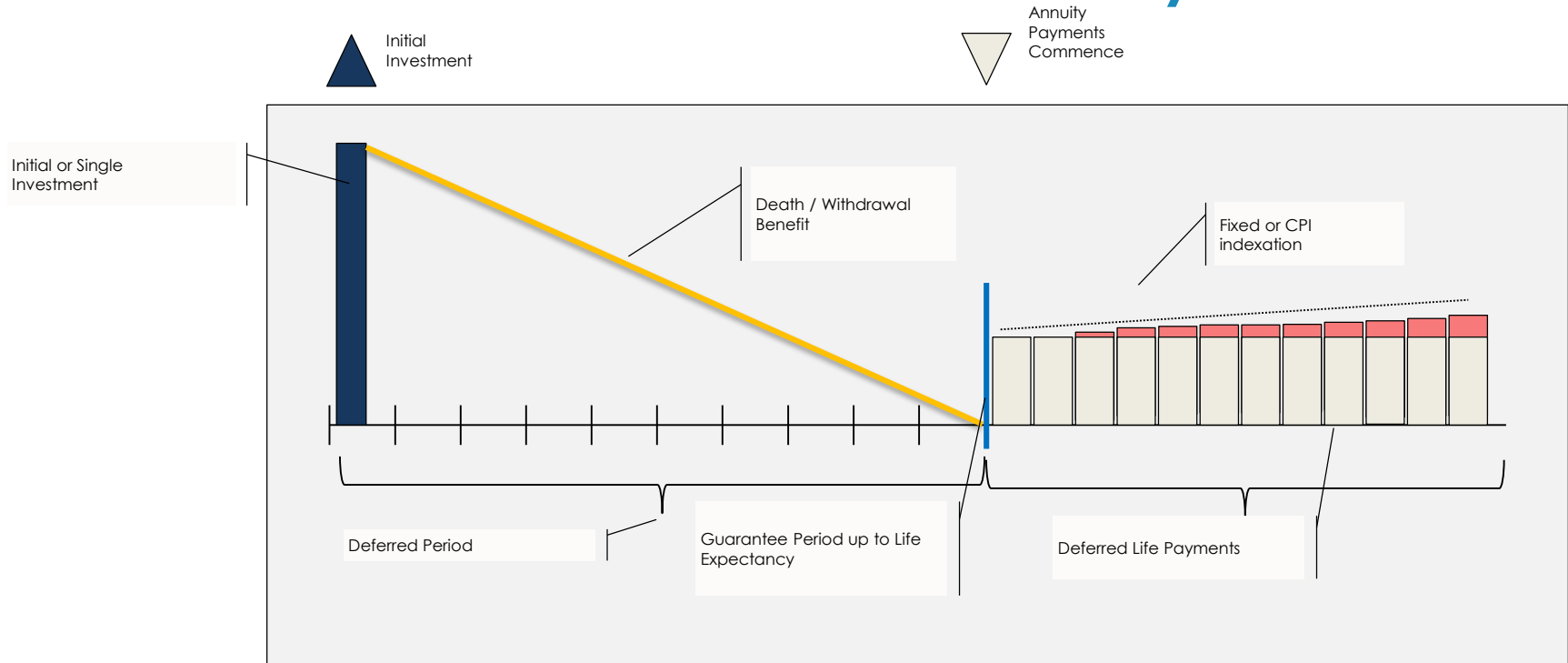
- Must be paid at least annually
- No unreasonable deferral of income

Means testing of pooled lifetime income streams



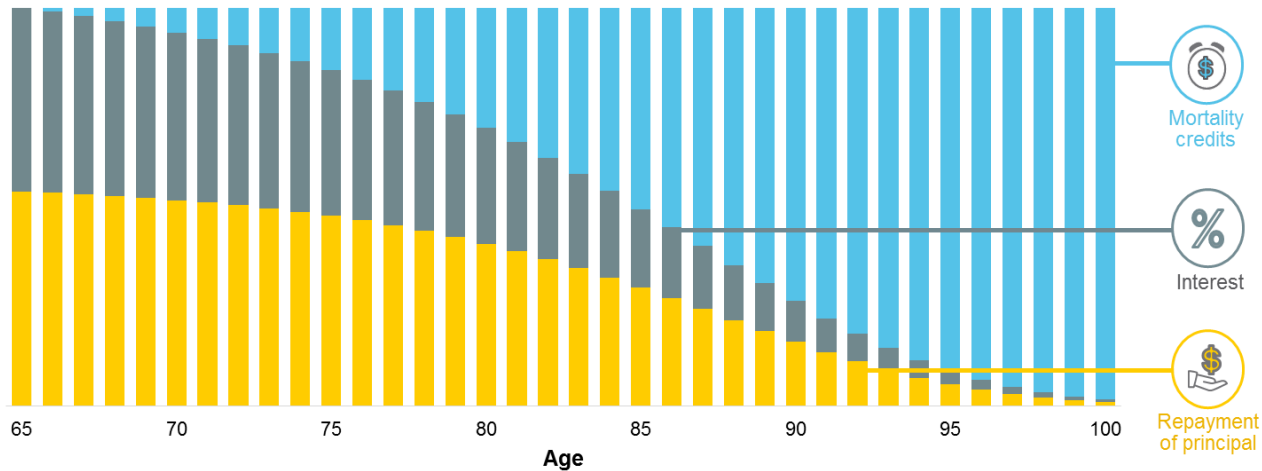
1. Subject to minimum of 5 years from commencement

Basic Design of a Deferred Lifetime Annuity



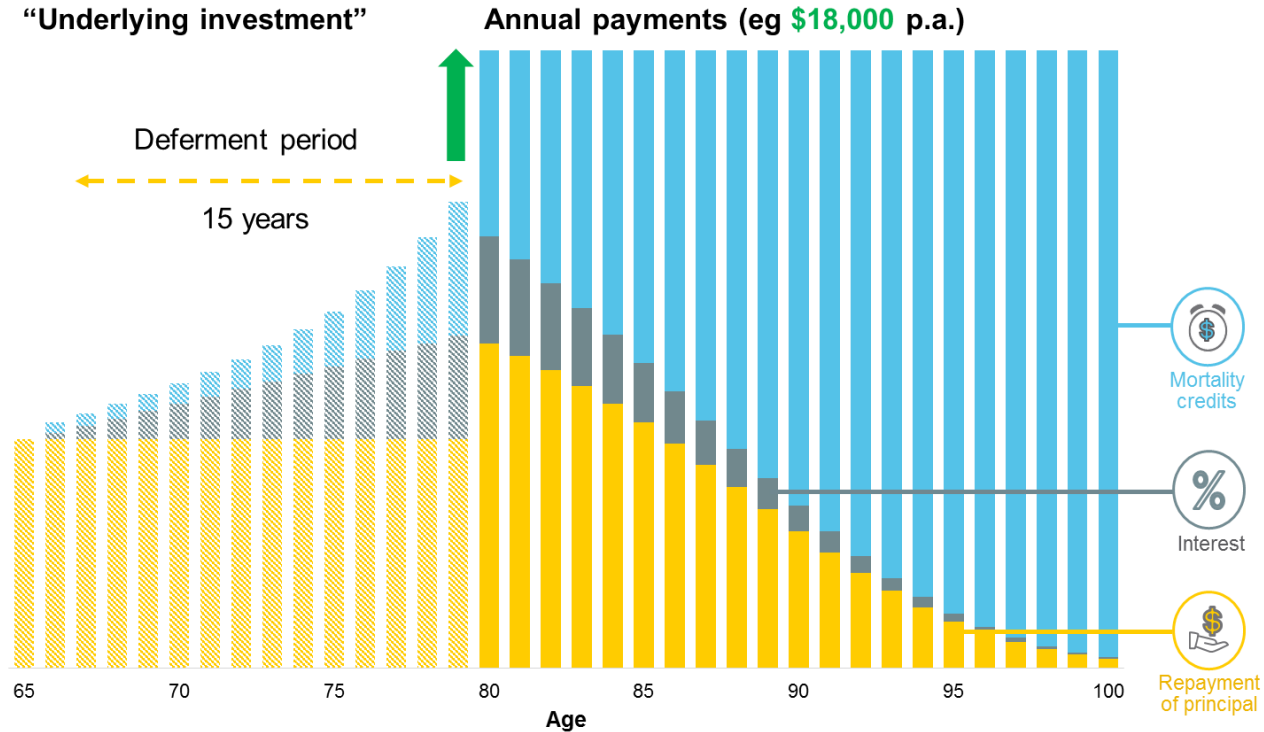
Lifetime annuity payments

Annual payments (eg \$7,000 p.a.)

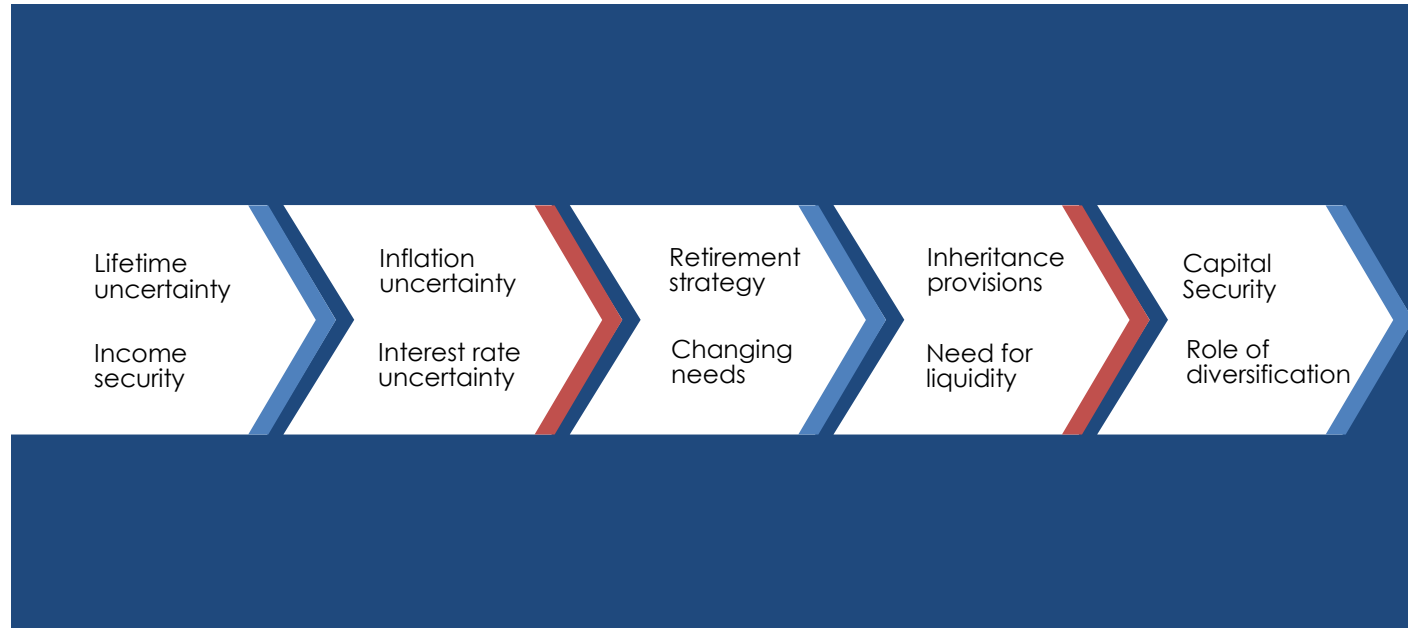


Source: Cominsure

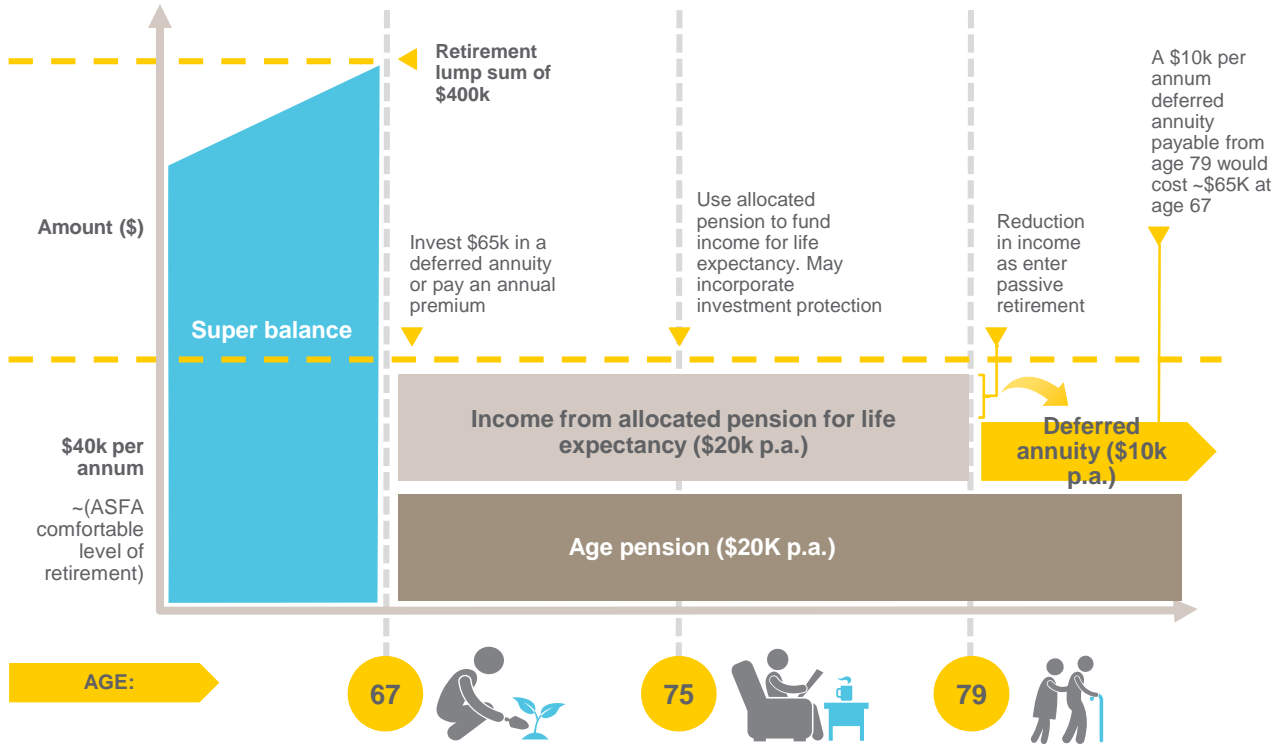
Deferred lifetime annuity payments



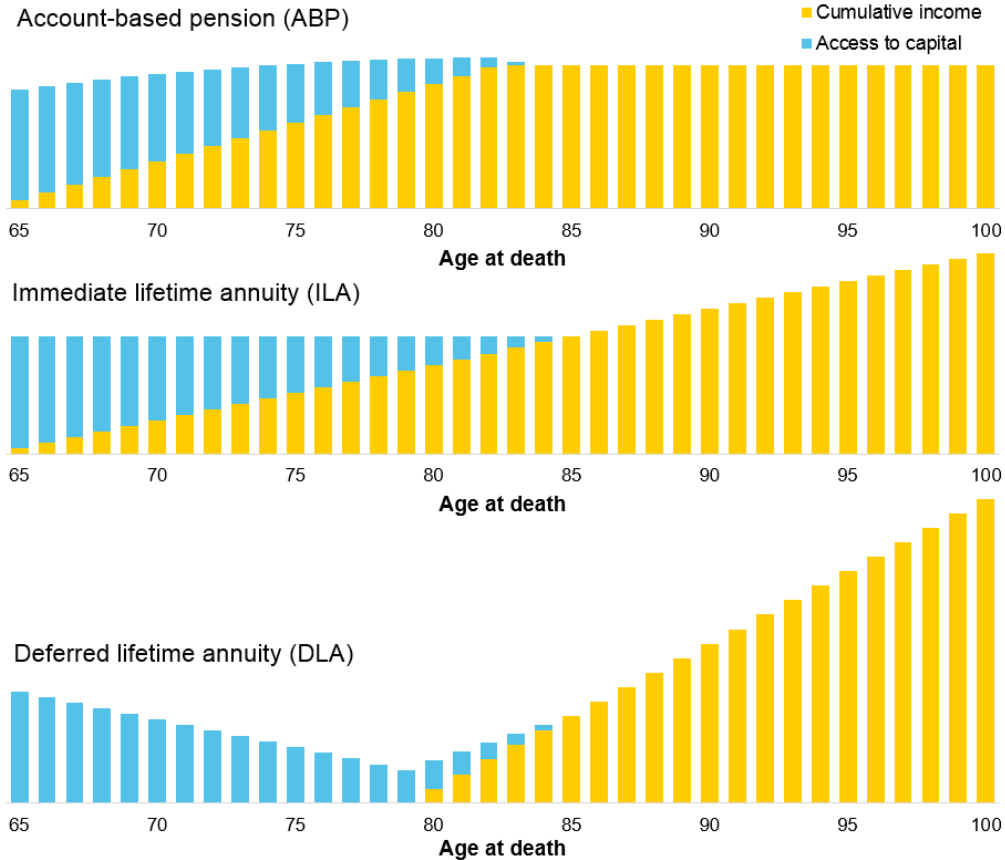
Considerations on retirement



Combining an allocated pension with annuities



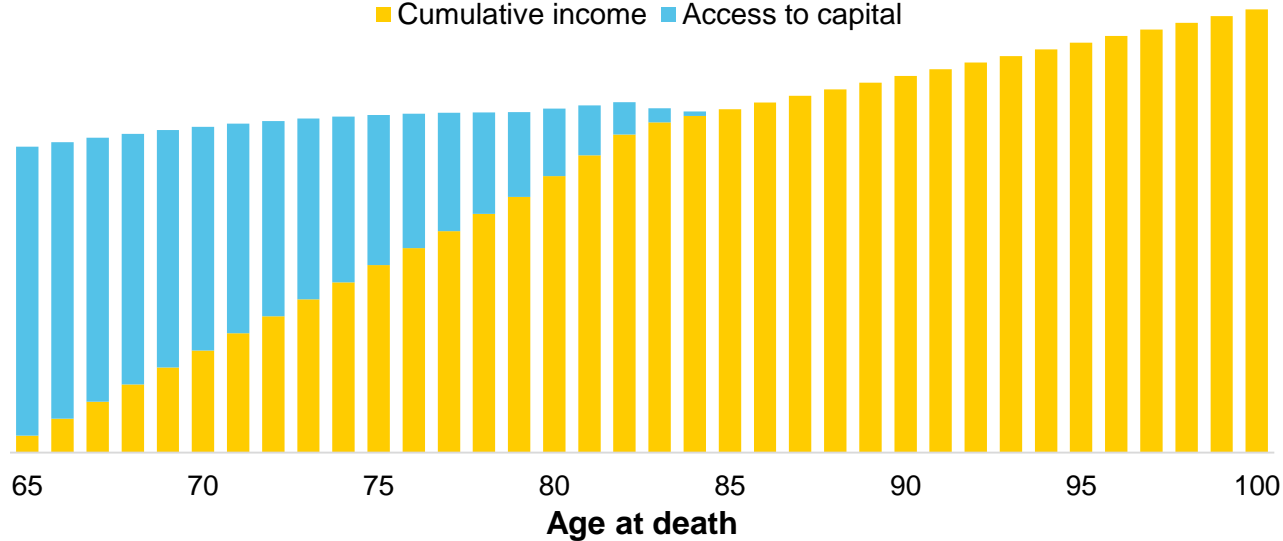
Total payments by age at death



Combining product solutions

70% ABP + 20% ILA + 10% DLA

■ Cumulative income ■ Access to capital



More complex strategies

Age Pension, Account Based Pension, Annuities

