

# significant event notice



1 April 2020

This Significant Event Notice is to inform you of important changes to **HESTA Income Stream** and **HESTA Term Allocated Pension**. Generally this includes changes to, or events impacting, the information provided in the Product Disclosure Statements ('PDS') of those products. The changes will be incorporated into subsequent releases of the PDS available at [hesta.com.au/pds](https://hesta.com.au/pds)

## Reduction in minimum drawdown rates

The Government is temporarily reducing superannuation minimum drawdown requirements for income streams and term allocated pensions for the 2019-20 and 2020-21 financial years as part of the second phase of its stimulus package. Before making changes to your drawdown amount, we recommend you speak to a financial adviser.

### Income Stream (including Transition to Retirement) minimum drawdown rates

You are required to drawdown a minimum percentage from your Income stream account each financial year based on your age. Under the temporary reduction in minimum drawdowns, this minimum percentage has been reduced by half.

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

For members who have chosen the minimum payment this financial year (2019-20), your payments will not reduce to the new minimum unless you tell us.

For the 2020-21 financial year, pension payments will remain the same as you received in 2019-20 unless you tell us.

Members can reduce their minimum drawdown via their online account at [hesta.com.au/login](https://hesta.com.au/login) or by completing the *Income stream change of income payment and frequency* form and emailing to [hestais@hesta.com.au](mailto:hestais@hesta.com.au)

Before making changes to your drawdown amount, we recommend you speak to a financial adviser.

### Term allocated pension (TAP)

For the 2019-20 and 2020-21 financial years, TAP members can adjust their drawdown to a minimum of 45% of the calculated government amount (currently members can elect to receive 90% of the calculated government amount).

For example, at 1 July 2019 a member with a balance of \$300,000 and aged 65 has a payment factor of 25.52. The government calculated amount in the 2019-20 year is \$11,755.49. Under the new rules, the member may withdraw 45% of the government calculated amount which equals \$5,289.97.

Term allocated pension members can change their payments by completing the *TAP change of payment* form and email to [hestais@hesta.com.au](mailto:hestais@hesta.com.au)

## contact us

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