



# Your working years **after 60**

**Planning the retirement lifestyle you want can help you feel excited and financially prepared when the time comes.**

## How much will I need?

How much money you'll need in retirement depends on the lifestyle you want to lead.

<b>The maximum Government Age Pension pays a year for singles*</b>	<b>\$31,223.40</b>
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Sound like enough? Most of us feel we need more than that to live. That's where super comes in.

One study estimates, to live comfortably in retirement<sup>^</sup>,

<b>A single person needs</b>	<b>around \$54,840 a year</b>
<b>A couple needs</b>	<b>around \$77,375 a year</b>

You can see there's a gap between what you'll get from the Age Pension and living comfortably. This is where your super savings fit in as they can act as a supplement to the Age Pension.

\*Figure includes the Maximum Basic Rate, Pension Supplement and Energy Supplement. Services Australia, March 2026.

<sup>^</sup>ASFA Retirement Standard, December quarter 2025.

## Ready to start your retirement planning?

Some ways to help you build your super for a comfortable retirement are:

- salary sacrificing before-tax income
- making after-tax contributions, or
- revisiting your investment strategy.

Did you know one of the most effective ways to boost your super could be to implement a transition to retirement (TTR) strategy once you've reached age 60 (preservation age).

A TTR strategy gives you options. You can boost your savings before you retire, or maintain your income while winding back on work.

To start a TTR you need to have reached preservation age<sup>#</sup>.

<sup>#</sup>Other criteria apply.

## Plan your future

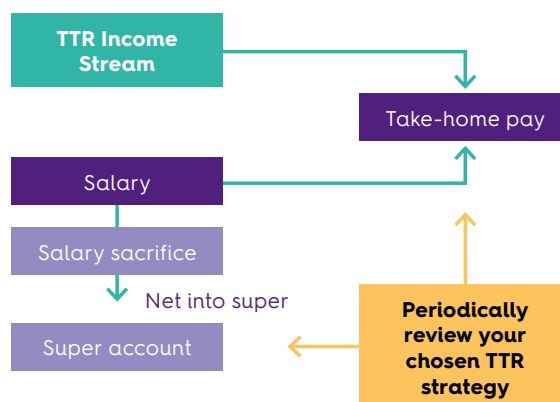
Our Future Planner tool helps take away the mystery around your financial future. See how much money you're projected to have in retirement and your options for growing your super. Visit [hesta.com.au/future-planner](https://hesta.com.au/future-planner)



# How can a TTR benefit you?

## Some of the benefits of TTR:

- It can help boost your super account balance while you continue working.
- It can help you reduce your working hours without reducing your income.
- It can pay you up to 10% of your super balance in a year.
- It can help offset salary sacrifice contributions without reducing your take home pay.
- You pay only 15% tax on investment earnings (instead of your usual tax rate).
- Eligible to receive tax-free income stream payments from age 60.



## How does TTR work?



### Sharon wants to reduce her tax while boosting her super before retirement

#### Example strategy

- Start a HESTA Transition to Retirement Income Stream using \$160,000 of her super balance (leaving \$6,000 in super).
- Draw down from her income stream within allowable minimum/maximum range.
- Salary sacrifice (before-tax) contributions into her super account (subject to an annual contributions cap).

#### Benefits

- Sharon can use the tax savings to boost her super.
- Her income stream payments are tax free, and investment earnings will continue to be taxed at 15%.

Visit [ato.gov.au](https://ato.gov.au) for more information on contributions caps.

	Without TTR	Using TTR
Salary (Ordinary Time Earnings)	\$90,000 full time	\$90,000 full time
Superannuation Guarantee (SG) Contribution	\$10,800	\$10,800
Before-tax contributions	\$0	\$21,700
Add income stream payments	Nil	\$15,190 (100% tax free over 60) <sup>^</sup>
Tax paid on salary **	\$17,520	\$11,010
<b>Net income</b>	<b>\$72,480</b>	<b>\$72,480</b>
Contributions tax*	\$1,620	\$4,875
<b>Total Net impact on retirement savings</b>	<b>Nil</b>	<b>\$3,255</b>

#### Important note:

This case study is over a single financial year and excludes fees and costs, insurance fees and investment earnings. The above example is an illustration only and is not guaranteed in any way. Actual outcomes may differ. Where salary is mentioned, this refers to ordinary time earnings (OTE). Assumes a 100% taxable component in the income stream and 12% SG. The before-tax contributions cap of \$32,500 includes SG contributions, salary sacrifice and personal deductible contributions. In this example, Sharon's total before-tax contributions of \$32,500 (\$10,800 SG + \$21,700 salary sacrifice) sit at the cap. Individual contribution limits will vary – seek advice before making additional before-tax contributions.

\*Attracts 15% contributions tax.

\*\* Tax paid on salary figures show income tax only and excludes the Medicare levy of 2% and tax offsets. These figures are used to illustrate the tax saving from salary sacrifice and do not represent total tax payable. Tax rates are for the 2026-27 financial year. Please visit [ato.gov.au](https://ato.gov.au) for current marginal tax rates.

<sup>^</sup>Accessing your benefit early without making additional contributions may mean your retirement benefits are depleted at an earlier age.

# Ready to get started?

Here are some things you need to know before opening a TTR income stream account.

## What's my preservation age?

Your preservation age is the age you are allowed to start accessing your super as income. To open an income stream account, you need to have first reached your preservation age, which is age 60.



## Dom wants to reduce his work hours

### Example strategy

- Start a HESTA Transition to Retirement Income Stream using \$196,000 of his super balance (leaving \$6,000 in super).
- Draw down from his income stream within allowable minimum/maximum range.
- Reduce his work hours by supplementing his reduced salary with income stream payments.

### Benefits

- Dom can reduce his working hours without reducing his income.
- From age 60 his income stream payments will be tax free, and investment earnings will continue to be taxed at 15%.

### Drawbacks

- By using his super to offset his income, Dom will retire with less super.

	Without TTR	Using TTR
Salary (Ordinary Time Earnings)	\$64,000 full time	\$38,400 part time (3 days per week)
Superannuation Guarantee (SG) Contribution	\$7,680	\$4,608
Before-tax contributions	\$0	\$0
Add income stream payments	Nil	\$18,910 (100% tax free over 60)^
Tax paid on salary**	\$9,719.55	\$3,030
<b>Net income</b>	<b>\$54,280</b>	<b>\$54,280</b>
Contributions tax*	\$1,152	\$691.20
<b>Total Net impact on retirement savings</b>	<b>Nil</b>	<b>-\$21,522</b>

### Important note:

This case study is over a single financial year and excludes fees and costs, insurance fees and investment earnings. The example is an illustration only and is not guaranteed in any way. Actual outcomes may differ. Where salary is mentioned, this refers to ordinary time earnings (OTE). Assumes a 100% taxable component in the income stream and a 12% SG rate. Net impact has been calculated with consideration to the lower income reducing Dom's SG contributions and the drawdown from the income stream.

The before-tax contributions cap of \$32,500 includes superannuation guarantee (SG) contributions, salary sacrifice contributions and personal deductible (before-tax) contributions. Members who earn \$37,000 or less for 'adjusted taxable income' are eligible for the low income superannuation tax offset (LISTO) of up to \$500 against the contribution tax paid on before-tax contributions.

The above case studies have excluded potential LISTO benefits. Please visit [ato.gov.au](http://ato.gov.au) for current personal income tax rates and the definition of 'adjusted taxable income'.

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\*\* Tax paid on salary figures show income tax only and excludes the Medicare levy of 2% and tax offsets. These figures are used to illustrate the tax saving from salary sacrifice and do not represent total tax payable. Tax rates are for the 2026-27 financial year. Please visit [ato.gov.au](http://ato.gov.au) for current marginal tax rates.

^ Accessing your benefit early without making additional contributions may mean your retirement benefits are depleted at an earlier age.

# What else should you know?

## How much do I need to open a HESTA Transition to Retirement (TTR) Income Stream?

To open a HESTA TTR Income Stream you will generally need a minimum balance of \$10,000.



### Important details

If you choose to take your super as a TTR income stream, you can't withdraw it as a lump-sum payment until you:

- permanently retire from the workforce on or after your preservation age
  - end your current employment on/after age 60
  - turn 65, whether you're working or not.
- The maximum annual amount you can draw down if you're under 65 as income under TTR is 10% of your account balance as at the beginning of each financial year, or the start date of your income stream in its first year.
  - There is a government cap on before-tax contributions (employer contributions such as Superannuation Guarantee and salary sacrifice contributions). The annual before-tax contributions cap is \$32,500 for the 2026-27 financial year. You may be able to make catch-up concessional contributions with the unused concessional contribution cap accumulated from financial year 2021-22 onwards. Visit [ato.gov.au](https://ato.gov.au) for current information on the contributions caps.
  - Accessing your benefit early without making additional contributions may mean your retirement benefits are depleted at an earlier age.
  - There is no insurance cover provided under a TTR income stream or a retirement income stream.

## Am I eligible for the Age Pension?

To qualify for the Age Pension you must be at least age 67 and meet Centrelink's age and residency requirements.

If you're eligible, Centrelink will work out the Age Pension payable to you using its assets and income tests. The test that results in the lower pension amount (or zero) will apply.

### Age Pension assets test

The assets test allows you to hold a certain level of assets to qualify for the maximum pension amount. Your family home and up to two hectares of surrounding land are not included in the assets test. If you don't own your home, you can have more assets before your pension is affected. Your HESTA Income Stream is counted as an asset for the assets test.

### Age Pension income test

The income test allows you to earn a certain level of income before it affects Age Pension benefits. For example, you may generate an income from a rental property, employment and your regular income stream payments. All of these elements are included in the Age Pension income test. A work bonus may be used to reduce your employment income assessed. Earnings from financial investments are also included in the income test. Centrelink applies a 'deemed' earning rate to your financial investments, which is an assumed rather than actual rate of return.

There are ways to help maximise your Age Pension eligibility – including how you hold assets and the timing of when you start drawing your super. Speak with a HESTA adviser or our partners at **Retirement Essentials** ([retirementessentials.com.au](https://retirementessentials.com.au)) before approaching Centrelink.

**Important note:** Commencing an income stream may affect entitlement to Centrelink benefits that you or your partner (if applicable) are currently receiving or would be entitled to receive. It is important to understand any impact on you or your partner's entitlement before commencing an income stream. We recommend that you consult with your local Centrelink Office if this applies to you.



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