



## **Government acts to protect pensioners in volatile times**

As a result of the downturn in financial markets, the Government has recently announced that investors in account based pensions, allocated pensions and term allocated pensions (TAPs) will only be required to draw down half of their calculated minimum income requirement for 2008/09.

The measure responds to concerns that meeting the minimum draw down amount in 2008-09 will mean having to sell investments assets and realise losses in a depressed market.

The temporary relief also addresses the concern that the minimum draw down requirement was set based on asset values as at 1 July 2008, when equity values were higher.

"The Government recognises that the significant downturn in global financial markets has had a negative effect on retirees' superannuation capital in account-based pensions," the Treasurer said.

In practice, this means that pension investors who have already received 50% or more of their minimum payment amount for 2008/09 will not be required to receive any further payments for the remainder of this financial year.

At this stage, the 50% relief measure from drawing down income will only apply up to 30 June 2009.

For more information please contact Professional Superannuation Services.