Rhythm **Super**

Issued: 1 July 2022

# Rhythm Super Product Update

**This Product Update is to be read in conjunction with the Rhythm Super Product Disclosure Statement dated 7 June 2021.**

## Federal Budget Changes

### Abolishing the work test for people of age 67 to age 74

Previously, the work test required you to be employed for at least 40 hours in a consecutive 30-day period during the financial year, before any super contributions are accepted – before tax or after-tax.

From 1 July 2022, anyone aged 67 to 74 who wishes to make a member contribution is no longer required to meet the work test to be eligible to make this type of contribution. The other eligibility criteria such as Total Super Balance (TSB) of less than $1.7 million and sufficient unused annual non-concessional contributions cap still apply.

However, for contributions accepted after a member turns 67 the work test or work test exemption must be satisfied in order for the member to claim a tax deduction on their contributions. This change updates the information provided on page 2 in Section 1 of the Additional Information Booklet.

### New age threshold for downsizers – lowered from age 65 to age 60

From 1 July 2022, the eligibility to make a downsizer contribution of up to $300,000 ($600,000 per couple) will be lowered from age 65 to age 60, allowing you to make the contribution to your super following the sale of your home.

This change updates the information provided on page 5 in Section 1 of the Additional Information Booklet.

### Extension of reduced minimum drawdown rates for account based pensions

The Federal Government has announced an extension of the 50% reduction to minimum drawdown rates for all account based pensions to 30 June 2023.

If you had elected to receive the reduced minimum annual pension payment during the 2021-22 financial year, you will remain on the reduced minimum drawdown rate during the 2022–23 financial year. If you wish to change your pension payment amount, please speak to your financial adviser.

Therefore, the minimum pension drawdown rates as shown in the table below can be reduced by 50% for the 2022–23 financial year.

| Age at start of the pension (and 1 July each year) | % of account balance (p.a.) |
|---|---|
| Under 65 | 4% |
| 65–74 | 5% |
| 75–79 | 6% |
| 80–84 | 7% |
| 85–89 | 9% |
| 90–94 | 11% |
| 95+ | 14% |





PLA-19065 (55162) 0722