

Challenger Guaranteed Allocated Pension –

Update of information in the Product Disclosure Statement

Dated: 2 April 2020

Temporary reduction of superannuation minimum drawdown requirements

In response to the COVID-19 Coronavirus pandemic, from 25 March 2020 the Government has temporarily reduced the superannuation minimum drawdown requirements for account-based pensions by 50% for the 2019/2020 and 2020/2021 financial years. This means investors in account-based income streams are able to take a minimum annual pension payment of 50% of normal required percentage for their age in the 2019/2020 and 2020/2021 financial years. Accordingly, the 'Pension payment amounts' information on page 6 of the Challenger Guaranteed Allocated Pension Product Disclosure Statement (PDS) dated 1 July 2019 is updated by the information below.

Pension payment amounts

You can choose to receive a pension of a nominated dollar amount, provided that the total amount you withdraw in each financial year is equal to at least the minimum percentage of your account balance prescribed by law (see the following tables) and, in the case of a transition to retirement pension that is not in retirement phase (see page 7), the maximum of 10% of your account balance. The minimum and maximum payment limits are calculated on the basis of your account balance at the start of the financial year (other than in the year you commence your pension, in which case it is calculated based on your account balance at the commencement date of your pension). Or you can choose to receive the Government minimum (and the dollar amount you receive will vary each financial year with your age and account balance).

Minimum percentages for the 2019/2020 and 2020/2021 financial years

Age at commencement and then each 1 July thereafter	Minimum amount for the financial year
under 65	2%
65-74	2.5%
75-79	3%
80-84	3.5%
85-89	4.5%
90-94	5.5%
95 or more	7%

Minimum percentages for subsequent financial years

Age at commencement and then each 1 July thereafter	Minimum amount for the financial year
under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95 or more	14%

If you do not nominate a pension payment amount, we will pay you the Government minimum. Where you start a Challenger Pension part way through a financial year:

- your minimum pension amount will reduce, on a pro-rata basis, based on the number of days remaining in the financial year; and
- you may receive a payment on or around 30 June to comply with Government requirements.

If you start a Challenger Pension on or after 1 June but before 1 July, no payment is required to be made in that financial year.

Any amounts above the minimum payment amount already withdrawn from your Challenger Pension cannot be put back into another superannuation account unless you are eligible to make superannuation contributions and subject to any other rules or limits such as contribution caps.

Where can I find out more information?

For updated information about Challenger Guaranteed Allocated Pension please contact your financial adviser, visit our website challenger.com.au or call our Investor Services team on 13 35 66, during Sydney business hours. We will also send you a copy of the updated information free of charge upon request. If a change is considered materially adverse we will issue a supplementary PDS or a replacement PDS.

For more information please visit
challenger.com.au