

Challenger Retirement Fund Annual Report

Fund Information
Statement for
the year ended
30 June 2023

Issuer

Challenger Retirement and Investment Services Limited
(ABN 80 115 534 453) (AFSL 295642)
(RSE Licence Number L0001304)

Challenger Retirement Fund

(ABN 87 883 998 803)
(RSE Registration Number R1055863)

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This information is intended to be general only and has been prepared without taking into account your objectives, financial situation or needs. Because of that, you should consider its appropriateness, having regard to your objectives, financial situation and needs before acting on any such information. You should obtain and consider the relevant Product Disclosure Statement (PDS) before making a decision about whether to acquire or continue to hold any financial product. A copy of the PDS can be obtained from your financial adviser, our Investor Services team on 13 35 66, or at challenger.com.au.

All references to guaranteed payments refer to the payments Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (**Challenger Life**) promises to pay under the relevant policy documents. Neither the Challenger group of companies (**Challenger Group**) nor any company within the Challenger Group guarantees the performance of Challenger Life's obligations or assumes any obligations in respect of products issued, or guarantees given, by Challenger Life. To the maximum extent permissible under law, neither Challenger Life nor its related entities, nor any of their directors, employees or agents, accept any liability for any loss or damage in connection with the use of or reliance on all or part of, or any omission inadequacy or inaccuracy in, the information in this document.

Neither Challenger Retirement and Investment Services Limited (CRISL or Challenger) nor Challenger Life nor its related bodies corporate nor any of their directors or employees, or associates of any of these, receive any specific remuneration or other benefits for any advice provided in this document. Some or all of Challenger Group companies and their directors or employees may benefit from fees and other benefits received by another group company.

CRISL and Challenger Life are not authorised deposit-taking institutions for the purpose of the *Banking Act 1959* (Cth), and Challenger Life and/or CRISL's obligations do not represent deposits or liabilities of an ADI in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee, stands behind or otherwise provides assurance in respect of the obligations of CRISL and/or Challenger Life. **Accordingly, the performance, the repayment of capital or any particular rate of return on your investments are not guaranteed by any Challenger ADI.**

About the Fund

The **Challenger Retirement Fund (Fund)** is a regulated superannuation fund and Registrable Superannuation Entity (R1055863) as defined in the Superannuation Industry (Supervision) Act 1993 (**SIS**). The trustee, Challenger Retirement and Investment Services Limited (**Trustee**) is an RSE Licensee (L0001304) in accordance with SIS.

When you invest you become a member of the Fund. The Fund is governed by a trust deed dated 2 September 1993, as amended from time to time (**Trust Deed**).

It is the intention of the Trustee to manage the Fund in compliance with the Trust Deed, SIS, the Corporations Act 2001 (**Corporations Act**) and guidelines administered by the Australian Prudential Regulation Authority (**APRA**) and the Australian Securities and Investments Commission (**ASIC**). The Trustee has not been subject to any penalties under SIS, and the Fund is operating in accordance with the SIS regulations.

Superannuation entities are required, under the Financial Sector (Collection of Data) Act 2001, and its reporting standards to provide data to APRA. The Fund provides this information on a quarterly and annual basis as prescribed by law. The information provided is used by APRA for the purposes of prudential supervision of superannuation entities. It may also be used by ASIC.

The assets of the Fund are invested in life insurance policies issued by Challenger Life to the Trustee. Consequently, the Trustee is not required to include details of the Fund accounts, the auditor's report and information on each investment with a value of more than 5% of the total assets of the Fund or a statement of Fund assets in this Annual Report. Audited accounts, any auditors' reports and the Trust Deed are available to members on request.

Challenger Term Life (under Super) insurance cover is provided to some members through a life insurance policy issued by MetLife Insurance Limited (ABN 75 004 274 882) (AFSL No. 238096) to the Trustee.

The Trustee

The Trustee of the Fund is Challenger Retirement and Investment Services Limited (ABN 80 115 534 453) (also referred to as 'we', 'us' and 'our').

The Trustee must comply with its duties under the Trust Deed and general law, which includes holding the assets of the Fund and protecting the rights and interests of Fund members. Under the Trust Deed, the Trustee has extensive powers in respect of the Fund; however, it must exercise its powers in compliance with superannuation legislation and the general law. The Trustee's responsibilities include managing and administering the Fund and arranging for payment of benefits. The Trustee may use delegates to assist in carrying out its duties.

The Trustee is required to exercise its discretions using the standard of care expected of a superannuation fund trustee. The Trustee is indemnified by Fund assets in respect of any loss that is not caused by the Trustee's dishonesty or, intentional or reckless failure to exercise a reasonable degree of care and diligence. Additionally, the Trustee has indemnity insurance cover in place.

You can contact the Trustee for additional information about the Fund by calling our Investor Services team on 13 35 66.

How we invest your money

The investment objective of the Fund is to provide members with a guaranteed rate of return or a guaranteed income stream so that members can plan for their retirement with certainty.

The Fund's investment objective is achieved by investing the assets of the Fund in life insurance policies issued by Challenger Life (through its Statutory Fund No.2).

Through the life insurance policies, Challenger Life contractually undertakes and guarantees to make the payment of the interest and capital amount to the Fund.

Challenger Life allocates the money invested by the Trustee to a fund with money from other investors who have also bought a life policy issued by Challenger Life. Challenger Life adds to this fund from its own money. This is known as a statutory fund and is regulated under the Life Insurance Act 1995 (Cth) (**the Act**). Challenger Life is required to keep the fund at a minimum level needed to meet its guarantees to all investors, including the Trustee. If it falls below the required level, Challenger Life can be required to top up the fund with its own money. APRA actively supervises this requirement and has extensive powers to intervene that are designed to ensure that Challenger Life can meet its guarantees even during times of volatile or adverse movements in the broader financial markets.

Challenger Guaranteed Allocated Pension, Challenger Guaranteed Personal Superannuation and Challenger Guaranteed Term Allocated Pension

Important information about your investment. Please read this carefully.

In the longer term the rate of return for guaranteed investments is likely to be less than the return on investments that have a risk of providing a negative return from time to time e.g. investment options with a higher growth profile, such as shares. This may have the effect of providing you with a lower benefit in the longer term.

You may wish to consider or talk to your financial planner about other superannuation arrangements that may provide a greater return over the long term.

Before deciding to alter your superannuation arrangements, you should consider your financial circumstances, needs, objectives and any exit penalties or other fees that may apply.

Investment Terms

The Challenger Retirement Fund is closed to new members.

Existing Challenger Guaranteed Personal Superannuation members can maintain their investments in the product and continue to make all superannuation contributions, including the transfer or rollovers of existing superannuation investments into their existing account. Upon maturity members may reinvest into new fixed term investments or the cash option.

Existing Challenger Guaranteed Allocated Pension members can maintain their investment in the Fund and continue to reinvest upon maturity into new fixed term investments or the cash option.

If you have a valid and pre-existing reversionary beneficiary nominated on your account (generally your spouse), the nominated person will automatically continue receiving the pension after your death.

Investment options

This is only relevant to Challenger Guaranteed Allocated Pension, Challenger Guaranteed Personal Superannuation and Challenger Guaranteed Term Allocated Pension. Information regarding the Term Life (under Super), the Guaranteed Income Pension Plan and the Challenger Retirement Fund Guaranteed Lifetime Pension Plan products is on page 4.

The investment return in each option invested through the Guaranteed Personal Superannuation product is credited after the deduction of any tax payable on Fund earnings. This tax, if any, is remitted to the Australian Taxation Office (**ATO**). No tax is payable in respect of the investment return supporting pension payments and therefore the investment return through the Guaranteed Allocated Pension and Term Allocated Pension products does not have tax deducted from it.

The investment return in each option invested in the Guaranteed Allocated Pension supporting a transition to retirement (**TTR**) income stream that is not in the retirement phase is credited after tax until the earlier of the member turning age 65 or the member notifying the fund Trustee in writing that they meet another condition of release.

Where a TTR income stream is in the retirement phase no tax is payable in respect of the investment return on assets supporting the income stream.

There are two investment options available for these products, the Guaranteed Cash option and the Guaranteed Fixed Rate option.

Guaranteed Cash option

Investment objective	To provide a stable return
Who should invest	Investors seeking a low-risk investment with a stable return
Minimum suggested investment timeframe	No minimum
Risk profile	Very low

Investment earnings

For members invested in the Guaranteed Cash option, the investment return is determined by Challenger Life each Monday and is fixed for the following week. The return is credited daily, and is calculated by multiplying the daily equivalent of the applicable rate to the relevant account balance each day.

Investment performance to 30 June 2023*

Guaranteed Personal Superannuation – Cash

1 Year	2.62% p.a.
3 Year	1.04% p.a.
5 Year	1.01% p.a.
10 Year	1.40% p.a.
Since inception	1.76% p.a.

Guaranteed Allocated Pension – Cash

1 Year	3.08% p.a.
3 Year	1.23% p.a.
5 Year	1.18% p.a.
10 Year	1.65% p.a.
Since inception	2.07% p.a.

Investment performance for the Guaranteed Term Allocated Pension – Cash (CNA) option has not been provided as no members of the Fund were invested in this option during the reporting period.

*Investment performance is rounded to two decimal places.

Guaranteed Fixed Rate option

Investment objective	To provide a fixed rate of return for a set period of up to 10 years
Who should invest	Investors seeking a low-risk investment with a fixed return for a known period of time
Minimum suggested investment timeframe	For the term you select
Risk profile	Very low

Investment earnings

For the Challenger Guaranteed Allocated Pension and Challenger Guaranteed Term Allocated Pension members, investment return is calculated daily and credited to each member account monthly, in arrears.

For Challenger Guaranteed Personal Superannuation members, investment return is credited to the relevant account on each anniversary of the start of the chosen term and is calculated by multiplying the term's fixed rate to the account balance at that time.

Investment performance

If you have chosen to invest in the Guaranteed Fixed Rate option, the fixed rate that applies to your investment is shown on your investment confirmation.

We are unable to provide details of general investment performance as rates vary from time to time and will depend on the term of the investment, payment frequency and when the investment (or re-investment) is made.

To obtain the current fixed rates on offer please contact your financial adviser or call our Investor Services team on 13 35 66.

Other Plans

Challenger Term Life (under Super)

Challenger Term Life (under Super) is life insurance provided through the Fund. Investment earnings and performance are not relevant for this type of product.

For additional information relating to this product, contact MetLife's Client Services team on 1300 555 625 which administers the product on our behalf.

This product is closed to new applications.

Challenger Retirement Fund Guaranteed Lifetime Pension Plan

We are unable to provide details of general investment performance for the Pension Plan as performance will differ depending on each member's individual circumstances.

For additional information relating to this product, contact our Investor Services Team on 13 35 66.

Challenger Guaranteed Income Pension Plan

We are unable to provide details of general investment performance for Challenger Guaranteed Income Pension Plan as rates vary from time to time and will depend on the term of the investment, payment frequency and when the investment was made.

For additional information relating to this product, contact our Investor Services Team on 13 35 66.

Additional information

Claiming a tax deduction (Challenger Guaranteed Personal Superannuation only)

You may be eligible for a tax deduction for contributions you personally made to superannuation during the financial year.

For confirmation of whether you are eligible for a tax deduction for your personal contributions to the Fund (a personal deductible contribution), please contact your financial adviser. If you intend to claim a tax deduction for your personal super contributions, you must send to us a 'Notice of intent to claim or vary a deduction for personal super contributions' before you lodge your tax return for the year the deduction is to be claimed and in all circumstances before the end of the financial year following the year the contribution was made. In addition, the notice must be completed before starting an income stream, rolling the money out of the Fund or making a lump sum withdrawal. Upon receiving your completed notice we will send you an acknowledgement letter. You will need the acknowledgement letter before you claim a tax deduction. Notices are available at challenger.com.au or by calling Investor Services on 13 35 66.

Temporary residents departing Australia

A temporary resident is defined as a holder of a temporary visa under the Migration Act 1958. Generally former temporary residents are entitled to receive any super contributions paid by their employer once they leave Australia. This payment is called a departing Australia superannuation payment (**DASP**).

We have an obligation to pay unclaimed superannuation of a former temporary resident to the ATO. If you were a temporary resident and your benefit has been transferred to the ATO, you must claim it directly from the ATO. If your benefit has not been transferred to the ATO, you can claim it directly from us. We are not obliged to provide any notification or an exit statement to you if your funds have been transferred to the ATO because you were a former temporary resident. Additional information regarding DASP can be found at the ATO website, www.ato.gov.au.

Superannuation contributions surcharge

Any surcharge liabilities that have been transferred from your previous fund may be deducted from your account.

Lost members, inactive low-balance accounts and small accounts

We may consider you a 'lost member' if you are uncontactable. This may happen if we send you written communication that returns unclaimed and we have not received a contribution or rollover from you for at least 12 months. If you are a lost member and your account balance is less than \$6,000, or you are a lost member, your account has been inactive for 12 months and we do not have the information needed to make a payment to you, we may be required to transfer your account balance to the ATO.

We may consider your account to be an 'inactive low-balance account' and transfer it to the ATO if you have a balance under \$6,000 unless in the previous 16 months:

- your account has received a contribution or rollover;
- you have changed an investment option;
- you have made or amended a binding beneficiary nomination; or
- you have provided written notice to Challenger that you do not wish for your Challenger super fund to be an inactive low-balance account.

Fee arrangements

We do not receive any fees from your account or from your investment return. To ensure all fee arrangements are on arm's length terms, during this period, the Trustee entered into an arrangement where service fees are charged by Challenger Group Services Pty Limited (**CGS**) (an internal services company in the Challenger Group) to the Fund. The Fund then receives an amount to cover this service fee in respect of the life policy it holds with Challenger Life (instead of Challenger Life paying the Fund's services costs directly to CGS as was done in the past). Although this fee is charged to the Fund, it has no impact on any member accounts or investment returns.

Financial advice fees are not permitted.

Retirement Income Strategy

The purpose of this strategy is to help you understand your choices regarding your current or future retirement, and to assist you with improving your outcomes throughout your retirement.

The Fund's Retirement Income Strategy aims to assist you to balance and achieve the three key objectives in retirement:

- maximise your retirement income;
- manage risk; and
- allow flexible access to your money.

The Retirement Income Strategy is designed for members who are in or approaching retirement, which we have defined as 60 years or older.

If you have a non-commutable Guaranteed Lifetime Pension Plan, Guaranteed Income Pension Plan or Term Allocated Pension product you are not covered by this strategy, given the non-commutable nature of your product. However, you may still benefit from the educational materials provided as part of the Retirement Income Strategy.

You can access the Retirement Income Strategy at www.challenger.com.au/CRFretirementstrategy.

You do not need to change your products or investments if you are happy with the way they currently are. The Fund's Retirement Income Strategy is intended to provide information and guidance which can assist members to make an informed decision for their own personal circumstances.

Member outcomes

The Trustee is committed to setting Fund Strategic Objectives that support improved outcomes for beneficiaries (members), as well as the sound and prudential management of its business operations. This includes the continued provision of fee-free superannuation products at a competitive rate, improving the member experience and engagement activities.

The Trustee measures how it is achieving its objectives through actively monitoring Key Performance Indicators, Business Performance Reviews and Member Outcomes Assessments.

The annual outcomes assessment results are available on our website.

<https://www.challenger.com.au/adviser/products/stronger-super-disclosures>.

Annual Member Meeting

In line with the requirement for superannuation funds to hold annual member meetings, the Challenger Retirement Fund Annual Member Meeting (**AMM**) will be held on Friday 8 December 2023.

All members will be communicated with at least 21 days in advance of the meeting being held. AMM information will also be available on the Challenger Website **challenger.com.au**. The AMM provides an opportunity for you to hear from the Board and ask any questions you may have about the Fund. The AMM Minutes, including the responses to appropriate questions that were submitted during the question time will be available on the Fund's Important Information page website within one month of the meeting. <https://www.challenger.com.au/adviser/products/stronger-super-disclosures>.

Complaints

As part of our commitment to providing quality services to our clients, we endeavour to resolve all complaints quickly and fairly. Our policy is to acknowledge any complaint within 24 hours or as soon as practicable after receiving it and investigate, properly consider and decide what action (if any) to take and to communicate our decision to you within 45 calendar days. Different timeframes apply for superannuation death benefit distribution complaints. If you have a particular complaint, please do not hesitate to contact us by calling our Investor Services team on 13 35 66 or by writing to us at the following address.

Complaints Resolution Officer
Challenger Retirement and Investment Services Limited
GPO Box 3698
Sydney NSW 2001

If you are not happy with our response or how the complaint has been handled (of if we have not responded within 45 calendar days), you may contact the following external dispute resolution scheme.

Australian Financial Complaints Authority (AFCA)
GPO Box 3
Melbourne VIC 3001
Tel: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

AFCA provides fair and independent financial services complaint resolution that is free to consumers. There are some time limits for lodging certain complaints including those related to a death benefit. Please consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

For complaints relating to Challenger Term Life (under Super) contact MetLife's Client Services Team on 1300 555 625.

Superannuation update

The following information is a superannuation update which includes a summary of any changes which may impact Challenger Guaranteed Personal Superannuation, Challenger Guaranteed Allocated Pension, Challenger Guaranteed Term Allocated Pension, Challenger Guaranteed Income Pension Plan, Challenger Retirement Fund Guaranteed Lifetime Pension Plan and Challenger Term Life (under Super) members.

Transfer balance cap

A limit applies on how much superannuation can be transferred to an income stream in retirement phase. This is known as the 'transfer balance cap' (the cap) and is subject to indexation. The cap was \$1.7m for 2022/23. The cap will increase to \$1.9 million for the 2023/24 financial year.

The initial amount invested into a Challenger Guaranteed Allocated Pension in the retirement phase will be reported to the ATO and count towards the cap. Where an existing Challenger Guaranteed Allocated Pension was payable at 30 June 2017, the value of the income stream at that time counted towards the cap.

A Challenger Guaranteed Allocated Pension is an income stream in the retirement phase unless it is a Transition to Retirement pension, the member is under 65 and has not notified the Fund they have met an eligible condition of release such as retirement, terminal medical condition or permanent disablement. In cases where the cap is exceeded, the excess amount along with any excess earnings will be required to be rolled back to a superannuation account or withdrawn from superannuation. Where the ATO notifies Challenger an excess amount is to be withdrawn, it must be completed within 60 days.

Capped defined benefit income streams

Challenger Guaranteed Term Allocated Pensions, Challenger Guaranteed Income Pension Plans and Challenger Retirement Fund Guaranteed Lifetime Pension Plans commenced before 1 July 2017 are generally known as capped defined benefit income streams. These income streams count towards the transfer balance cap but were assessed based on an annualised amount of the first payment from 1 July 2017, multiplied by either the term remaining (rounded up), or a factor of 16 if it is a lifetime income stream. Each financial year, amounts paid will be assessed against the defined benefit income cap. This cap was \$106,250 in the 2022/23 financial year and will

increase to \$118,750 for the 2023/24 financial year. 50% of all payments from capped defined benefit income streams from taxed funds above the defined benefit income cap will count towards your assessable income for the year.

Pay as you go withholding will apply on the assessable income amount where the Trustee has a valid TFN for you. Where the Trustee does not have a valid TFN for you, the assessable income amount will be taxed at the highest marginal rate (plus applicable Government levies).

Superannuation death benefits

On the death of a member, a superannuation fund is required to pay a death benefit as a lump sum to your estate or an eligible beneficiary and/or a retirement phase income stream to an eligible beneficiary. A death benefit income stream must be treated as being in the retirement phase. It can be rolled from one superannuation fund to another retaining its treatment as a death benefit income stream and cannot be added to a superannuation accumulation account or consolidated with other non-death benefit income streams.

Death benefit income streams also count towards the beneficiary's transfer balance cap. The amount is generally based on the purchase price of the death benefit income stream and will count on the day it commences unless it is payable to a reversionary beneficiary. In that case, an amount will count towards the reversionary's transfer balance cap 12 months after the member's date of death, based on the value as at the time of death.

Total superannuation balance

Your total superannuation balance is generally calculated at 30 June of the previous financial year (i.e. for 2023/24 financial year it will be 30 June 2023). This value is used to determine your:

- non-concessional contribution cap including eligibility to bring forward your non-concessional contributions cap;
- eligibility to make contributions under the work test exemption;
- eligibility to access any carried forward unused concessional contributions cap amounts;
- eligibility to receive the Government co-contribution; and
- eligibility to claim the tax offset for spouse contributions.

You can view your total superannuation balance via your my.gov.au account which is linked to the ATO.

Superannuation Guarantee

The Superannuation Guarantee (SG) rate was 10.5% of ordinary time earnings in the 2022/23 financial year. This increased to 11% of ordinary time earnings in the 2023/24 financial year. It will then increase by 0.5% each financial year until it reaches 12% in the 2025/26 financial year.

During the 2022/23 financial year the SG rate was payable on earnings of up to \$60,220 per quarter and increased to \$62,270 per quarter for the 2023/24 financial year.

Since 1 July 2022, the SG exemption based on an employee's income being less than \$450 in a calendar month has been removed.

Concessional contributions

For the 2022/23 financial year, eligible individuals were able to make concessional contributions (which include employer, personal deductible and salary sacrifice contributions) of up to \$27,500. The concessional contributions cap remains at \$27,500 for the 2023/24 financial year.

If you exceed your concessional contributions cap, you may have to pay additional tax on the excess contribution.

Since 1 July 2018, individuals have been able to carry-forward unused amounts of their concessional contributions cap for a maximum period of 5 years. Individuals can use accrued unused amounts from 1 July 2019 to make additional concessional contributions in a financial year if their total superannuation balance is below \$500,000 on 30 June of the year prior.

For the 2022/23 financial year the income threshold at which a higher income individual pays additional tax of 15% on certain super contributions, known as Division 293 tax, was \$250,000 per annum and this remains unchanged for 2023/24. If this tax applies, you will receive a notice from the ATO which you can pay directly or arrange to have it deducted from your superannuation account.

Non-concessional contributions

During the 2022/23 financial year, the cap on non-concessional contributions (NCCs) was \$110,000. For those under age 75 at any time during the 2022/23 financial year an amount of up to \$330,000 could have been contributed during the year, by bringing forward up to two future years' worth of NCCs subject to their total superannuation balance (bring forward rules).

From 1 July 2023, these caps remain unchanged so that the annual non-concessional contributions cap is \$110,000 and the amount under the bring forward rules could be up to \$330,000, both subject to any total superannuation balance restrictions.

Since 1 July 2022, a bring-forward arrangement can be used if the individual is less than 75 at the start of the financial year. For individuals turning 75 during the year, contributions need to be made within 28 days after the end of the month in which they turn 75.

NCCs can only be made by those with a total superannuation balance under the general transfer balance cap (\$1.7 million in the 2022/23 financial year and \$1.9 million in the 2023/24 financial year) as at 30 June of the previous financial year.

Superannuation 'work test'

From 1 July 2022, the superannuation 'work test' is no longer required for voluntary contributions such as non-concessional and salary sacrifice contributions. The 'work test' or a one-off work test exemption continues to apply for individuals aged 67 or over wanting to make personal deductible contributions.

The final age that you could make voluntary contributions, including NCCs and concessional contributions, is within 28 days after the end of the month in which you turned 75. Downsize contributions and SG do not have an upper age limit restriction.

An individual may be eligible for a one-off work test exemption if they met the work test in the previous financial year and their total superannuation balance at the end of the previous financial year was less than \$300,000.

Government contributions

To be eligible, individuals with an adjusted taxable income of \$37,000 or less during the financial year who made a concessional contribution to super may be eligible for the low income superannuation tax offset (LISTO) of up to \$500. The amount is generally payable in the following financial year.

Additionally, eligible individuals who make a NCC to super may be entitled to a maximum co-contribution of \$500 where their income is below an income threshold. For 2022/23 the maximum is payable for eligible individuals with income equal to or less than \$42,016, phasing out once income reached \$57,016. For 2023/24, the maximum is payable until income exceeds \$43,445, phasing out once income reaches \$58,445.

Spouse superannuation contributions

You may be eligible to claim a spouse contribution tax offset if you made contributions during 2022/23 to your spouse's eligible super fund and in that period, the sum of your spouse's assessable income (disregarding your spouse's First Home Super Saver scheme released amount for the income year), total reportable fringe benefits and reportable employer super contributions was less than \$40,000.

Your spouse must also have a total superannuation balance less than \$1.7m on 30 June 2022 and not exceed their non-concessional cap to be eligible. The offset is 18% of the lesser of \$3,000 reduced by \$1 per \$1 of a spouse's income above \$37,000 and the total contribution made for the spouse, up to a maximum of \$540.

From 1 July 2023, the total super balance requirement will increase to \$1.9 million, meaning that your spouse's balance must be less than \$1.9 million on 30 June 2023 for you to be eligible for the spouse contribution tax offset in the financial year 2023/24, assuming other criteria is satisfied.

Downsizer contributions

Since 1 July 2018, individuals aged 65 or older who sell their eligible home after owning it for 10 years or more can contribute up to \$300,000 to superannuation without having to meet the work test or having the amount count towards their contribution caps. Please send us a 'Downsizer contribution into super' form (available from www.ato.gov.au) when making, or prior to making, your contribution. If making multiple downsizer contributions, you must provide a form for each contribution. All downsizer contributions must be made to your super fund within 90 days of receiving the proceeds of sale (usually the date of settlement).

From 1 July 2022, the minimum age for an individual to be eligible for downsizer contributions reduced to 60 from the previous 65. From 1 January 2023, this was reduced further to 55.

First home super saver scheme (FHSSS)

This contribution type allows individuals to save for their first home. Voluntary contributions made from 1 July 2017, along with associated earnings have been able to be released under this scheme from 1 July 2018. You can apply to have a maximum of \$15,000 of your voluntary contributions from any one financial year to be released under the FHSSS, up to a total of \$30,000 in contributions across all financial years. To access these amounts, you can apply for a FHSSS determination and a release, available online via your my.gov.au account linked to the ATO.

From 1 July 2022, the maximum which could be contributed and therefore released under the FHSSS increased to \$50,000.

Changes to minimum annual payment requirement

To assist retirees during the COVID-19 pandemic, for the 2019/20, 2020/21, 2021/22 and 2022/23 financial years, the Government reduced the minimum annual payment required for account-based income streams including account-based pensions and market-linked pensions, by 50%.

From 1 July 2023 the minimum payment requirements will revert back to its standard rates.

By phone

13 35 66

By email

info@challenger.com.au

By mail

Challenger

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