

MEDIA RELEASE

Advisers up the curve on Assets Test changes

09 March 2016 – Upcoming changes to the Assets Tests affecting Age Pension eligibility are the leading technical area of interest for retirement-focused financial advisers, according to Challenger.

In a review of the top queries from financial advisers seeking technical and strategic support, changes to the Assets Test from 1 January 2017 are the main area of interest, according to Challenger's technical services team.

Challenger's top three adviser queries for the December 2015 quarter are:

1. Changes to the Assets Test from 1 January 2017
2. Impact of aged care rental income to residents
3. Estate planning considerations around income streams and annuities

Challenger's General Manager, Advice Services John Carnevale said, "Social security continues to be top of mind for advisers and their clients considering that around 75 per cent of Australians 65+ qualify for at least a part Government pension to supplement their income¹.

"It's no surprise then that advisers are seeking clarification and support around how their client's strategies and potential Age Pension eligibility will be impacted by the changes." Mr Carnevale said.

"The good news is that advisers can take this opportunity to touch base with their clients to inform them of the changes and review their strategies leading up to 1 January 2017.

"We know that clients would much rather hear about any changes to their financial situation from a trusted adviser first.

"More than anything, it's about being in a position to inform clients, have a conversation about what the changes mean and manage your clients' ongoing expectations" Mr Carnevale said.

About Challenger

Challenger Limited (Challenger) is an investment management firm managing more than \$57.6 billion* in assets. It is focused on providing Australians with financial security in retirement.

Challenger operates two core investment businesses, a fiduciary Funds Management division and an APRA-regulated Life division.

¹ Deloitte, Dynamics of the Australian Superannuation System, The next 20 years: 2015–2035



Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

*31 December, 2015