

REFORMS TO REDUCE RETIREMENT RISK

The Federal Government's Comprehensive Income Products for Retirement (CIPRs) discussion paper creates a framework for the retirement phase of superannuation and is an important step towards improving living standards for Australian retirees.

Challenger Chief Executive Officer Brian Benari said: "These reforms will make it easier for superannuation trustees to provide a range of options that deliver retirees lifetime income, better protection from financial risk and the flexibility to meet emerging financial needs. They represent further progress towards achieving the Government's stated objective of superannuation being to provide income in retirement.

"This is the next step towards the development of a world-class retirement income system that not only focuses on accumulating assets in superannuation but also providing retirement income."

The Government's discussion paper provides for income options at retirement that will give retirees the choice of allocating a proportion of their super balance in a way that reduces the risk of them outliving their savings.

"The proposed reforms will enhance choice for retirees. CIPRs will comprise a combination of products to better meet the needs of retirees, including account-based pensions and pooled longevity products, such as annuities," said Mr Benari.

Challenger will participate in the Government consultation which closes on 28 April 2017.

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About Challenger

Challenger Limited (Challenger) is an investment management firm managing \$62.0* billion in assets. It is focused on providing customers with financial security for retirement.

Challenger operates two core investment businesses, a fiduciary Funds Management division and an APRA-regulated Life division. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

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