

13 November 2014

## **AIST welcomes recognition of Age Pension in retirement income forecasting**

The Australian Institute of Superannuation Trustees (AIST) welcomes today's announcement from the Australian Securities Investment Commission (ASIC) that will allow superannuation funds to include an estimate of a member's age pension together with the member's super forecast.

AIST CEO Tom Garcia said that the Class Order will allow a more realistic picture of retirement for millions of Australians and aid superannuation funds engaging with members.

"We know that for many years ahead the majority of Australians will draw at least a part Pension in retirement," said Mr Garcia, "Including the Age Pension in retirement forecasts will provide members with a much more realistic picture of their future retirement income."

"This is a key step in communicating superannuation as an income stream and getting the focus away from lump sum balances," said Mr Garcia.

Mr Garcia also said that the Class Order would improve understanding of the retirement income system.

"Not everyone realises how the Age Pension works in tandem with superannuation and some people, especially those with small balances, can be experiencing unnecessary worry about their future level of retirement income."

The purpose of a retirement estimate is not to give an exact estimate of the member's retirement benefit, but is instead intended to provide an initial figure that would prompt the member to make further inquiries in relation to their retirement planning.

### **Further media enquiries:**

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***AIST is the peak industry body for the \$600 billion not-for-profit super sector which includes industry, corporate and public sector funds.***