

**Effective Date: 7 January 2025**

# WRAP Super: Retirement Income Strategy

Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757

## 1. Purpose

This Retirement Income Strategy (RIS) applies to the Platformplus Super Wrap (Division), a Division of WRAP Super (the Fund) ABN 18 906 079 389, issued by Equity Trustees Superannuation Limited (ETSL or Trustee) ABN 50 055 641 757 AFSL 229757. This document is a summary of the Trustee's Retirement Income Strategy (RIS or Strategy) for the Fund and seeks to provide key principles and set minimum requirements which apply to ensure that the Fund continues to meet the retirement income needs of its members, both in and approaching retirement.

The Trustee will review this RIS each year and update the strategy at least every 3 years.

## 2. Division Overview

### **DIVISION STRATEGY**

The Trustee's overall objective for the Fund is to make a difference in members' lives by connecting them and their financial advisers (if applicable) to innovative financial solutions within the superannuation environment that promote better retirement outcomes.

### **DIVISION OFFER**

Platformplus Super Wrap is an adviser directed fund operated on behalf of individual members. The Division is established for advised clients. Members of the Division exercise investment choice in relation to investment strategies and options via their adviser. Platformplus Super Wrap offers various retirement solutions for transition to retirement and retirement pension portfolios.

For the purpose of the RIS, the Trustee has determined that members who have attained age 55 fall within the class of beneficiaries of the Division who are either retired or are approaching retirement. The Trustee has made this determination on the basis that the average age people intend to retire is 65.5 years, whilst the average age of all retirees is 55.4 years<sup>1</sup>.

### **DIVISION PROFILE**

The Division was launched on 22 March 2022 and as at 30 September 2024, the profile of the Fund does have any members over age 55.

Age Group	Number of Members	Account Balances (\$m)
Under age 55	340	\$84.95
Aged 55 - 64	904	\$273.41
Over age 65	338	\$85.10
<b>Total</b>	<b>1582</b>	<b>\$443.45</b>

<sup>1</sup> Australian Bureau of Statistics (Retirement and Retirement Intentions, Australia; released 8 May 2020)

### 3. Retirement Income Strategy

The Retirement Income Covenant requires trustees of superannuation funds to have a strategy for members approaching and in retirement. Overall, the strategy considers the income needs of members and identifies the services and products that the fund is able to offer to its members.

For the purpose of the RIS, the Trustee has determined that age 50 is typically the age that members should start planning for retirement by both taking into account ABS research and recognising that the earliest members can start their account-based pension is when they reach preservation age (currently 60 years of age). Further, the Trustee's determination extends to members who have attained age 55 fall within the class of beneficiaries of the Fund who are either retired or are approaching retirement. The Trustee has made this determination on the basis that the average age people intend to retire is 65.5 years, whilst the average age of all retirees is 56.3 years.

The Trustee has determined the "period of retirement" for a member to be the period from when a member selects to invest in a retirement income product, such as an account-based pension, until death. Life expectancy for a 65 year old is 85 for males and 87.7 for females. Hence this will typically be a period of at least 20 years.

Therefore, the aim of the strategy is to assist members to achieve and balance three key objectives over the above timeframes:

- maximise expected retirement income over the period of retirement;
- manage the expected risks to the sustainability and stability of retirement income over the period of retirement, including longevity risks, investment risks, inflation risks and any other relevant risks; and
- have flexible access to expected funds over the period of retirement.

This document provides a summary of how we intend to support the Fund's membership base to achieve and balance these objectives.

### 4. Who is covered by our strategy?

The Trustee is required to determine the class of members who are retired or approaching retirement for the purposes of the Strategy.

ACCUMULATION	PRE-RETIREMENT	TRANSITION TO RETIREMENT	IN RETIREMENT
<ul style="list-style-type: none"> <li>• Under preservation age, not met a condition of release</li> <li>• Growing their superannuation balance.</li> </ul>	<ul style="list-style-type: none"> <li>• 50 – 60 years</li> <li>• Members in accumulation phase and still contributing to superannuation.</li> <li>• Have commenced planning for retirement or are thinking about it.</li> </ul>	<ul style="list-style-type: none"> <li>• 60 to 75 years</li> <li>• Recently retired or transitioning to retirement.</li> <li>• Members in accumulation phase and may still be contributing to superannuation but potentially with reduced work hours and drawing a transition to retirement pension.</li> </ul>	<ul style="list-style-type: none"> <li>• Members who have reached preservation age or met a condition of release</li> <li>• Members in an account-based pension product</li> </ul>

## 5. Retirement Income

The Trustee recognizes that everyone’s retirement journey is unique and so their income needs may differ depending on their circumstances. Consequently, the Trustee has determined “retirement income” comprises:

- Income received by a member from the member’s superannuation assets within the Fund whether received in the form of a pension or lump sum withdrawals;
- Age Pension payments received by the member; and
- All other income that the member may receive in retirement including:
  - Income from other superannuation funds;
  - Non-superannuation income; or
  - All other income earned by a spouse or partner.

The Age Pension eligibility may be a key consideration of members’ retirement strategy. The table below provides an illustration for potential income sources in retirement based on members’ current financial position, including any age pension entitlements.

ASFA RETIREMENT PROJECTIONS	LOW PROJECTED ACCOUNT BALANCE	MEDIUM PROJECTED ACCOUNT BALANCE	HIGH PROJECTED ACCOUNT BALANCE
Projected Superannuation Assets	Under \$200,000	\$200,000 to \$690,000	Over \$690,000
Potential Age Pension Entitlements	Full	Full / Part	Part / None
Other incomes	Superannuation savings	Superannuation savings and some savings & investments	Superannuation savings and other savings & investments

## 6. Retirement Products

The purpose of the Trustee RIS is to provide members with products, tools and resources to assist them in achieving their targeted outcome in retirement.

This section summarises a range of products that may be suitable for members seeking to grow their superannuation savings and an income solution in retirement.

You and your financial adviser can tailor an investment solution to suit your circumstances and retirement goals while taking advantage of the platform's flexibility as your needs change.

You can establish one or more Portfolios, depending on your current retirement planning needs – and as your needs change, move easily between each portfolio type.

You can choose from a range of portfolio solutions:

- Transition to retirement (TTR); and
- Pension.

## 7. Retirement Support

The purpose of the Trustee RIS is to provide members with products, tools and resources to assist them in achieving their targeted outcome in retirement.

This section summarises the support the Trustee has in place, or intends to implement, to assist members achieve and balance their retirement objectives.

## 8. Maximise expected retirement income

To assist members in understanding how to maximise their retirement income, or to achieve a level of income that meets their income needs in retirement, the Trustee and Fund will provide, or implement support solutions to provide:

- **Calculators** – Provide access to calculators to assist members in understanding their likely income and capital needs in retirement.
- **Educational materials** – Provide resources to help members understand more about their superannuation and key retirement topics by providing access to articles, fact sheets and/or webinars.
- **Member communications** – Provide targeted communications to members to assist member understanding of the assistance measures available to them as they approach retirement and during retirement.
- **Other services** – Age pension application assistance where eligibility is dependent upon details outside the fund.

## 9. Manage the expected risks

The Trustee will assist members with understanding key risks to the sustainability and stability of their retirement savings and income. Common risks include:

- **Longevity risk** – the risk that a member will outlive their retirement savings;
- **Investment risk** – spanning several risks that may impact a member’s ability to achieve the desired level of retirement income; and
- **Inflation risk** – the risk that a member’s income does not maintain its purchasing power over time.

To assist members in managing these risks, the Trustee has implemented the following assistance measures:

- **Investment choice** – The Trustee provides members with a range of investment options across various asset classes and different risk profiles to support a member’s retirement assets over varying horizons.
- **Annual performance review** – The Trustee conducts overall regular performance monitoring programs, including assessing each investment option’s returns against various thresholds and benchmarks. The review highlights investment options that are underperforming their investment objectives or benchmarks. This information is available to members through various publications such as Fund Report, Annual Statement and member online access (where available).

## DISCLAIMER

The information contained in this document is general information only and is not intended to be construed as either personal advice or a product recommendation.

You should make your own enquiries as to the suitability of a product for your personal financial needs and circumstances and obtain and read a copy of the relevant PDS for further information on its suitability before making an investment decision.

## Contact WRAP Super

For enquiries related to a client account, please contact the Client Support Centre:

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