nesssuper
Industry Super for Trades

# Account Based Pensions

Your superannuation is money set aside for your retirement. Converting your super into an account based pension is a flexible and tax-effective way to fund your retirement income needs.

## What is an account based pension?

An account based pension is a retirement income stream account that is commenced by using your super savings.

**Who can start an account based pension?**

**Generally any individual who has met at least one of the conditions below will be eligible to start an account based pension:**

- **Retirement on or after preservation age,**
- **Leaving an employer after reaching age 60,**
- **Attaining age 65**

## What is my preservation age?

Your preservation age is generally the age that you can access your superannuation benefits. It depends on your date of birth as follows:

| Date of Birth | Preservation Age |
|---|---|
| Before 1 July 1960 | 55 |
| From 1 July 1960 to 30 June 1961 | 56 |
| From 1 July 1961 to 30 June 1962 | 57 |
| From 1 July 1962 to 30 June 1963 | 58 |
| From 1 July 1963 to 30 June 1964 | 59 |
| On or after 1 July 1964 | 60 |

## How much money can I access?

There is no limit on the maximum income you can draw from an account based pension. However, there is a minimum level of income that needs to be drawn each year depending on your age:

| Age | Minimum Income (% of balance) |
|---|---|
| Under 65 | 4% |
| 65 – 74 | 5% |
| 75 – 79 | 6% |
| 80 – 84 | 7% |
| 86 – 89 | 9% |
| 90 – 94 | 11% |
| 95 and over | 14% |

You also have the flexibility to make lump sum withdrawals at any time.

**How is an account based pension taxed?**

**Just like your super account, your account based pension is also invested into different investment options. While superannuation earnings are taxed up to 15%, earnings within an account based pension are tax-free!**

## Transfer Balance Cap (TSB)

The TSB from 2026/27 is $2.1 million on the total amount of superannuation that can be converted into the retirement phase. This includes account-based pensions, defined benefit pensions, annuities, and any other income streams commenced using superannuation money.

This document was issued in July 2026 by NESS Super Pty Ltd (**Trustee**) ABN 28 003 156 812 AFSL 238945, as Trustee of NESS Super (the **Fund**) ABN 72 229 227 691.

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