Mercer

Retirement

Income Strategy

Mercer Super

July 2025

Introduction

Australia introduced compulsory superannuation more than 30 years ago, and it's been a great success.

As our super system matures, it's playing a bigger role as people are relying more on their super for their retirement income than ever before. To support this, the Federal Government introduced the Retirement Income Covenant in July 2022. The Covenant requires all super funds to develop a Retirement Income Strategy aimed at assisting people who are either retired or approaching retirement achieve and balance three objectives:

1. Maximise retirement income
2. Manage risk to achieve income stability and sustainability
3. Provide flexible access to funds in retirement

A roadmap for your path to retirement

At Mercer Super, we're dedicated to supporting you on your path to and through retirement. Our goal is to help you as you move into this new phase of life.

Our comprehensive Retirement Income Strategy has been designed as your roadmap, simplifying your path to a secure financial future.

At Mercer Super, we're dedicated to supporting you on your path to and through retirement.

Retirement Income Strategy

Mercer Super

As a valued member of the Mercer Super Trust, we want to ensure you have the support you need as you approach and enter retirement. That's why we've developed the Mercer Super Retirement Income Strategy.

Your path towards retirement goes beyond building your retirement savings. It's about planning for a stable, flexible retirement income that meets your personal needs. We're here to guide you through this process.

Our Retirement Income Strategy is designed to provide you with the confidence and peace of mind to navigate your personal journey, and its purpose is to offer the support and resources you need to make informed decisions and reach your financial goals.

Mercer Super Retirement Income Strategy Overview

Our purpose is to support and inspire members to retire uniquely and live fully.
Our strategy is delivered through three core pillars:

Member Engagement, Experience & Advice

We support and inspire members to be active decision makers for their future.

Members experience it through:

- Tailored communications, educational webinars and simple guides, useful tools and calculators, and an easy to use mobile app.
- Access to appropriate help, guidance and advice.

We measure success by:

- Increased engagement, retention & positive actions.
- Improvements in retirement communications, member experience, data and advice maturity models.

Product & Partnerships

We thoughtfully deliver products & partnerships to help members retire uniquely & live fully.

Members experience it through:

- Competitive products & features.
- Retirement related partnerships that add value to their retirement journey.

We measure success by:

- Increased engagement, retention & positive actions.
- Competitiveness and suitability of retirement products.
- Improvements in product & partnership maturity models.

Member Income & Confidence

We provide the tools to maximise members' retirement income and confidence.

Members experience it through:

- Strong past performance.[1]
- Increased confidence & control in their retirement planning.

We measure success by:

- Member confidence in meeting retirement goals & spending needs.
- Peer-relative risk-adjusted returns.

[1] Mercer Super's default investment option Mercer SmartPath®, has delivered on average 7.4% p.a. over 10 years for one of our largest groups of members, outperforming the comparative industry median of 6.5% p.a. Based on Mercer SmartPath membership data as at 31 March 2025 and for members invested for the full period. Mercer Super Trust's analysis of Mercer SmartPath (born 1974-1978), one of the largest cohorts, after investment fees and tax, compared to the median of all default funds reported in SuperRatings Fund Crediting Rate Survey – Default Options as at 31 March 2025. Past performance is not a reliable indicator of future performance.

How Mercer Super can assist you on your journey

1. Member engagement, Experience & Advice

We support and inspire members to be active decision makers in their financial future.

Member education and support

- Retirement education webinars
- Your Path retirement guide
- Retirement Income Simulator
- Mercer Super Member portal
- Mercer Super website
- Personalised communications
- Pension specialists
- Expected account balance
- Onsite 1:1s for members in employer plans

Advice at the right time

- Digital advice and support tools
- Simple Super Guidance
- Retirement Navigator
- Life Stage Advice
- Beyond Super financial advice

2. Product & Partnerships

Offering flexible retirement income products and services to ensure that you have choices that meet your needs.

Product

Mercer SmartRetirement Income

Approaching retirement

- Mercer Super account
- Mercer Super Transition to Retirement account

Retirement

- Mercer Super Allocated Pension account
- Retirement bonus

Options for setting up your pension

> Option 1: Smart Bundle
> Option 2: Tailor your own pension

Partnerships

- Retirement Essentials (Age pension eligibility & application service)
- Care and Living with Mercer

3. Member Income & confidence

- Online surveys
- Member forums
- Australian-based Helpline team
- Delivering peer-relative risk-adjusted returns

1. Member Engagement, Experience & Advice

Every member has a unique story, and our approach to helping them prepare for retirement should reflect that individuality.

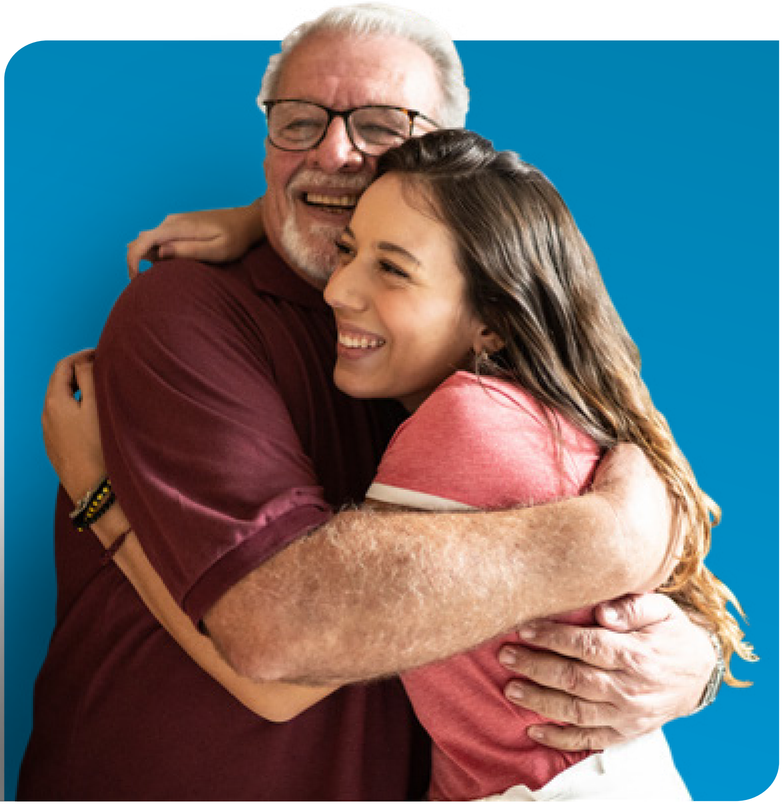
Having a clear vision of what you want and mapping out a path to achieve it will go a long way in giving you the confidence to make great decisions.

As a Mercer Super member, you have access to a suite of supportive services. From guidance, education, and advice, to confidence-building tools, we've got you covered. Remember, it's not just about choosing when to step back from work. It's also about planning towards a financially secure future.

This section covers

Getting the right advice at the right time

Member education and support



Getting the right advice at the right time

General super guidance and support in a way that works for you. Our digital advice tools, super guidance team, and qualified financial advisers are here to ensure you get the right advice at the right time.

No extra cost

Digital Advice & Support Tools

Digital advice and support tools about your Mercer Super account - available 24/7.

What's covered

- Which investment options are right for you
- How much you're on track to retire with
- Strategies to help you grow super over the long-term

Learn more about e-Advice, including a step-by-step guide, **here**

Simple Super Guidance

Access limited personalised advice over the phone about your Mercer Super account from a financial adviser.

What's covered

- Contribution caps
- How much insurance cover you may need
- Estate planning within your super
- How much you're on track to retire with

Learn more about **Simple Super Guidance**

Retirement Navigator

Access limited personalised advice over the phone from a financial adviser on a range of retirement topics about your Mercer Super account.

What's covered

- How to prepare for retirement
- When you can afford to retire
- How long your super may last in retirement
- How to boost your super before retirement

Learn more about **Retirement Navigator**

At cost

Beyond Super

With Beyond Super you can work with a financial adviser and obtain either Life Stage Advice (one-off) or Comprehensive (ongoing) tailored professional advice that considers other relevant aspects of your financial situation, alongside your Mercer Super account.

What's covered

- Cash flow and debt management
- Multiple super funds
- Adding to your Super
- Investment strategies
- Self-Managed Super Funds
- Personal Insurance
- Moving from Super to Pension
- Transition to Retirement
- Centrelink/Aged Pension
- Aged Care
- Estate Planning

Learn more about **Beyond Super financial advice**

Mercer financial advisers are authorised representatives of Mercer Financial Advice (Australia) Pty Ltd ABN 76 153 168 293, Australian Financial Services Licence #411766.

Member education and support

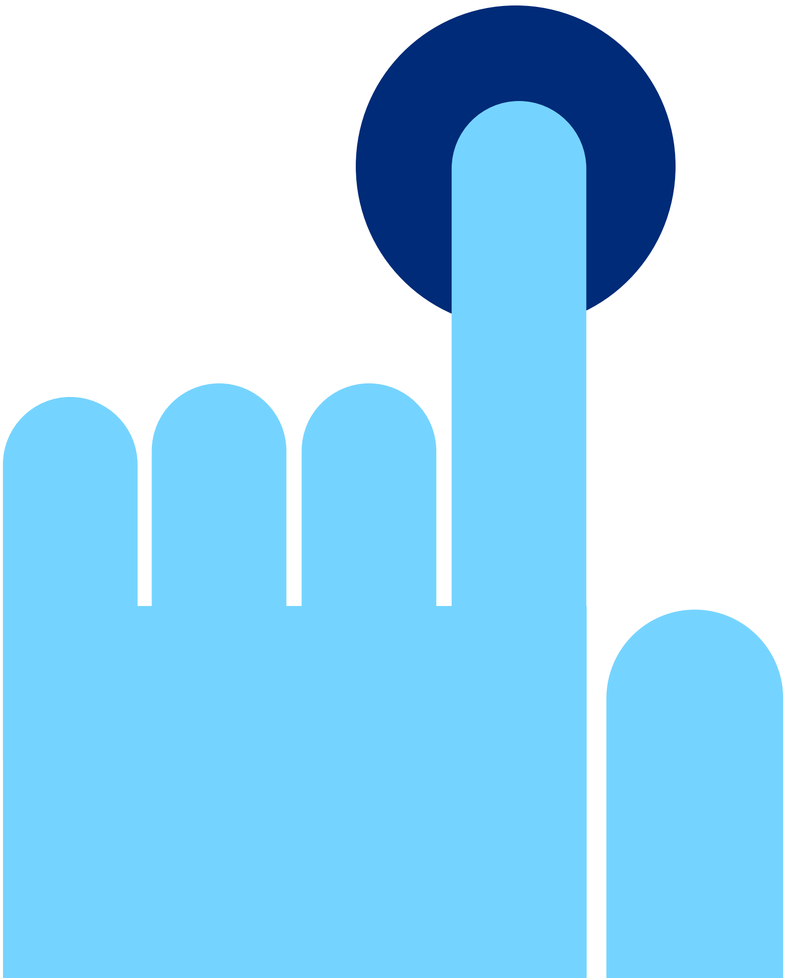
Resource	How it can help you
Retirement education webinars	Sorting out your super and your finances is important. But it's not always easy to know what to do, or when to do it. You have access to webinars run by experienced professionals and experts, sharing simple tips and strategies to help you take control of your financial future. You can register for one of our upcoming webinars or look through the library of past webinars. Join or watch a webinar
Retirement Income Simulator	The Retirement Income Simulator is a powerful financial calculator that takes all Mercer's actuarial smarts and in-depth super knowledge to create projections of your future retirement income. You can also see the impact of extra super payments and try out different scenarios. View the results as part of an interactive online calculator or as a printable statement. The calculator also includes an Investment Attitude Risk Quiz to help you identify your investment risk tolerance based on certain characteristics. Try the Retirement Income Simulator
Mercer Super Member Portal	Mercer Super Member Portal allows you to manage your super with ease, anytime, anywhere. You can check your account balance, transaction history, see how your super is growing, update your details and more. If you're a member of Mercer Super, log in to Member Online First time accessing? Learn how to activate your account here
Mercer Super website and digital tools	Visit the Mercer Super website to learn more about our products, solutions and services, as well as your options for retirement. The website also features fact sheets with key information to consider as you plan for your ideal retirement. Visit the Mercer Super website
Personalised communications	As a Mercer Super member, you'll receive regular communications to help you get the most out of your retirement journey. These include reminders about milestones, useful tips, tools, and services. Log in to view your member communications.
Pension specialists	Our team of pension specialists also help you set up a Mercer SmartRetirement Income Transition to Retirement or Allocated Pension account. Speak with one of our consultants on 1800 682 525, Monday to Friday 8am-7pm (AEST/ AEDT).
Care & Living with Mercer*	Care & Living with Mercer gives Mercer Super members and their families access to personalised advice and support in their ageing care journey. Get clarity on the future with unlimited guidance from aged care experts for home care through to retirement living, residential aged care and end of life preparation – all at no additional cost. With our online planner tool, you can create an action plan for future health, care and living needs, for you or a loved one. If you have any questions along the way or need a little extra support, our Care Consultants are on hand to chat. Mercer's Care Consultants are experienced healthcare professionals. They'll help you find care that meets your needs and enables you to live the life you want – at any age. Learn more about Care & Living with Mercer here
Annual member statements	Your annual member statement also includes an estimate of your expected account balance at retirement. It's an annual reminder to check on your super, see how you're tracking and take steps to boost your super.

*Care & Living with Mercer is a service provided by Mercer Consulting (Australia) Pty Ltd ABN 55 153 168 140. Please read Care & Living with Mercer website Terms of Use when accessing the service.

2. Products & Partnerships

Planning for retirement can be overwhelming, but knowing your options can help you confidently navigate the process.

In this section, we'll cover how to access the government Age Pension, and how to convert your super into regular income with Mercer SmartRetirement Income solutions. We'll also guide you through setting up your Mercer SmartRetirement Income account effortlessly with Smart Bundle.



This section covers

What you need to know about the government Age Pension and super

Retiring confidently with Mercer SmartRetirement Income solutions

- When you're close to retiring: Transition to Retirement account
- Already retired: Allocated Pension account

Easy account set-up

- Option 1: Smart Bundle
- Option 2: Tailor your own

Comparing super to Allocated Pension accounts

What you need to know about the government Age Pension and super

When it's time to step away from the workforce, most people rely on two main sources of income – *the government Age Pension* and *superannuation.*

- The government Age Pension provides a basic, reliable income for eligible retirees. Many people rely on the government Age Pension as a primary source of retirement income, or as a welcome boost to their superannuation.
- Superannuation is a compulsory retirement savings scheme designed to help you grow savings throughout your working life and provide income during retirement. It's flexible, allowing your savings to grow even post-retirement, with options for regular payments or lump-sum withdrawals.

Accessing the government Age Pension

To be eligible to receive the government Age Pension, you must be aged at least 67 years. You'll also need to meet other criteria such as residency requirements, an income test and an assets test.

To claim the Age Pension, follow the steps provided on the Services Australia website.

You can also read our 'How to apply for the Age Pension fact sheet' available here.

Apply early and avoid delays. You can submit your Age Pension application up to 13 weeks before your 67th birthday.

Simplifying the Age Pension journey for members

Calculating how much Age Pension payment you may be eligible for isn't always straightforward.

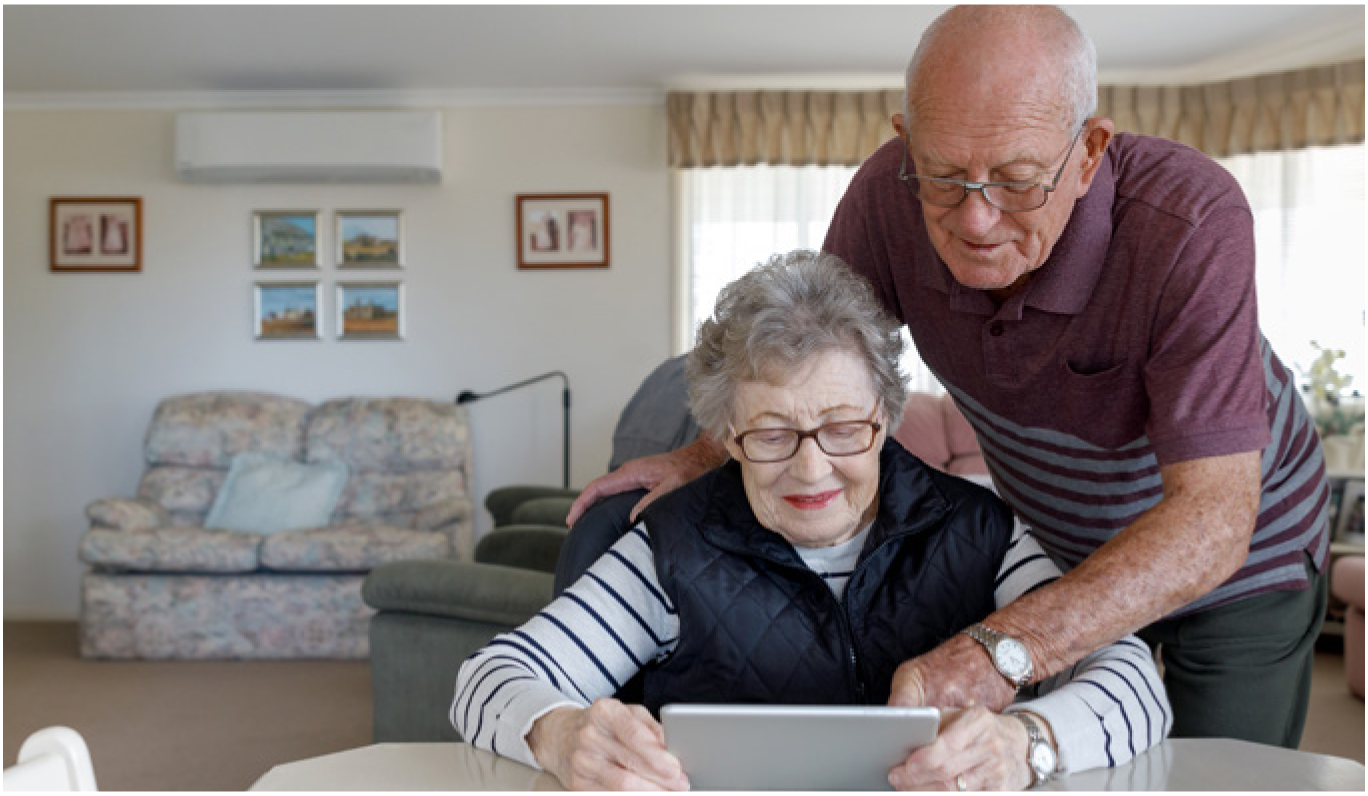
That's why we are working with Retirement Essentials, to help you feel confident you're getting all the entitlements you're eligible to receive.

Age Pension calculator

Visit the Retirement Essentials website where you can access their Age Pension eligibility calculator at no cost, to:

- determine your **eligibility**,
- estimate **potential income** and
- check if you qualify for the **Commonwealth Seniors Health Card**

Retirement Essentials is a private company and offers a range of services, for a fee. These include help completing your application for the Age Pension as well as other advisory services. As a Mercer Super member, you can also receive a 10% discount* on selected Retirement Essentials services.



* The offer is made available by Retirement Essentials Pty Ltd ABN 35 615 383 232. All Rights Reserved. Retirement Essentials Pty Ltd is an authorised representative of SuperEd Pty Ltd AFSL 468859, and is solely responsible for the provision and delivery of this offer and related services. For Mercer Super members to be eligible, they are required to have an open Mercer Super account (super or pension)

The 10% discount is available on the following Retirement Essentials services: Age Pension Concierge – Basic, Tier 1 and Tier 2, Commonwealth Seniors Health Care Card application service and Keeping Your Pension service. For more information go to www.retirementessentials.com.au/partners/mercer-super/

Turning your super into a regular income

To access your super, you generally need to have reached age 60 or meet another condition of release.

At age 65, the rules are simple: you can access your super at any time, either as a lump sum or as an income stream without any restrictions.

If you're between 60 and 65, you can get unrestricted access to your super if you have stopped working permanently or intend to stop working permanently. You can start an allocated pension at this point - your withdrawals, pension payments, and investment returns are all tax-free. If you're still working, you can access up to 10% of your account balance each financial year by starting a Transition to Retirement account - your withdrawals, pension payments are tax-free. However investment returns are not.

There are less common conditions of early release for situations such as permanent incapacity, financial hardship, terminal medical condition or compassionate grounds. You can read more about these conditions of release and accessing your super early here.

Retiring confidently with Mercer SmartRetirement Income solutions

Whether you're fully retired or transitioning to retirement, you can experience the simplicity and benefits of a Mercer SmartRetirement Income account.

With flexible solutions, low administration fees,[2] a history of strong past performance,[3] and valuable features – it's not just easy to use; it's your smart path towards a financially secure future.

Your SmartRetirement Income account includes:

When you're close to retiring

Enjoy the best of both worlds with a Transition to Retirement account.

Starting your retirement doesn't have to be a hard line in the sand, there's another option that allows you to ease into it. A Transition to Retirement strategy allows you to access up to 10% of your super each financial year while you continue working, as long as you've reached age 60.

With a Transition to Retirement account, you're able to enjoy the best of both worlds. Maintain your current work lifestyle (or work a bit less) and at the same time, receive a regular income stream from your super savings.

Already retired

Confidently retire with an Allocated Pension account.

An Allocated Pension account turns your super into a steady income stream. It's a flexible, tax-effective investment account that lets you decide how often you're paid - twice each month, monthly, quarterly, half-yearly, or yearly. You can set the payment amount as long as it meets the minimum requirements set by the Australian Government.

If unexpected costs pop up or you're planning a major purchase like a car or holiday, you can withdraw more. Plus, you can stop the payments at any time and take out your remaining super-pension as a lump sum.

Discover more about an Allocated Pension account.

Allocated Pensions (also known as 'account-based pensions') are the common way for people to use their super in retirement. In fact, they account for 84%[4] of retirement income products.

What's 'income' anyway? In retirement, it's a combination of the Age Pension if you're entitled to it, as well as drawing down on your super and personal savings. Understanding how you can make the most of your assets and available options could result in maximising your entitlements and 'retirement funding'.

[2] Source: Chant West MySuper Default Fee Tables March 2025 – for $50,000 and $100,000 account balances. Fees are for Mercer SmartSuper - SmartPath® (our MySuper product) as at 31 March 2025 for total administration fees and costs. Chant West uses our 1964-1968 investment option for purposes of comparison with other MySuper funds. You may pay less than this if you are in an employer plan with discounted fees. For more details on fees for each of our SmartPath options, or if you've chosen your own investment option/s, go to the 'How Your Super Works' guide online. Fees and costs can vary from year to year. Past fees and costs are not a reliable indicator of future fees and costs. Fees and comparisons may differ for other investment options and account balances. For details on fees for each of our SmartPath options, or if you've chosen your own investment option/s, go to the 'How Your Super Works' guide online.

[3] Mercer Super's default investment option Mercer SmartPath®, has delivered on average 7.4% p.a. over 10 years for one of our largest groups of members, outperforming the comparative industry median of 6.5% p.a. Based on Mercer SmartPath membership data as at 31 March 2025 and for members invested for the full period. Mercer Super Trust's analysis of Mercer SmartPath (born 1974-1978), one of the largest cohorts, after investment fees and tax, compared to the median of all default funds reported in SuperRatings Fund Crediting Rate Survey – Default Options as at 31 March 2025. Past performance is not a reliable indicator of future performance.

[4] https://ministers.treasury.gov.au/ministers/jim-chalmers-2022/articles/opinion-piece-super-must-deliver-retirement

Set up your account the easy way

To help make your pension set-up as easy as possible, we offer two options – Smart Bundle or tailor your own pension.

Option 1: Smart Bundle

Whether you're ready to retire full-time with an Allocated Pension account or ease into retirement with a Transition to Retirement account, Smart Bundle is a quick and easy way to set up your pension account. With a preselected pension payment schedule and investment strategy, you can set up your account effortlessly. Plus you have the flexibility to change your investment options, payment amounts and frequency at any time.

Designed by our retirement experts to suit the average Australian retiree,[5] Smart Bundle combines our Mercer SmartPath lifecycle investment option with a preselected payment amount and schedule to help you make the most of your retirement savings with a regular and reliable income. And it's automatically fine-tuned as you age to help keep pace with expected income and spending needs.

Smart Bundle is a simple solution for members who want to know their retirement is in good hands.

Learn more about the benefits of Smart Bundle here.

Option 2: Tailor your own pension

You can tailor your pension to suit your needs if you prefer to be more hands-on with your retirement income.

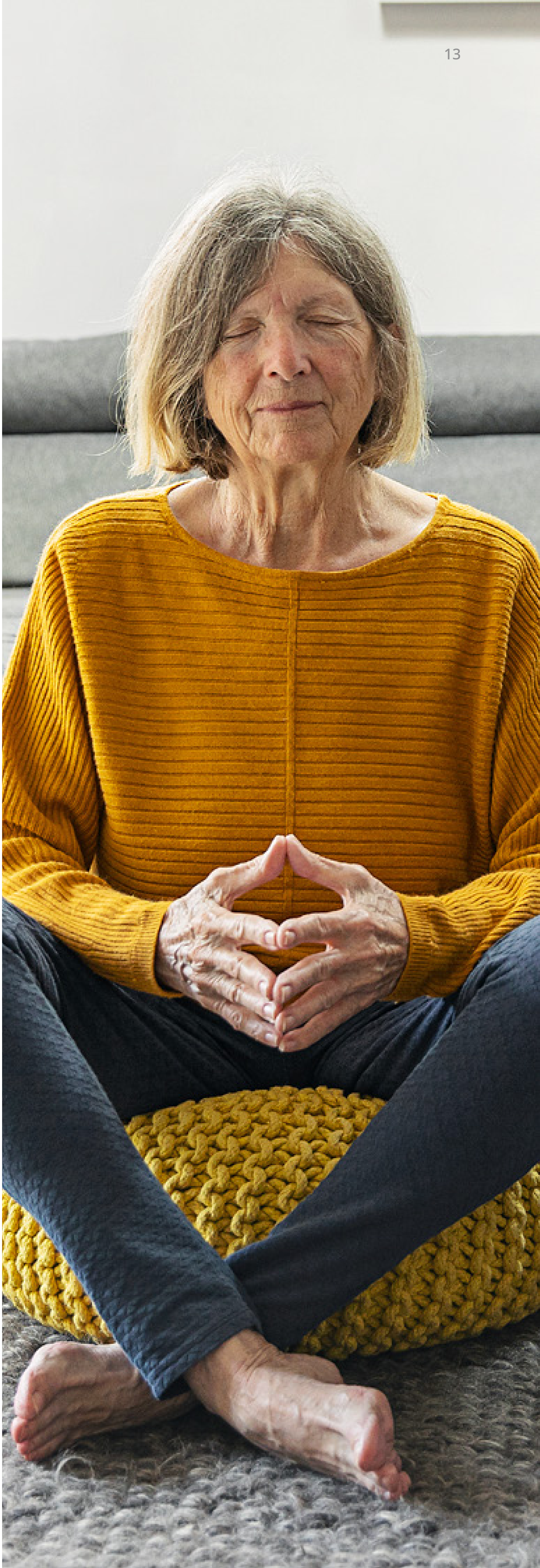
Experience the freedom of choice with flexible investment and pension payment options (subject to minimum and maximum amounts set by the government). With tailor your own, you have the power to customise your account to align with your unique financial objectives.

Whether you choose Smart Bundle or tailor your own pension set-up when you open your account, you have the flexibility to change your payment amount or frequency, and/or your investment option(s), at any time.

Please consider the Product Disclosure Statement, Investments Booklet, Sustainable Investment Information Booklet and Mercer Direct Member Guide at mercersuper.com.au before making a decision about the product, or seek professional advice from a licensed, or appropriately authorised financial adviser if you are unsure of what action to take. The product Target Market Determination can be found at mercersuper.com.au/tmd.

[5] Assumptions are based on the median retirement age and average balance at retirement for members of the Mercer Super Trust, life expectancy tables from the Australian Bureau of Statistics (abs.gov.au) and modest living expenses in retirement (ASFA Retirement Standard, moneysmart.gov.au). Modelling also assumes the retiree is a single homeowner with no other income who is eligible for full age pension.

Comparing super to Pension accounts



Superannuation accounts and Pension accounts are both important retirement savings vehicles, but they have some key distinctions. Superannuation accounts are all about growing your super savings during your working years, while pension accounts provide a regular income stream during retirement.

When comparing, it's important to consider your individual circumstances and goals. Remember, both superannuation and pension accounts play a crucial role in securing your financial future. When making decisions about your retirement savings, it's always a good idea to seek professional advice and consider your personal needs and preferences.

	Superannuation	Transition to Retirement (TTR)	Allocated Pension (AP)
Age requirement	Generally no minimum, but may vary by fund.	Aged between 60 and 65 AND Not permanently retired AND Not met condition of release allowing full access to super benefit.	60+ if you retire or leave a job OR 65 even if you haven't retired.
Purpose	Accumulate retirement savings.	Provide income from your super while you are still working.	Provide income in retirement.
Access to funds	60+ if you retire or leave a job. 65 even if you haven't retired. You are able to access your super under special circumstances.	Can access unrestricted non-preserved funds immediately upon starting the Transition to Retirement account.	Can access funds immediately upon starting the Allocated Pension account.
Income payments	No regular income payments.	Regular income payments (twice per month, monthly, quarterly, half-yearly or annually).	Regular income payments (twice per month, monthly, quarterly, half-yearly or annually).
Lump sum	Applies only to members who meet a condition of release.	Yes, withdrawals only from the unrestricted non-preserved portion of account balance.	Yes, withdrawals of up to 100% of the balance.
Legislated minimum pension drawdown percentages	N/A	The legislated **minimum** withdrawal amount is 4% of your account balance. Read more about this and the percentage here.	The legislated **minimum** withdrawal amount is determined by your account balance and age. Read more about this and the percentages here.
Legislated maximum pension drawdown percentages	N/A	The legislated **maximum** withdrawal amount is 10% of your account balance. Read more about this and the percentages here.	There is no **maximum** annual pension payment amount.
Investment choice	Yes, for accumulation accounts.	Yes	Yes
Taxation	Contributions and investment earnings are generally taxed at a concessional rate (typically 15%). Withdrawals are tax-free if you're 60 or older.	15% tax applies to investment earnings and any payments after age 60 are tax-free.	**No tax applies to investment earnings and any payments after age 60 are tax-free.**
Government benefits	Eligible for government co-contributions and tax incentives.	May impact eligibility for certain benefits, such as the government Age Pension.	May impact eligibility for certain benefits, such as the government Age Pension.
Additional contributions	Yes	No	No
Estate planning	Can nominate beneficiaries to receive superannuation benefits, including any insurance, if applicable, upon death.	Can nominate beneficiaries to receive either your remaining pension balance or your regular pension payments until your account reaches zero upon death.	Can nominate beneficiaries to receive either your remaining pension balance or your regular pension payments until your account reaches zero upon death.

3. Member Income & Confidence

Engaging with you is key to understanding your needs and aspirations. It helps us provide you with the right products and services.

At Mercer Super, we believe in the power of listening and engaging with our members. We value your feedback and insights, as they help us shape our products and services to better meet your needs. By actively engaging with our members, we can continuously improve and deliver the exceptional experiences you deserve.

This section covers

Engagement and support

Strong past performance[1]	As your life and financial goals change over time, your super investment strategies should too. We understand everyone is different and one size doesn't fit all, which is why we offer a broad range of investment options managed by our team of investment experts who seek out the best possible investment opportunities in Australia and around the world.
Member-centric approach	Whether you're gearing up for retirement or already enjoying it, we've developed unique member profiles for different groups. We communicate with you based on these groups to help ensure that what we share is tailored and relevant to you.
Listening to you	We actively seek your input through in-depth research, including interviews and online surveys, to better understand your needs and preferences. Using these insights, we can better tailor our products and services to meet your requirements.
Australian-based Helpline team	At Mercer Super, our Helpline team plays a crucial role in listening and engaging with our members. They're dedicated to helping, answering questions, and addressing concerns, to ensure you feel supported and valued. Mercer Super Trust members General enquiries: **1800 682 525** Calling from overseas: +61 3 8306 0900 Pension members General enquiries: **1800 671 369** Calling from overseas: +61 3 8306 0906
Annual Member Meetings	This provides you with an opportunity to ask questions, share feedback, and voice concerns directly to the Mercer Super Board and Executive team.

Planned Enhancements

As we deepen our understanding of your needs and preferences, our Retirement Income Strategy will dynamically adapt. This ongoing program of improvement allows us to continuously fine-tune our products, enrich educational resources, and refine our financial planning and advice solutions, ensuring that we provide the most effective and tailored retirement income solutions for our members.

1. Member Engagement, Experience & Advice

At Mercer Super, we are committed to empowering our members on their retirement journey. Our focus is on delivering timely and personalised communications to help members make informed decisions about their future. Recognising the importance of convenience and accessibility, we are continually improving our mobile app and , Member Portal aiming for a seamless, user-friendly experience. With intuitive navigation and personalised tools, we strive to make members' digital experience efficient and tailored to their needs.

2. Product & Partnerships

We are committed to continuously optimising our existing partnerships with Mercer Financial Advice, Care and Living with Mercer, and Retirement Essentials, while also seeking new collaborations to better support our members on their retirement journey .

3. Member Income & confidence

Continuous feedback and insights help us shape our products and services to better meet member needs. By actively engaging with our members, we can continuously improve and deliver the exceptional experiences they deserve.

Contact us

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