

Media Release

Release Date: 2 March 2021

Updated Research on Super Fund Retirement Account Drawings

Plan For Life, Actuaries & Researchers has released findings from an ongoing longitudinal study into Australian Retirement Account drawings, initiated by the Retirement Incomes Working Group of the Institute of Actuaries of Australia and Plan for Life in 2015. This research shows the degree to which Super fund members have drawn pensions from their accounts, in particular identifying the number and size of the account balances for each age group where at least the minimum pension was drawn. Drawing Rates have been calculated as the ratio of total amounts drawn in 2019, divided by the fund size at the start of 2019.

Drawing Rates - Some Key Findings from the 2020-21 Study of Retirement Accounts in Australia:

- The average 2019 drawing rate for \$119 billion of combined Industry Fund, Government and Retail Fund accounts, including 'pension' and discretionary drawings, was determined as 9.10%. This is substantially higher than the average drawing rate of 7.28% for 2015 which arose from the previous December 2016 Study.
- Overall male and female drawing rates were found to be 9.17% and 8.89% respectively; the corresponding rates in 2015 were 7.38% and 7.22%.
- Drawing rates vary significantly between the three superannuation sectors from which data was sourced covering industry funds, government funds and retail funds, ranging from 8.13% to 11.44%.
- Many factors are likely to be responsible for the higher drawing rates identified in 2019. The Study will next focus on analysing finer levels of individual member data, examining characteristics and tracking members' activities between 2015 and 2019.
- We believe that identifying member profiles and the outcomes of their drawing patterns, particularly at individual Fund level, will lead to new ways to improve sustainability of retirement accounts.

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About the Research

The 2020-21 Study of Retirement Accounts in Australia follows on from the series of investigations initiated by Plan for Life and the Retirement Incomes Working Group of the Institute of Actuaries of Australia in 2015. The latest Study has been supported by eight large superannuation funds, including retail, government and industry funds.

This first report is aimed at showing the degree to which members have drawn pensions from their accounts in 2019, in particular identifying the number and size of the account balances for each age group where at least the minimum pension was drawn, as well as the additional, discretionary drawings taken. Total drawing rates, 'pension' rates and other discretionary rates are shown for each age group, and the major tables have been subdivided between males and females and also separated by retail funds and Industry funds.

Superannuation and Retirement Funds are invited to participate in the project by providing data or joining the steering committee to direct future research. [Read more.](#)

Purchase the Research

Contact us to purchase the full report. Samples available on request: support.australia@issmarketintelligence.com

About the Plan For Life

Plan For Life collects Australian data covering retirement, managed funds and life insurance markets using actuarial methods, to provide clients with market share reports and statistics, business intelligence, product analyses and consulting services. Plan For Life is an ISS Market Intelligence brand (ISS MI), part of Institutional Shareholder Services (ISS). <https://www.pflresearch.com/>

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Data Collection and Estimation Techniques Data is collected from companies in the managed funds market covering funds under management, gross inflows, gross outflows, net inflows unit prices and investment return rates. Gross Inflows represents an indication of new business sales. Data is thoroughly checked and queries are raised with data providers if data is significantly different from trends or compared to other companies. Where inflow or outflow data is unavailable, we make estimates based on market behaviour from similar investments in compatible markets. When companies provide actual inflow and outflow data these replace estimates. This estimation procedure, coupled with our rigorous direct data collection, enables us to prepare high quality, reasonable and comprehensive data for every Manager.