

Glossary of Terms

Accumulation Phase/Account	An amount amassed in superannuation which is not currently funding a pension/income stream. Earnings allocated to this account are taxed at the concessional tax rate of 15% and capital gains are subject to tax.
Pension Account/Balance	An amount amassed in superannuation which is currently funding a pension/income stream. Earnings allocated to a retirement phase pensions are exempt from tax (i.e. tax free) and capital gains and losses will be disregarded.
Retirement Phase <i>(Previously Pension Phase)</i>	A pension whereby the member satisfies a condition of release and the pension counts towards the member's transfer balance cap.
Condition of Release	A pension whereby the member satisfies a condition of release and the pension counts towards the member's transfer balance cap.
Transfer Balance Cap	The maximum amount that can be transferred into a retirement phase pension. Earnings for these pensions have a 0% tax rate. As at 1 July 2017, this cap will be \$1.6 million.
Account Based Pension	A type of pension most common in self-managed superannuation funds which is linked with the market balance of investments held in the Fund.
Commute or Commutation	A conversion of part or all of a superannuation income stream (such as an account based pension) to a cash lump sum payment or an increase to the member's accumulation account. This can occur at any time but conversion prior to 30 June 2017 will affect the tax position of the Fund.
Transitional CGT Relief	A temporary relief available to super funds which are affected by the new transfer balance cap rules or Transition to Retirement Income Stream rules. This relief give the Fund the ability to choose to be taxed on accrued capital gains based on the current tax position prior to the changes coming into effect.
Transition to Retirement Income Stream (TRIS)	A pension/income stream payable to a member who is not in retirement phase (i.e. is still working and below the age of 65). Earnings allocated to this account will be taxed at 15% and capital gains will be subject to tax from 1 July 2017.
Segregated	A fund set up with specific assets supporting specific accounts such as pension accounts. Earnings are allocated to the relevant account/s instead of being proportionally allocated across all accounts in the Fund. Please note if all members are in pension phase, the Fund is segregated as all assets support pension accounts.
Proportionate <i>(Previously Unsegregated)</i>	Assets held within the fund support all accounts. Earnings are distributed across all accounts in proportion to their balance.