Colonial First State

Your guide to:

Pension Bonus

A consolidated scenario guide for super-to-pension transitions.

This guide is designed to:

- Illustrate how common super-to-pension transition scenarios interact with Pension Bonus eligibility on the FirstChoice Wholesale Pension
- Help advisers and their support teams understand when a Pension Bonus may or may not be paid
- Highlight what CFS can and cannot do operationally
- Explain how to submit applications so they are processed as intended

Important:

This document provides factual product and processing information only. It does not constitute financial product advice and does not recommend a strategy for any client.

Contents

1. Pension Bonus eligibility criteria

When is the bonus added and how do I apply?

The Pension Bonus is a one-off amount added to the opening balance of an eligible FirstChoice Wholesale Pension. There is no separate application — CFS assesses eligibility and applies the bonus automatically at pension commencement where all requirements are met.

What are the eligibility criteria?

Eligibility requirement	What you need to know
Move to a FirstChoice Wholesale Pension	The member must move to a FirstChoice Wholesale Pension from an eligible FirstChoice Wholesale Personal Super, FirstChoice Employer Super or FirstChoice Wholesale Pre-retirement Pension account.
Like-for-like transfer	The investment option held in super or pre-retirement must also be available in pension. The client is free to switch investment options once the pension has commenced.
Eligible account held for 90 days	At least one eligible FirstChoice super or pre-retirement account involved in the move to pension must have been open for at least 90 consecutive calendar days immediately before the pension commences.
One bonus per member	The Pension Bonus is payable once only in a member's lifetime and cannot be paid to a member who has previously received a Pension Bonus from the FirstChoice Superannuation Trust.

How is the bonus calculated?

The Pension Bonus is calculated only on amounts transferred from qualifying investment options, up to the Transfer Balance Cap. Some options are excluded — including the SuperFirst Transfer Facility and specified cash, saver and term deposit options. Please check the latest published CFS information before submitting a pension application, as excluded options may change.

[Learn more here: Pension Bonus - A smarter start to your clients' retirement]

Reminder

Where the member meets the eligibility requirements at pension commencement, the Pension Bonus will be assessed and applied automatically. The member will not receive a Pension Bonus on commencement of a pension if they do not meet the eligibility criteria at that time.

2. Core eligibility decision tree

How is eligibility determined?

The infographic below shows the six-step eligibility check to follow before submitting a pension application.

Reminder

CFS processes application based on the instructions provided and will not interpret instructions to maximise a Pension Bonus outcome.

1. Has the member already recieved a Pension Bonus? → YES: No further pension bonus payable – bonus is once per lifetime.

↓ NO

2. Is the transfer coming from an eligible FirstChoice Wholesale Super, FirstChoice Employer Super or Pre-retirement Pension account? → NO: Not eligible on that transfer.

↓ YES

3. Is the money invested in an eligible investment option immediately before pension commencement? → NO: Ineligible options excluded from the bonus.

↓ YES (for eligible options)

4. Is the transfer method eligible? (SuperFirst Transfer Facility is NOT eligible) → NO: Not eligibe – SuperFirst Transfer Facility excluded.

↓ YES

5. Is the account ready to be transferred to pension? → NO: Wait until the account meets eligibility (e.g. 90-day rule), then submit.

↓ YES

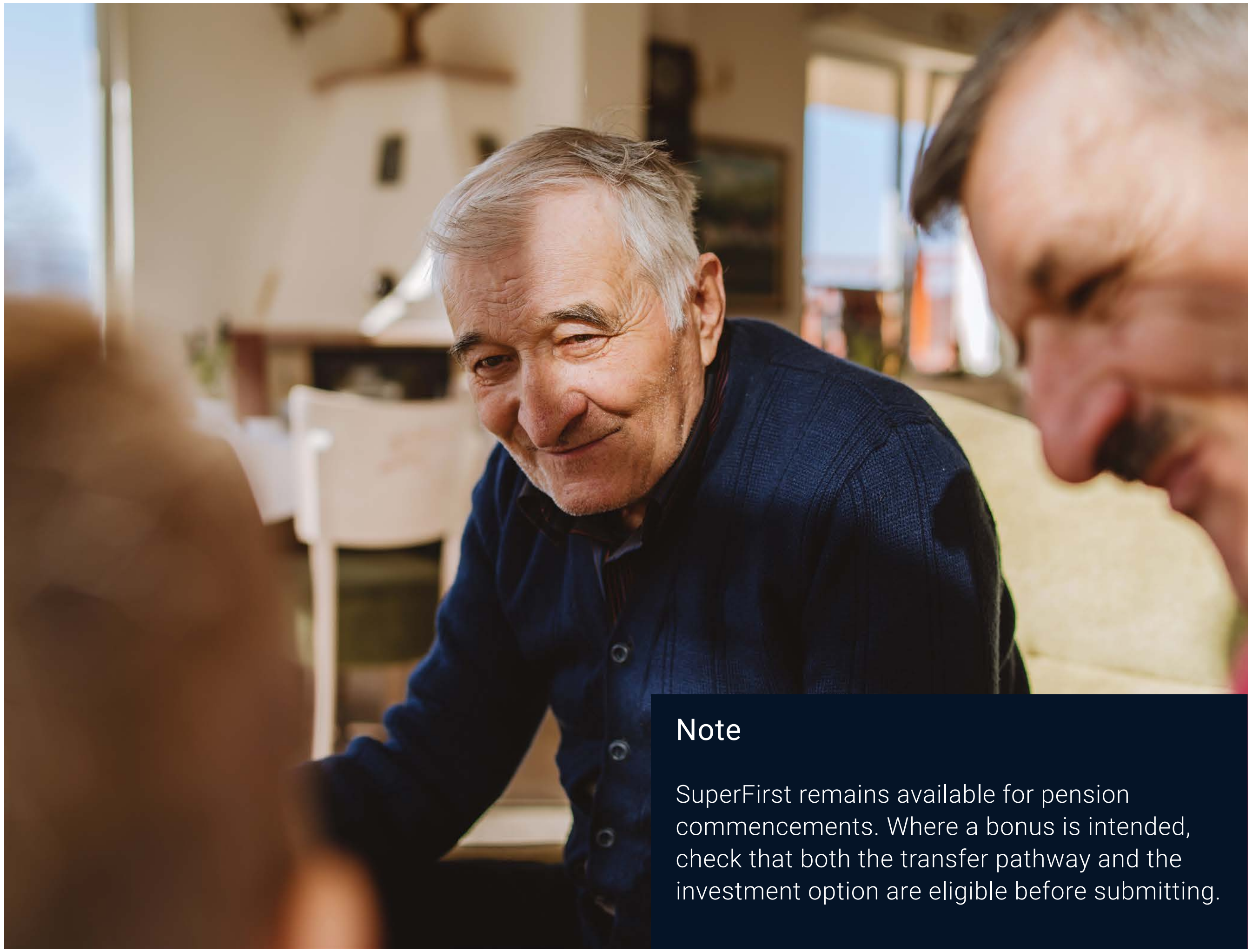
Submit the pension application – Pension Bonus will be assessed and applied automatically at commencement.

3. Super to Pension transfers that support a Pension Bonus

Is the SuperFirst Transfer Facility eligible?

No it is not, but it remains available where a bonus is not intended. If your client is expecting a Pension Bonus, ensure both the account and the investment option are eligible before submitting the pension application.

Super to Pension Transfer	Pension Bonus outcome
SuperFirst Transfer Facility → Pension	Not eligible — no Pension Bonus will be paid on this transfer.
Eligible FCW Super / Pre-retirement Pension (eligible option, 90+ days) → Pension	Eligible — assessed for Pension Bonus automatically at pension commencement.



Note

SuperFirst remains available for pension commencements. Where a bonus is intended, check that both the transfer pathway and the investment option are eligible before submitting.

4. Common super-to-pension scenarios

These scenario cards are designed to help you identify Pension Bonus considerations and understand the operational expectations across common client situations. They're intended as a practical guide only and do not recommend a strategy or prescribe how advice should be structured.

4.1 Pension Bonus for new CFS clients

Scenario	A new CFS client opens an FCW Super account and the adviser plans to start a pension after the account becomes eligible.
Pension Bonus consideration	Eligibility depends on the super account being funded and meeting the eligibility rules before pension commencement.
Operational expectation	Submit the super application first. Once the account has met eligibility, submit the pension application. **CFS will not pend and monitor a pension application submitted with the super application.**
Summary	Where a new super account must first meet the 90-day eligibility period, submit the pension application when the account is ready to be transferred to pension.

4.2 Super consolidation before pension

Scenario	A client is consolidating external super accounts into CFS before starting a pension.
Pension Bonus consideration	Only amounts transferred from an eligible account and eligible investment option can be assessed for the Pension Bonus.
Operational expectation	CFS will wait for all rollovers/consolidations listed on the Pension Application form to be received before establishing the pension account. If no specific date is provided, the transfer to pension will be processed as soon as all expected rollovers/consolidations are received.
Summary	Where external super is being consolidated before pension commencement, eligibility will depend on the consolidated balance being held in an eligible super account and eligible investment option before transfer to pension. Consolidations into the SuperFirst Transfer Facility are not eligible for a Pension Bonus.

4.3 Pension Refresh

Scenario	A client commutes some or all of a pension back to super and later moves it back to pension.
Pension Bonus consideration	Eligibility will be assessed on all S2P where a member commences a pension after 10 Aug member may receive PB.
Operational expectation	CFS will process based on the instructions provided at the time of the pension re-commencement. PB will be paid on the first eligible pension commencement from 10 Aug.
Summary	Where an amount is commuted back to super and later moved back to pension, Pension Bonus eligibility will depend on the member's eligibility at the time of the later pension commencement and the investment option used for the transfer.

4.4 Splitting between taxable and tax-free pensions (split)

Scenario	A client wants to commence two or more pension accounts (a 'split') from the same eligible super balance(s) — for example, to separate taxable and tax-free components.
Pension Bonus consideration	Where the split pensions are part of the same commencement event, the same-day commencement intention must be explicit on the applications.
Operational expectation	Applications should be received on the same day with explicit instructions to establish the pensions on the same day. Ambiguous instructions may result in separate processing and a lower than expected Pension Bonus.
Summary	Where two or more pension accounts are established from the eligible super balance(s), submit applications on the same day with explicit instructions that the pensions are to commence on the same day.

4.5 TTR to pension (including automatic conversion)

Scenario	A member has a Transition to Retirement (TTR) pension and meets a condition of release, including turning age 65.
Pension Bonus consideration	If the member is invested in an eligible option at the time the TTR converts to an account-based pension, the transfer may be assessed for Pension Bonus eligibility.
Operational expectation	Automatic conversion occurs when the trigger event occurs. If a different outcome is intended, review the member's position well before the trigger event.
Summary	A TTR pension automatically converts to an account-based pension when the member meets a condition of release, including turning age 65. Where the member is in an eligible option at that time, the transfer will be assessed for a Pension Bonus.

4.6 Delaying the Pension Bonus to a later commencement

Scenario	An adviser is staging contributions or recontributions over more than one period and wants to delay the Pension Bonus until a later pension commencement event.
Pension Bonus consideration	The Pension Bonus is paid automatically whenever eligibility is met at pension commencement. To delay it, the member must not meet eligibility at the earlier commencement.
Operational expectation	Ensure the member is not eligible at the earlier pension commencement, by holding the amount in an ineligible option before the pension starts, such as the SuperFirst Facility.
Summary	If the member meets eligibility at pension commencement, the bonus will be paid automatically. To delay the bonus, ensure the member does not meet eligibility at that time (e.g. by holding in an ineligible option before commencement).

4.7 Cash-out recontribution

Scenario	A client is moving from super to pension and a recontribution or pension refresh strategy is being completed before pension commencement.
Pension Bonus consideration	Eligibility depends on the account and investment option the money is held in immediately before the pension starts.
Operational expectation	CFS will not interpret instructions such as 'maximise the bonus'. Adviser instructions must be clear and specific on the order and timing of operations.
Summary	If a recontribution or pension refresh is completed before starting a pension, Pension Bonus eligibility will depend on the account open date, the investment option and how the money is moved to pension at commencement. Note it is possible to cashout and re-cont into the same super fund to ensure 90 day tenure is not restarted but only if this is explicitly requested in the instructions.

4.8 Transfer Balance Cap management

Scenario	A client is close to, at, or above their personal transfer balance cap before pension commencement.
Pension Bonus consideration	Any Pension Bonus (and buy/sell refunds) will count towards the member's transfer balance cap.
Operational expectation	CFS will not determine the transfer amount needed to manage a client's personal transfer balance cap. The adviser is responsible for ensuring the cap is not breached.
Summary	Consider the client's personal transfer balance cap before submitting a pension application. The estimated Pension Bonus amount is available in FNA to support planning.

5. Ensuring your requests are processed as expected

When should I process my request?

Submit the form you want processed on the day you want it processed. CFS's operational model does not hold or monitor pension applications until a future eligibility date.

Do	Avoid	Why it matters
Submit the pension application when the account is ready for pension commencement.	Submitting a pension application and asking CFS to hold it until a future date.	Holding applications increases tracking, expiry and rework risk.
Provide clear, specific instructions.	Broad requests such as 'maximise the bonus' or 'ensure the biggest bonus'.	CFS will not interpret instructions to achieve a bonus outcome.
For split pensions, state on both applications that the pensions are to commence on the same day, and submit on the same day.	Assuming same-day commencement will be inferred from multiple applications.	Different processing dates may affect the bonus outcome.
Check whether the member has already received a Pension Bonus.	Assuming every future pension commencement remains eligible.	A member who has already received a Pension Bonus is not eligible for another.
Consider the client's transfer balance cap position before submitting.	Asking CFS to determine the transfer amount required to manage the cap.	The adviser is responsible for managing the client's personal cap position.
Review TTR clients ahead of their condition of release or 65th birthday.	Assuming automatic conversion can be delayed after the trigger occurs.	Conversion occurs automatically when the trigger event occurs.

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