



**GUIDANCE NOTE**

**RETIREMENT SAVINGS ARRANGEMENT SCHEDULE**  
**EFFECTIVE 1 JUNE 2024**

This schedule supersedes all previous documents circulated by the Department of Labour & Pensions on the subject.

The National Pensions Act permits a member to access their pension benefit, at retirement, either through an annuity or a Retirement Savings Arrangement ("RSA"). The schedule below determines the maximum amount that a member can withdraw annually, taking into consideration the member's age and account value.

**Definition of Age**

The age is defined as the age of the member at the start of the calendar year in which the payment is being made.

**Maximum Annual Withdrawal Figure**

The maximum annual withdrawal amount is determined by the member's age and account value. In reviewing the table below, find the member's age and then multiply the account value by the % given in the second column. The resulting sum is the maximum amount that the member can withdraw during that year ("the Annual Maximum")(for a monthly maximum, divide by 12). An exception is made, where the amount calculated is less than \$15,000. In such cases, in order to minimize hardships, the Annual Maximum is deemed to be \$15,000.

In cases where the annual maximum is calculated to be above \$15,000, then the member is free to withdraw up to that figure.

**Member Options**

For the avoidance of doubt, the member can withdraw any amount up to the annual maximum in the table below, based on their age and account value. Please note that if the member does not take the maximum figure within the calendar year, they are not permitted to withdraw the residual sum during a subsequent period.

Additionally, members always have the option of terminating the RSA and transferring their balance to an approved annuity.

**Payments for Persons at age 89 or older**

When the payment for age 89 is to be made, the member would have the option of taking the full RSA account balance, if any, as a lump sum or continuing to withdraw annual amounts. If the member continues to withdraw an annual amount, the member can opt to take the full account

balance as a lump sum at the beginning of any calendar year after age 89 by giving at least 60 days written notice.

**Implementation**

All applications received from 1 January 2024 and all previously approved RSAs are entitled to the new maximum figure, \$15,000, at their next disbursement.

Since the new figure comes into effect on the 1<sup>st</sup> June 2024, members that received their annual disbursement from 1<sup>st</sup> January to 30<sup>th</sup> May should be provided a subsequent payment for the difference between the new and previous RSA figures, \$875.

In cases where members already received a higher figure, due to their age and account value, then no further disbursements are required this year.

In cases where the member’s RSA was approved under the original RSA schedule, pre-January 2017 and the member is already receiving a higher sum (i.e.: \$15,000 or greater), the member should not be disadvantaged by the implementation of this Guidance Note. As a result, the pension plan administrator should continue to adhere to that schedule which is only available to that limited group of persons.

**Retirement Savings Accounts Drawdown Schedule**

Age Last Birthday	Maximum Annual Withdrawal Amount (at least \$15,000)
	y% of account balance where y =
50	4.24%
51	4.28%
52	4.32%
53	4.36%
54	4.40%
55	4.45%
56	4.50%
57	4.55%
58	4.61%
59	4.67%
60	4.73%
61	4.80%
62	4.87%
63	4.94%

64	5.02%
65	5.11%
66	5.21%
67	5.31%
68	5.42%
69	5.55%
70	5.68%
71	5.83%
72	6.00%
73	6.15%
74	6.32%
75	6.51%
76	6.71%
77	6.95%
78	7.16%
79	7.40%
80	7.66%
81	7.95%
82	8.29%
83	8.61%
84	8.97%
85	9.38%
86	9.85%
87	10.39%
88	10.84%
89	11.36%
90	11.94%
91	12.60%
92	13.37%
93	13.93%
94	14.55%
95	15.24%
96	16.02%
97	16.90%
98	17.91%
99	19.07%
100	20.43%
101	22.02%
102	23.93%

**Calculation Example – For Illustration Purposes Only**

Consider a retiree age 56 who wishes to begin drawing a pension benefit from the member's RSA account. Assume an amount of \$500,000 is transferred to the RSA account. The retiree can withdraw up to an annual amount as illustrated below:

$$\begin{aligned}\text{Maximum annual withdrawal at age 56} &= (\$500,000 * 4.50\%) \\ &= \$22,500\end{aligned}$$

The monthly limits would be the amount stated above divided by 12.

In the following calendar year when the retiree turns age 57, assuming that after investment returns the account balance is now \$510,000, then the maximum withdrawal would be calculated as follows:

$$\begin{aligned}\text{Maximum annual withdrawal at age 57} &= (\$510,000 * 4.55\%) \\ &= \$23,205\end{aligned}$$

The monthly limits would be the amounts determined above divided by 12.

Consider the same 56 year old member, but the value of the sum transferred to the RSA is only \$200,000.

$$\begin{aligned}\text{Maximum annual withdrawal at age 56} &= (\$200,000 * 4.50\%) \\ &= \$9,000\end{aligned}$$

As this is below \$15,000, the exception applies and the member is allowed to withdraw any sum up to \$15,000.