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I read with interest the response to a recent question (*Weekend AFR* March 13-14) about the maximum 10 per cent annual payment from a transition to retirement pension.

My wife had both a superannuation account in the accumulation phase and a transition to retirement pension account from which she drew the full annual entitlement.

Last month she closed her pension account, transferred the balance back into the accumulation account and started a new pension with the increased amount. The super fund is now allowing her to withdraw the full 10 per cent spread over the remaining months of this year.

Does this not mean there is an element of double dipping as it is likely there will be a portion of the new pension balance which represents money from the old pension that has already participated in a maximum income withdrawal?

The question highlights the way the law that allows maximum pensions to be paid from transition to retirement pensions is interpreted, says pensions expert Meg Heffron from superannuation administrator Heffron Consulting.

This particular aspect was put to the government when the rules were drafted some years ago.

It is accepted because closing the pension and transferring the balance back to an accumulation account, and then starting a pension with the combined amount is considered a new pension not linked to the previous.

Heffron says while critics may say this strategy allows double dipping and a faster reduction of super savings, supporters might argue that people will only withdraw money if they have a need for it and most would prefer to leave their money in the tax-concessional pension environment.

It also makes people who are close to retirement less anxious about contributing a large amount into super because they know they can access this fairly readily.

In addition, the new lower-contribution entitlements limit the tax concessions that government allows on contributions.