

Significant event notice



The purpose of this notice is to advise you of changes to superannuation law, known as “Protecting Your Super”.

“Protecting Your Super” changes

These superannuation changes aim to address account erosion due to excessive fees or unnecessary insurance. In summary they:

1. Remove exit fees
2. Impose a 3% cap on fees for balances under \$6,000
3. Turn off insurance cover for ‘inactive’ members
4. Require the transfer of ‘inactive’ accounts in investment options under \$6,000 to the Australian Taxation Office (ATO) at regular intervals

The changes are explained in more detail under the following sections.

1



Removal of exit fees

From 1 July 2019, we will no longer charge exit fees (currently \$55) on any partial or full withdrawals from members’ accounts, regardless of the account balance.

This is because exit fees are considered to be a disincentive to members consolidating multiple accounts and consolidation of multiple accounts reduces exposure to duplication of fees and the erosion of your superannuation savings.



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Club Plus Superannuation Pty Limited

Issued by Club Plus Superannuation Pty Limited: ABN 26 003 217 990, RSE License No. L0000529, AFSL No. 245362 as trustee for Club Plus Superannuation Scheme: ABN 95 275 115 088

Significant event notice (cont.)

2



3% cap on fees

To protect members with low balances from erosion due to fees, from 1 July 2019 there will be a 3% cap on the amount of administration fees, investment fees and certain indirect costs that can be charged to members with an account balance below \$6,000.

This means that members with less than \$6,000 in their account at the end of the financial year, will receive a reimbursement to their account if they paid more than 3% of their 30 June balance in that option in administration and investment fees, and certain indirect costs, during the year.

Members with less than \$6,000 in their account that leave the fund during the year may be eligible for a reimbursement of any administration and investment fees and certain indirect costs they have paid above the 3% cap.

A review of your account balance, and the fees that you have paid, will take place every year on 30 June (commencing 30 June 2020) to identify if your account is eligible for a reimbursement. Members who exit the fund during a financial year from 1 July 2019 onwards will have their account reviewed at the date of exit.

3



Turning off insurance cover

To protect members' retirement balances from being eroded due to insurance premiums, the legislation introduced a measure to turn off insurance cover for an 'inactive' member if a specific criteria is met. The criteria for an 'inactive' member is as follows:

- a) The member's account has insurance cover, and
- b) The member's account has not had an amount attributed to it for the past 16 months (a contribution, rollover, or any other member, employer or government related contribution to an account).

All affected members were identified on 1 April 2019 and we wrote to these members by 30 April 2019 stating they were at risk of having their insurance cover turned off. Some members were advised that they have up until 30 June 2019 to make an election or take action on their account to retain their insurance cover.

We will be writing to members in the future that are at risk of losing their insurance cover. However, if Club Plus Super is your nominated choice of super fund and your employer is regularly paying your contributions into your Club Plus Super account, then you are not at risk of losing your insurance cover.

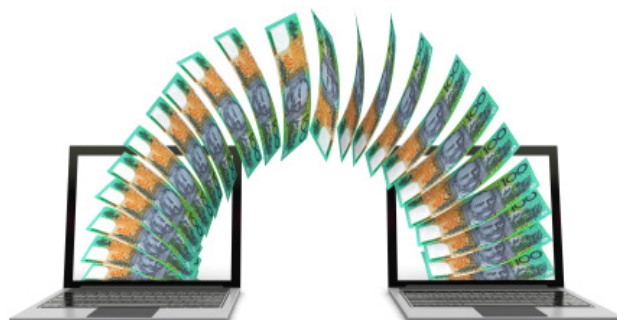
This is not applicable for any members that hold Transition to Retirement (TTR) or Pension accounts as insurance is not available under the pension divisions.

Significant event notice (cont.)

4

Transfer of accounts to the ATO

We are required to transfer 'inactive' members to the ATO to prevent low-balance accounts from being eroded due to fees and to prevent members with multiple superannuation accounts from paying multiple fees for multiple accounts. The accounts that will be impacted by this unclaimed money process are:



- a) If your balance is below \$6,000 on 30 June 2019, and
- b) Over the past 16 months you have not:
 - changed your investment option or made an investment choice,
 - updated or made a binding beneficiary nomination,
 - made changes to your insurance cover, and
 - opted out of the low balance ATO transfer process.

The first date that this applies is 30 June 2019, with the first transfer to the ATO to take place on 31 October 2019.

The ATO has 28 days after receiving the money to reunite a member's money with the member's active account if the balance of that account is expected to be greater than \$6,000.

Therefore, if you have two active superannuation accounts but only one is being paid regular employer contributions and the 'inactive' account is transferred to the ATO, after 28 days it will be consolidated with your active account and you will then only have one superannuation account.

What does this mean for you?

If you are unsure of how you may be impacted or if you want more information, please contact us or your local member services manager. You can also find information on the government's Money Smart website: moneysmart.gov.au/superannuation-and-retirement/is-your-super-on-target#protect

Significant event notice (cont.)

Other super changes

Work Test Exemption

In the 2018 Federal Budget the government announced a change to the Work Test eligibility for superannuation contributions for recently retired members. Eligible members are exempted from the Work Test for superannuation for one year, allowing recent retirees an opportunity to boost their superannuation balances.

This change ensures individuals aged between 65 to 74 years old with total superannuation balances below \$300,000 to make further voluntary contributions to their superannuation for 12 months from the end of the financial year in which they last met the work test.

Members who meet the Work Test Exemption criteria must declare that they:

- a) Are aged between 65-75 years;
- b) Have met the Work Test in the previous financial year;
- c) Have a total superannuation balance of less than \$300,000 at the end of the previous financial year;
- d) Have not previously relied upon the Work Test exemption to make contributions. This is a change from the current arrangement where individuals aged between 65 to 74 years old must work a minimum number of hours during a particular period in the financial year in order to keep making voluntary contributions to superannuation which is known as the Work Test.

Direct Investment Option (DIO) closure

On 30 April 2019, the Club Plus Super DIO was closed. The DIO was provided by Macquarie Investment Management limited who advised the Trustee that they were ceasing to offer this service. We reviewed the market for an alternative provider but unfortunately implementing a suitable alternative under our current administration arrangement was not possible. All affected members have received communication regarding this change.

We are here to help

If you have any questions regarding this matter or you are unsure whether you will be impacted, please contact us on **1800 680 627** from 8:00am to 6:00pm AEST Monday to Friday.



Stefan Strano
CEO
Club Plus Super