



Protecting Your Superannuation Package

Updated 13 June 2019

It is important for us to let you know that one or more of the changes under the Federal Government's "Protecting Your Superannuation Package" legislation may affect you.

These changes are designed to protect your retirement savings from erosion by fees and premium payments for potentially unwanted insurance.

To help you understand these legislative changes and how they might impact your superannuation, please find details of each of the changes below.

Capped fees for account balances under \$6,000

From 1 July 2019, if your account balance is less than \$6,000 at the end of the income year, the annual **total combined amount** of administration fees, investment fees and indirect costs that can be charged to your account is three per cent of your account balance. A proportionate cap on fees will also be applied if you leave the fund during the year of income and your account balance at the date of leaving is less than \$6,000.

Therefore, if the total combined investment fees, administration fees and indirect costs are in excess of the fee cap and your account balance is less than \$6,000 at the end of the income year, your 2020 Annual Statement will show the excess fee amount as a credit to your account balance.

Withdrawal Fees

From 1 July 2019, Withdrawal fees (also known as Exit fees or surrender penalties) will no longer apply.

Insurance for 'inactive' accounts to be provided on an opt-in basis only

Your super fund will only be able to continue to provide insurance cover, on or after 1 July 2019, if a contribution or rollover has been received into your account in the previous 16 months, or you have specifically opted in to retain your insurance.

If you want your insurance cover to continue even if your account becomes inactive for 16 consecutive months (that is, if your account has not received any contributions or roll overs in that time) then you must **opt-in** to retain your insurance.

To assist you to opt-in and retain your insurance cover, letters have been sent including an Opt-in form for you to send back to us. You can send it to us via the reply paid envelope provided or via email to **InsuranceOptin@cba.com.au**.

If your account has been inactive for 16 consecutive months at 30 June 2019, and we have not received your opt-in notice by 24 June 2019 your insurance cover will be cancelled on the day before the July premium is due to be deducted.

If you need help making a decision about whether to opt in, including getting more information about the impact of changing or keeping your insurance cover, we recommend that you contact your financial adviser.

Inactive low balance superannuation accounts to be transferred to the Australian Tax Office (ATO)

This change requires super funds to transfer to the ATO by the end of October 2019, the balance of all accounts that have been inactive for 16 consecutive months on 30 June 2019 and amount to less than \$6,000.

This is designed to help you consolidate any 'inactive' superannuation accounts you have into your active account. It is expected that this will help improve your retirement savings by avoiding multiple fees.

Your account will be inactive if none of the following transactions have occurred on your account over a continuous 16 month period:

- any type of contribution payment into your account;
- a rollover into your account;
- a switch of your investment options;
- a change of your insurance cover; or
- a binding beneficiary nomination has been made or amended on your account.

Within 28 days of receiving your money, the ATO will try to transfer it to an active super account (an account where ongoing contributions are being made) if you have one, and the transfer would take your total balance to \$6,000 or more. Don't worry, your retirement savings are safe with the ATO and should attract interest while held with them.

Visit ASIC's MoneySmart website at www.moneysmart.gov.au for more information.

Please note:

This document has been prepared for general information only, not having regard to your investment objectives, financial situation or needs. Because of this, you should consider the appropriateness of the information having regard to your own circumstances. Before making a decision to act on any of the information, financial advice specific to you is recommended. You should seek advice from your taxation adviser in relation to taxation matters.

Colonial Mutual Superannuation Pty Ltd ABN 56 006 831 983 AFSL 235025 (the Trustee, we) and The Colonial Mutual Life Assurance Society Limited ABN 12 004 021 809 AFSL 235035 (CMLA) are both wholly owned non-guaranteed subsidiaries of Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945.