

MySuper for Advisers

What it means for you and your clients



MySuper is coming. This booklet is designed to introduce you to our new MySuper Product and help prepare you and your employer clients for the changes which are coming from 1 January 2014.

What is MySuper?

My Super is part of the Government's 'Stronger Super' reforms. From 1 January 2014, if super funds wish to accept Superannuation Guarantee (SG) contributions from default members who have not actively selected their own investment strategy, they'll need to offer a new MySuper Product.

MySuper is intended to be a superannuation product for people who aren't actively involved in their super. It's designed to make super easier to understand, to improve simplicity, transparency and comparability of super funds, with standard features like:

- A single diversified or lifecycle investment strategy
- Life and Permanent Incapacity insurance
- Limited standard fees and no adviser commissions.

Where a super fund member has not previously provided the trustee of their superannuation fund a written direction to invest their contributions in a specified investment option, the person will be impacted by the MySuper changes and their super contributions will be paid into a MySuper product from 1 January 2014.

Key dates for MySuper	
November 2013	We'll write to you and your employer clients with more detailed information on the MySuper changes
November 2013	Information sent to members
From 1 January 2014	Suncorp's MySuper product will be available Members who have not provided a written direction to invest in a specific investment strategy, or elected to opt-out of the MySuper changes, will have their future contributions directed to the new MySuper Product
By 1 July 2017	Government deadline for all accrued default amounts (i.e. a MySuper member's account balance from 31 December 2013) to be transferred to a MySuper product

Our approach to MySuper

At Suncorp we're focused on ensuring we have the best possible product for you and your employer clients and their employee members. Our MySuper Product will ensure employers continue to meet their superannuation obligations. We also want to make sure the transition is as smooth and simple as possible for everyone involved.

We've already been granted a MySuper Authorisation by the Australian Prudential Regulatory Authority (APRA). Our Suncorp Everyday Super™ product is already MySuper compliant and we're working on ensuring all our other eligible superannuation products are MySuper ready by 1 January 2014. Our MySuper product will then replace the current 'default' investment option for many of our super products.

Our MySuper Product will be simple and easy to understand. It will offer competitive fees and minimum levels of death and permanent incapacity insurance cover and a new Lifestage approach to investing – this provides a more effective and low-cost solution than a 'one size fits all' single balanced default investment option.

Introducing the Suncorp Lifestage Fund

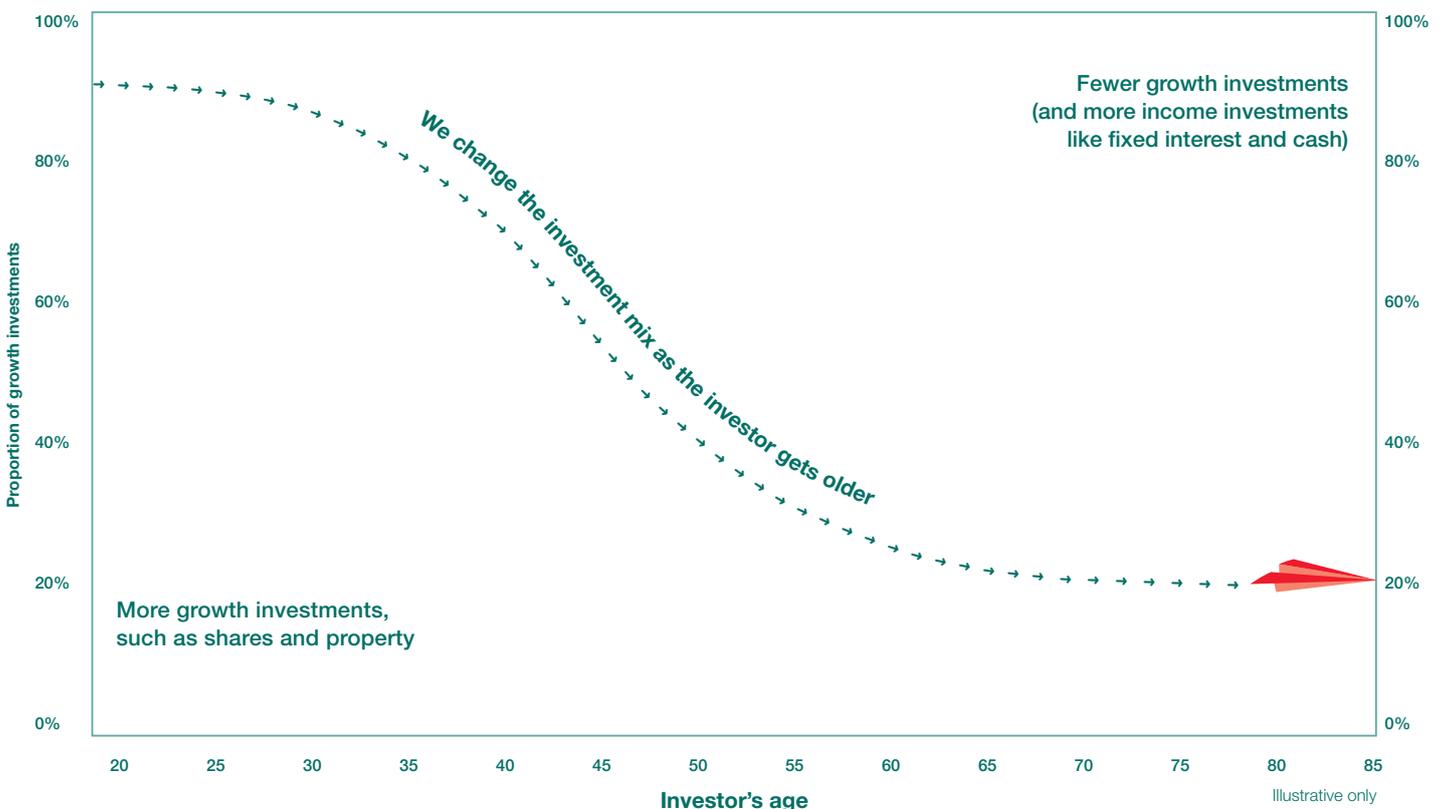
Our MySuper product will invest in the Suncorp Lifestage Fund. The fund was created with our investment partner Ibbotson Associates Australia Limited, a world leader in investing. They bring together the skill and expertise of a number of quality investment managers from Australia and around the world – making super investing easy.

How does the investment strategy work?

Using our Lifestage approach, we'll allocate a diversified investment mix determined by the member's age and automatically change the mix over time. So, when someone is younger, we'll put more of their money in growth-oriented investments such as shares and property. As they get older, we'll put more of their money in income-oriented investments – such as fixed income, infrastructure and cash – better suited to investors with shorter term horizons. The emphasis changes from capital growth to capital preservation and income as they get older.

The illustration below shows how this works.

How we invest with the Suncorp Lifestage Fund



Strategic asset allocation tailored to the customer's lifestyle

When we receive a contribution from a customer, unless they choose otherwise, it will be invested in the Suncorp Lifestage Fund for their year of birth. For example, if a customer was born in 1982, they'll be invested in the Suncorp Lifestage Fund 1980-1984.

The table below shows you the detail behind the Suncorp Lifestage Fund: the strategic asset allocation and changing mix of income and growth-oriented investments for each age range.

How we invest money in the Suncorp Lifestage Funds											
Year of birth	Standard Risk Measure	Recommended minimum time to keep the investment	Strategic Asset Allocation (This shows the percentage of money that we put into each type of investment. They add up to 100%.)*								
			Income investments (%)					Growth investments (%)			
			Cash	Aus fixed interest	Intl fixed interest	Infrastructure	Total income	Property	Aus shares	Intl shares	Total growth
1995-1999	6 – High	10 years +	1	4	4	1	10	18	36	36	90
1990-1994	6 – High	10 years +	2	5	4	1	12	19	37	32	88
1985-1989	6 – High	10 years +	3	5	4	1	13	20	38	29	87
1980-1984	6 – High	10 years +	2	6	5	1	14	21	39	26	86
1975-1979	6 – High	10 years +	4	9	6	1	20	21	37	22	80
1970-1974	5 – Med to high	10 years +	6	13	9	2	30	20	33	17	70
1965-1969	5 – Med to high	10 years +	10	20	12	2	44	17	27	12	56
1960-1964	4 – Med	10 years +	15	26	14	3	58	13	21	8	42
1955-1959	4 – Med	10 years +	19	31	15	3	68	11	16	5	32
1950-1954	3 – Low to med	7 years +	22	34	15	4	75	9	13	3	25
1945-1949	3 – Low to med	5 years +	24	36	15	4	79	8	11	2	21
1940-1944	3 – Low to med	5 years +	24	37	14	4	79	8	11	2	21
1935-1939	3 – Low to med	5 years +	27	37	12	4	80	8	11	1	20
1934 and earlier	3 – Low to med	5 years +	27	37	12	4	80	8	11	1	20

† These percentages can vary to allow our investment manager to maintain the long-term objective of each Suncorp Lifestage Fund. To keep things simple, we've rounded these numbers up or down to the nearest full one per cent, and where the resulting totals haven't added up to 100 per cent, we've adjusted cash.

A range of choices

In addition to the new MySuper Product, our superannuation plans will continue to offer a wide range of investment options for members who want to make an active choice around their super, with your help. For more information on the range of investment options for our superannuation products, you should refer to the relevant PDS.

Insurance within MySuper

We will offer minimum levels of Death and Permanent Incapacity insurance cover for new members in the MySuper product within our super funds. For our employer plans, we will be reviewing the benefit designs to ensure they meet the required legislative minimums. For those employers that do not have the required minimum, we will write to you and the employer to let you both know of the new plan minimum if it needs to be increased.

The minimum levels of insurance cover are designed to provide members and their family with greater financial security. They won't need to provide medical evidence and can opt out of the insurance cover at any time. There will be some exceptions. For example, under our Everyday Super product pre-existing conditions may not be covered and across our product range some high risk occupations won't receive the minimum death cover.

If a member currently has insurance cover, this will continue and their insurance fees (previously called insurance premiums) will be deducted from their non-Lifestage investment option(s). Once a member no longer has sufficient funds available in their non-Lifestage investment option(s) investments, their insurance fees will be paid directly from their Lifestage investment option.

Please note that as per the MySuper reforms, adviser remuneration can't be paid on any insurance fee deducted from the Suncorp Lifestage Fund.

If a member does not currently have any insurance within their super account, they may be eligible to apply for cover. Normal underwriting rules will apply.

Because of the required legislative changes, we will be doing an additional review to the employer plans sums insured and premiums as at 1 January 2014. There will be no requirement for extra data from you or the employer. We will be utilising the salary information from the employer's last annual review. However, this will mean your members will receive an additional review letter detailing their sums insured and premiums as at 1 January 2014.

MySuper pricing

As part of the MySuper reforms, we're required by law to change the way we charge and describe our fees. One of the objectives of MySuper is to offer a standard fee structure which applies to all members.

Our Suncorp MySuper Lifestage Fund investment option is designed to be cost effective, with no entry, exit or switching fees charged to customers and a simple fee structure, making it very competitive. The following table shows the fees and costs associated with investments in the Suncorp Lifestage Fund:

Type of fee	Amount	How and when paid
Investment fee	0.20% pa	This fee is included in the daily unit price calculation for the Suncorp Lifestage Fund.
Administration fee	\$1.50 per week (charged as a monthly fee of \$6.50)	This fee applies to all of the member's account, not just the Suncorp Lifestage Fund. We'll deduct this fee each month by withdrawing units from the member's account on or around the 28th of each month. If the member also has money in Choice investments, they'll only pay one administration fee. This fee will be deducted monthly from the member's investment in the Suncorp Lifestage Funds providing there is sufficient balance to cover the amount. If there is not sufficient balance, it will be deducted in full from the member's other investment options.
	0.65% pa	This fee is included in the daily unit price calculation for the Suncorp Lifestage Fund.
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Exit fee	Nil	Not applicable
Performance fees	Nil	Not applicable
Advice fees	Nil	Not applicable See below for more information on advice fees
Insurance Fee	Depends on the member's personal circumstances	This fee will be deducted from their non-Lifestage investment option(s). Once a member no longer has sufficient funds available in their non-Lifestage investment option(s) investments, their insurance fees will be paid directly from their Lifestage investment option.

NB: The Indirect Cost Ratio (total fees charged through the Suncorp Lifestage Fund unit price) is 0.85% pa. This includes the 0.20% pa investment fee and 0.65% pa administration fee.

Detailed information on fees and costs will be included in the MySuper Information Guide which advisers and their impacted employer and member clients will receive in November. Individual members impacted by the changes will also receive a personalised letter with the Guide, with details on the fee changes specific to their account.

Fees and commissions

The MySuper legislation introduces a number of particular requirements relating to conflicted remuneration and superannuation, which operate alongside the FoFA reforms.

Commissions on MySuper

Under the MySuper legislation, from 1 January 2014, there will be no conflicted remuneration payable in a MySuper product.

Existing accrued default amounts held in the current default investment option for a member must be transferred to a MySuper product before 1 July 2017. Existing commission arrangements in respect of those amounts can continue until they are transferred to the MySuper product before 1 July 2017.

If a member's accrued default balance (accumulated super balance) is transitioned to MySuper, adviser commissions on those amounts will cease. If the member makes a subsequent investment choice and ceases to be MySuper member, commissions will not recommence. Under FoFA, this would be considered a 'new arrangement' and any conflicted remuneration would be banned.

Commissions on 'Choice' members

Existing members of corporate super plans who have chosen their investment strategy for contributions (and that strategy is not 100 per cent in the current default investment option), are deemed to be 'choice' members and not MySuper members. If a member is a 'Choice' member, commission will continue on contributions until FoFA's grandfathering arrangement starts in July 2014.

From 1 January 2014, new or existing members who make new investments into Choice options will continue to pay trail fees under current arrangements. From 1 July 2014, the new FoFA rules will apply to new members joining after that date.

Existing choice members may also be affected by the transition to MySuper requirements if they hold 100 per cent of their investments in the option that has been the plan default investment option. Unless the member provides a written investment direction, these accrued default amounts will transfer to MySuper by 2017. Any adviser commission attributable to that amount would then cease.

Fees and commissions on new members

New members from 1 July 2013 will be joining the corporate/employer plan under the new industry-wide requirements to un-bundle administration and member advice fees. This means that commissions will no longer apply to contributions and investments for any new corporate/employer members, whether they join as a 'choice' member, or as a MySuper member. However for new 'choice' members, advisers will be able to charge adviser service fees as agreed with the member.

Advice fees on MySuper

A MySuper member can authorise us to pay a fee for personal advice to their financial adviser (agreed by us) and have the fee charged to their MySuper investment. It can only be a one-off fee and may be either a dollar or percentage amount.

Financial advice fees that don't relate to the member's superannuation can't be deducted from their super account.

What do your employer clients need to do?

Your employer clients don't need to do anything right now.

Our MySuper product will be fully compliant, ensuring they meet their compliance obligations from 1 January 2014. We'll do most of the work to implement the changes – ensuring there's minimum impact on their day-to-day operations and their employees.

We will be writing to them in November 2013 with details on the MySuper Product and to let them know details of the changes and what they and their employee members need to do. We'll also send information packs to their employee members, so they understand what is happening, what to consider and what they may need to do.

Obviously, we'll share with you ahead of time whatever information we're providing to employers, so you are clear on what's happening and can support them during the move to the new environment.

What do employee members need to do?

Who is impacted?

Under the new MySuper legislation, where a member **has not** previously provided us with a written direction to invest their contributions in one or more specified investment options, they **will be impacted** by the MySuper changes and their contributions will be directed to a MySuper account and invested in the Suncorp Lifestage Fund from 1 January 2014.

If your client **has** previously provided us with a written direction – they **will not be impacted** by the MySuper changes.

What are the options for clients affected by MySuper?

If your client **has not** previously provided us with a written investment direction, they **will be impacted** by the MySuper changes and we will be writing to them with detailed information in November.

Here is a quick summary of the options available to them.

Client's intention	What they need to do
Client is happy for their contributions to be directed to a MySuper account from 1 January 2014	No action required. From 1 January 2014 we will direct their contributions to our MySuper product.
Client wants to continue to have their contributions invested in their current investment option i.e. they do not want their super contributions to be directed to a MySuper account from 1 January 2014	Complete and return the Investment Choice Form on our MySuper web page at www.suncorp.com.au/mysuper
Client wants to make a new investment selection in one or more of the investment options available in the fund	Complete and return the Investment Change Form for their super product found on the forms page of our website.

We will be writing to impacted members in November 2013 to let them know details of the changes and what they need to do. They will receive a detailed MySuper Information Guide, a personalised cover letter, and an Investment Choice Form which can be used to 'opt-out' of the MySuper changes i.e. if they do not want their super contributions to be directed to a MySuper account from 1 January 2014.

MySuper – how it stacks up

Making it easy – a simple, easy to understand MySuper account for employers and their employee members

Competitive fees and no commissions – means more of the members' money is working harder

Simple, low cost insurance – with no medical evidence required, giving employee members and their families the financial security and peace of mind when they need it #

Investing made easy – our new Lifestage Fund will automatically adjust investment strategy to suit an employee's stage of life

World-leading investment expertise – access to leading investment managers from Australia and around the world

Great support for businesses – services like Suncorp EASE™ make managing super easy for employers, meaning more time for running the business

Comprehensive member support – access to information, education and advice to help employee members make the most of their super

There will be some exceptions. For example, pre-existing conditions may not be covered and some high risk occupations won't receive the minimum death cover.

Need to know more?

We will be writing to you in late October with full details on our MySuper product and what these changes mean for your employer clients and their employee members.

For more information about the MySuper changes or Suncorp's MySuper product, contact your Suncorp Superannuation Business Development Manager. Or visit our website at www.suncorp.com.au/mysuper - where you'll find MySuper information booklets for members and employers which you are welcome to download and use with clients.

If there's anything else you need to know, please call our Customer Service team on 1800 066 745 between 8am and 6pm (Eastern Standard Time) Monday to Friday. We'll be happy to help.

Important information

This information is current as at 30 September 2013 and may be subject to change. This information is general advice and doesn't take into account a person's objectives, financial situation or needs. A person should consider the appropriateness of the advice and the Product Disclosure Statement (PDS) available at www.suncorp.com.au before making any decision about this product. This product is not a bank deposit or other bank liability. Products and services are provided by different entities in the Suncorp Group and each entity is not responsible for, does not guarantee and is not liable in any respect for products or services of other Suncorp entities. Suncorp Portfolio Services Limited ABN 61 063 427 958 AFSL 237905 RSE Licence No L0002059 is the issuer and the trustee of the products referred to above.