

WA SUPER NEWS

Important changes from 1 July 2019 to Super and Insurance

There are some important changes that may affect your WA Super membership. These changes include updates to our fees and how we manage low balance accounts and insurance cover.

PROTECTING YOUR SUPER

The Federal Government's Protecting Your Super (PYS) legislation is effective from 1 July 2019 and is designed to prevent insurance premiums and fees unnecessarily eroding super balances for those members with inactive or inactive low-balance accounts.

The new legislation covers several changes including:



changes to fees



cancelling insurance for inactive members



inactive low-balance accounts transferred to the Australian Taxation Office (ATO)

1. FEES

EXIT FEES

From 1 July 2019, exit or withdrawal fees will no longer be charged, regardless of your account balance. This means that if you request a partial or full benefit payment or roll out to another superannuation fund from your Super Solutions account, no exit or withdrawal fees will be payable. Activity fees for Financial Hardship and Family Law applications still apply. All investment switch fees were removed from 5 November 2018.

FEE CAP FOR LOW-BALANCE ACCOUNTS

From 1 July 2019, if your account balance in respect of each of your MySuper product or choice product is less than \$6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and certain indirect costs charged to you is capped at 3% of the account balance relating to the MySuper product or choice product. Any amount charged in excess of that cap must be refunded to your account by 30 September each year.

If any of your account is invested in the MyWASuper option, that component is considered to be a "MySuper product". If any of your account is invested in any or all of our other investment options, excluding the MyWASuper option, then the aggregate of your investment in these options is considered to be a "Choice product".

If you are invested in both MyWASuper and any other investment option, then you are considered to have both a MySuper product and a Choice product.

For example, if your account balance for your MySuper product is \$4,000 on 30 June, the total administration and investment fees and any indirect costs charged to you in respect of that account balance for that financial year will not exceed 3% of your balance, i.e. \$120.

2. INSURANCE

CANCELLATION OF INSURANCE FOR INACTIVE ACCOUNTS

From 1 July 2019, WA Super cannot offer or maintain insurance cover to members whose accounts have been 'inactive' for more than 16 consecutive months, unless they have elected to maintain their cover.

An account is considered 'inactive' if it has not received any contributions or rollovers in the last 16 months, regardless of the account balance or your employment status. We have contacted members whose accounts have been 'inactive' for more than 6 consecutive months as at 1 April 2019, to enable them to elect to retain their insurance cover.

You can elect to retain your insurance by completing the online opt-in form at: www.wasuper.com.au/insurance-confirmation-form.

From 1 July 2019 if you have insurance cover but have not opted-in to retain your cover, we will contact you when your account is inactive for each of 9, 12 and 15 months and provide information explaining your insurance options.



3. TRANSFER OF INACTIVE, LOW-BALANCE ACCOUNTS TO THE AUSTRALIAN TAXATION OFFICE (ATO)

From 1 July 2019, if your account balance for a MySuper or choice product is less than \$6,000, you have not met a condition of release and you have not received a contribution or roll over for 16 months, the account for that product will be classified as 'inactive low-balance'. Your account balance in respect of that MySuper or choice product will be transferred to the ATO on either 31 October or 30 April each year for consolidation. Once the ATO receives the money, it will try to transfer it to your active superfund (if you have one) if the joint balance in that active superfund will be greater than \$6,000, otherwise the money will be maintained by the ATO.

If you do not want your money transferred you can advise the ATO that your account is not an inactive low-balance account by completing [the ATO form](#) on our website and returning it to us.

Your account will not be considered 'inactive low-balance' if during the same 16 month period you do any of the following:

- make a contribution or rollover into your account, this includes employer contributions;
- change or opt-in to retain your insurance cover;
- change your investment option; or
- make or amend a binding beneficiary nomination.

We will notify you if your account becomes an inactive low-balance account.

If you have any questions about any of these changes, please contact us on (08) 9480 3500 or at info@wasuper.com.au. We're here to help.

The information in this document is general information only and doesn't take into account your personal financial situation or needs. You may wish to consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances. Before making a decision about WA Super, you should consider our Product Disclosure Statement available at wasuper.com.au or by contacting us.

Significant event notice | Issued 27 June 2019

WA Local Government Superannuation Plan Pty Ltd ABN 64 066 797 162, AFSL 269006, as Trustee for WA Local Government Superannuation Plan ABN 18 159 499 614

2

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