

1 July 2019

Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019

The Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019 (“the Act”) comes into effect from 1 July 2019 and includes the following key changes to the superannuation industry:

- Total administration and investment fees and indirect costs to be capped at 3% of Member account balance (as calculated at the end of the fund year) for accounts with a balance below \$6,000.
- Exit fees to be banned for all MySuper and choice Member accounts, commencing 1 July 2019.
- All Member accounts that have balances less than \$6,000 where the member has not interacted with (contributed to, switched investment options, nominated a binding beneficiary, purchased or changed insurance, etc.) in the past 16 months as of an unclaimed money day pursuant to the Superannuation (Unclaimed Money and Lost Members) Regulations must be reported to, and transferred to, the ATO by the next scheduled statement day, from 30 June 2019.
- Superannuation Fund Trustees must not purchase or maintain insurance for Member accounts that have not received contributions for the past 16 months (Inactive accounts), unless the member has specifically elected otherwise.

Product Disclosure Statement changes

The Act also includes changes that are to be made to the Product Disclosure Statement and other documents incorporated by reference (the PDS) and given to members from 1 July 2019, reflecting the legislative changes described above on the next rollover of the PDS and Guides.

In the Defined Fees section of the PDS:

- Delete the reference to ‘an exit fee’ contained in the definition of each of the following terms: Activity Fee, Administration Fee and Advice Fee.
- Delete the existing definition of Exit Fee and substitute with – ‘An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member’s interests in a superannuation entity.’
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Updated disclosure in Fees and Costs section and table from 1 July 2019

- Entry fees and exit fees cannot be charged
- Exit fee row will be removed in the Fee table
- Extra footnotes will be added relating to the 3% cap on administration fees, investment fees and indirect costs for account holdings below \$6,000 and the need to refund any excess fees charged above this cap.

Inactive Accounts and Insurance Changes

The superannuation Fund cannot purchase or maintain Insurance policies for Inactive Member accounts – that is, accounts that have not received contributions for a period of sixteen (16) months. These contributions may take the form of a personal contribution, an employer contribution, or a rollover into your member account.

Member accounts that have not received contributions for the last consecutive 16 months to 30 June 2019 must have their Group Insurance covers cancelled unless the Member has specifically confirmed with a formal advice to the Fund that they wish to retain their current insurance cover.

Insurance cancellations for Members who have not received a contribution or rollover in the last consecutive 16 months will take effect from 1 July 2019. Insurance covers and Insurance premiums will be deducted from your member account up until the date of cancellation.

Reinstatement of Insurance Cover - Special Offer (1 July to 30 September 2019)

Given the short notice provided on the changed legislation, the Insurer to the Fund, Hannover Re have provided a special offer of reinstatement to Members up until 30 September 2019.

From 1 July 2019, an Eligible person can apply to reinstate the same type and level of Insured Cover, from the date cover ceased provided that:

- (a) They remit a contribution sufficient to reinstate cover from the date they became *Inactive*, and
- (b) They were *At Work* on the date the contribution is received, and
- (c) They are not applying for, entitled to, or has not been paid a total and permanent disablement benefit from any superannuation fund or life insurance policy, and
- (d) They are not applying for, entitled to, or has not been paid a terminal illness benefit from any superannuation fund or life insurance policy.

Prior to 1 October 2019, where the above requirements are met cover will recommence from the date it ceased due to being *Inactive*, provided that;

- (i) Any restrictions, conditions, exclusions or premium loadings that were imposed on the *Insured Person's* cover immediately before the date cover ceased due to being *Inactive*, will continue to apply to the cover from the date the cover recommences, and
- (ii) Any *New Events* terms which applied prior to reinstatement will continue to apply for the intended period of *New Events* during which cover has been provided.

Where requirements (a), (b), (c) and (d) above are not met or an *Eligible Person* applies to reinstate cover after 1 October 2019 all reinstatement of cover will be subject to clause 8.3 (Reinstatement of insured cover) with full Underwriting required to re-establish insurance cover.

Applying for reinstatement of Insurance Cover after 1 October 2019

From 1 October 2019, where an Inactive Member's insurance cover has ceased as a result of being an Inactive Member, an application for reinstatement of cover may be applied for by forwarding to the Fund a completed and signed:

- Opt In form; and
- Personal Statement to have medical underwriting completed.

These forms can be located in the Secure Online Portal within the FAQ/Forms tab

Maintaining your Insurance Cover and active Membership

What you can do to maintain your Member insured cover or retain your active Membership in the Fund

- Make a contribution or rollover into your account before your Member account becomes inactive for a continuous period of 16 months

- Inform the Fund of your intention to retain insurance by making an election in one of the following ways:
 - By emailing the Fund, including your Member number, full name and date of birth, and specifying that you consent to maintain all of your existing insurance cover in the event that your Member account becomes inactive for a continuous period of 16 months.
 - By completing a Member election form, obtained by phoning or emailing the Fund

Notes:

- The fund must receive the election, contribution or rollover before your Member account becomes inactive for a continuous period of 16 months to maintain insurance covers.
- Fees and charges may apply when rolling over monies from another super fund, and benefit entitlements including insurance cover may be cancelled.

Communications

A communication providing notice and details on the Protecting Your Superannuation Package Act 2019 was forwarded to Members in early May 2019.

Further communications will be forwarded to Members (electronically or by mail) on a regular basis, at 9 months, 12 months, and 15 months, as well as at the time of any cancellation of Insurance cover.

Information on request

This information flyer and insurance covers opt in forms are available on the Fund website www.brightday.com.au, via the Secure Online Portal and/or by contacting Member Services on 1800 857 680 or by emailing help@brightday.com.au.

Information relating to the (Protecting Your Superannuation Package) Act 2019 outlined in this notice is not materially adverse information, may be subject to change from time to time and may be updated from time to time by notification on the Funds website and/or Members and Advisers Secure Online Portal, or in the Funds Product Disclosure Statement and Guides. Access to the Funds website or Secure Online Portal is available at any time.

This Update is issued by Diversa Trustees Limited (ABN 49 006 421 638, AFSL 235 153, RSE License No. L0000635) as Trustee of the MAP Superannuation Plan and MAP Pension Plan which are superannuation products within MAP Superannuation Plan ABN 71 603 157 863 RSE R1001587 (the Fund), which is Division II of The MAP Master Superannuation Plan. Complete Super is an accumulation superannuation product offered through the MAP Superannuation Plan, and this flyer should be read together with the Complete Super Product Disclosure Statement (PDS), which can be found at www.brightday.com.au.

The information contained in this update is general information only and doesn't take into account your personal objectives, financial situation, needs or circumstances. Before acting on this information, you should consider its appropriateness, having regard to your personal objectives, financial situation, needs and circumstances. Before you make any decision about whether to acquire or continue to hold the product or an investment available in the Fund, you should consider the PDS and other associated documents referred to in the PDS. The PDS and any associated documents incorporated by reference can be found at www.brightday.com.au, by calling 1800 857 680 or emailing help@brightday.com.au.