

<Date>

<Title> <Given Names> <Last Name>

<Address Line 1>

<Address Line 2>

<Suburb> <State> <Postcode>

Member number: <1234567890>

Dear <First Name Mail>

SIGNIFICANT EVENT NOTICE - 'PROTECTING YOUR SUPER' PACKAGE

The Federal Government's 'Protecting Your Super' package comes into effect on 1 July 2019. The package, which includes rules regarding fees, inactive accounts and insurance has been designed to protect Australians' super savings from unnecessary erosion by fees and insurance costs.

These changes mean we will need to change the way we administer some members' accounts.

These changes, shown in *italics*, and how we will implement them are detailed below.

Changes to insurance

Accounts with no contributions or rollovers for a continuous period of 16 months, will lose insurance cover unless you opt-in to keep your cover.

From 1 July 2019, your insurance will be cancelled if your account has not received a contribution or rollover for a period of 16 continuous months. If your account is at risk of losing insurance cover, you will already have received a communication from us advising that this is the case and what you need to do if you would like to retain your cover.

Ongoing, we will advise all members whose account has not received contributions or rollovers at the 6, 12 and 15-month mark providing you with the opportunity for you to keep your cover if you wish.

Insurance is an important element of your super account. It is important to note however, that insurance premiums are deducted from super balances which can reduce the amount of money available for retirement.

If you have a low account balance, or you are no longer receiving contributions to your account, you should consider if maintaining insurance cover is right for you. If you would like information about insurance in super, please visit ASIC's MoneySmart website moneysmart.gov.au or speak to a licensed Financial Adviser.

If you wish to maintain your insurance cover, you can do any of the following:

- Login to your secure MemberOnline account and elect to keep your insurance cover

OR

- Complete and return an *Election to Maintain Insurance Form* (available at www.primesuper.com.au)

OR

- Contribute to your account, or rollover funds from another super fund into your Prime Super account,

before your account has been inactive for a continuous 16-month period.

Changes to fees

There will be a 3% cap on administration and investment fees on accounts with balances below \$6,000.

From 1 July 2019, Prime Super will not charge administration fees to members with balances below \$6,000.

As at 30 June 2018, all investment options had investment fees of less than 3%. However, to ensure that this requirement is managed into the future, from 1 July 2019 members will only be able to invest or remain in the Property and Alternatives investment options if they have an account balance greater than \$10,000. For members who could be affected by this change, please see further below.

Exit fees, including fees for part withdrawals, will be banned.

Prime Super removed exit fees on 1 July 2013 so there will be no change to the fees charged as a result of this measure.

Inactive super accounts

Inactive accounts with balances below \$6,000 will be transferred to the ATO

If your account has been continuously inactive for 16 months, you have a balance less than \$6,000 and have not opted-in to receive insurance benefits, it will be transferred to the ATO.

The following events will prevent your account being transferred to the ATO for 16 months:

- Making regular contributions to your Prime Super superannuation account either through your employer or through voluntary contributions;
- Making a change to your investment strategy;
- Making certain changes to your insurance coverage;
- Making or amending a beneficiary nomination; or
- Completing a declaration sent to you by Prime Super and then sending it to the ATO (or Prime Super who will send it to the ATO) stating that you want to retain your benefits with Prime Super.

If you have chosen to keep an amount of money with Prime Super for insurance purposes, you will need to complete an *Election to Maintain Insurance Cover form* (available at www.primesuper.com.au) and send it back to us.

Once your account has been transferred to the ATO, you will no longer be a member of Prime Super and any related benefits you have will cease.

Within 28 days of receiving your money, the ATO will try to transfer your account to an active super fund if you have one. This is likely to be the super fund account to which you make regular payments.

Making contributions to your super

Work Test exemption

If you are aged 65 to 74 years and want to contribute to your super, there are rules you must satisfy. Known as the *Work Test*, the current rules are:

- If you're 65 years or older, we can accept super guarantee payments from your employer.
- From 65 until you turn 75, we can only accept voluntary contributions from you or salary sacrifice contributions from your employer if you have been employed for at least 40 hours over 30 consecutive calendar days during the relevant financial year or meet a Work Test exemption.

In order to prove that you meet the *Work Test* requirements, you are required to complete a *Work Test declaration* for each financial year that you wish to contribute. We will contact you if we think you may be affected by this requirement.

A new exemption has been introduced from 1 July 2019 that will mean you do not need to complete the Work Test declaration if you meet **all** of the following criteria:

- Are aged 65 to 74 years;
- Have met the Work Test in the previous financial year;
- Have a total superannuation balance of less than \$300,000 at the end of the previous financial year; and
- Have not previously relied upon the Work Test exemption to make contributions.

CHANGE OF INSURER

From 1 July 2019, TAL Life Limited will become the Fund's Insurer for Prime Super and Health division members. There will be no change to benefits or premium rates for existing members with current premiums locked in for the next 3 years. This is great news for members given the significant upward pressure on cost across the industry due to the 'Protecting Your Super' changes.

CHANGE TO INVESTMENT OPTIONS

As detailed above, from 1 July 2019, members will only be able to invest in the Property and Alternatives investment options if they have more than \$10,000 in their account.

If you have less than \$10,000 and are invested (either wholly or partially) in Property or Alternatives on 1 July 2019, your investment will be automatically moved to the MySuper investment option.

If you are affected by this change and would prefer to have your money moved to a different investment option or mix of options, please contact us to facilitate this.

Please note that there are no changes to any of our other investment options.

If you wish to change your investment strategy ahead of these changes, you may do so through your MemberOnline account or by completing an Investment Switch Form.

Find out more

We're committed to helping you grow, manage and protect your wealth and retirement income. If you have any questions about this notice give us a call on **1800 675 839** or email administration@primesuper.com.au.

Regards

<signature>

Name

Position