

PRODUCT NEWS AND OTHER IMPORTANT INFORMATION

Super Retirement Fund (SRF)

As at 30 June 2023

Published 18 July 2023



HEALTHIER, LONGER,
BETTER LIVES

Product news

APRA Choice Heatmaps

In recent years the Australian Prudential Regulation Authority (APRA) has introduced a number of measures to track how super funds are performing to improve outcomes for their members. This includes Choice Heatmaps which aim to provide transparency on member outcomes by comparing products across key metrics including investment returns, fees and costs, and product sustainability and includes products in SRF. The Heatmap can be viewed at www.apra.gov.au/choice-heatmap

The Heatmap provides a point in time view of products as at 1 July 2022 and do not reflect more recent fee reductions implemented after 1 July 2022 on products in SRF.

Improving member outcomes continues to be an ongoing priority for SRF and we are actively reviewing opportunities to further reduce fees and improve financial outcomes for members.

Completed transfer of AIA Australia Limited's (AIAA) Superannuation and Investments (S&I) business to Resolution Life Australasia Limited (Resolution Life)

We recently sent you a letter informing you of the sale of AIAA's S&I business to Resolution Life. We are happy to confirm that the transfer is now complete, effective 1 July 2023. This transfer does not change how your product is administered.

Investment changes

Investments are periodically reviewed to identify opportunities that may help enhance the investment returns and to respond to market changes. Changes have been made to a number of investment options over FY22/23.

For full details on investment options available in your product, including the investment strategy and fees go to resolutionlife.com.au/aia/srf-investment-options. This will be available online by 31 August 2023.

Strategic Asset Allocation (SAA) changes

AIA Australia (AIAA) has an ongoing process in place to review the investment strategies, including the Strategic Asset Allocations (SAAs), of our investment options. Following a recent review of our investment options, we have revised the Standard Risk Measure (SRM) risk rating for the following options

- Capital Defensive – from 'Low' to 'Low to Medium'
- Capital Stable – from 'Low to Medium' to 'Medium'
- Macquarie Australian Fixed Income - from 'Medium' to 'Medium to High'

The SRM change is a change in risk classification only, resulting from changes in AIAA's forward-looking capital market assumptions and specifically around Fixed Interest where we see higher volatility in returns from this asset class. There is no change to the investment strategy or actual risk of the above options.

Fee changes

Product fee changes

We've reduced administration fees to help lower the overall fees and costs of some products, and to help improve investment returns effective from 10 December 2022. For more information about these changes and the products impacted, please visit resolutionlife.com.au/aia/srf-admin-fee-changes

We'll continue to review our fees, including administration and investment fees in line with APRA and Trustee expectations.

Pause to fee Indexation

Some member, administration and policy fees are indexed annually, based on Consumer Price Index (CPI), Australian Weekly Ordinary Time Earnings (AWOTE) or Average Weekly Earnings (AWE). Following a review, the indexation of these fees has been paused, with effect from 1 July 2021 and will continue.

Group insurance review

From 1 July 2023, there will be a reduction to group life and Total & Permanent Disablement (TPD) insurance premiums. Furthermore, we've updated TPD definitions which results in a more favourable outcome for members. For more information, please visit resolutionlife.com.au/srf-group-insurance-changes

Retirement Income Strategy

Our Retirement Income Strategy outlines how we intend to help our members, who are retired or are approaching retirement, to achieve a range of retirement objectives, including:

- Maximising your retirement income (taking into account the Age Pension and any other relevant income support payments, such as social security payments or veteran entitlements);
- Managing the risks to the sustainability and stability of your retirement income, including the risk of outliving savings and investment risks at different stages of retirement; and
- Having some flexible access to your savings during retirement.

Our Retirement Income Strategy will continue to evolve over time. To access information on our strategy, including access to tools and calculators to help you assess your retirement readiness and manage your income in retirement, go to resolutionlife.com.au/aia/ric

Inactive Low Balance Accounts

If your account balance is less than \$6,000 and within the last 16 months you have not done any below, then your account may be deemed an inactive low-balance account and transferred to the Australian Tax Office (ATO):

- contributed or received an amount into your account
- changed your investment options
- elected to maintain insurance on the account
- made changes to your insurance coverage
- made or amended a binding beneficiary nomination

In order to prevent the transfer of your funds to the ATO you will need to provide us with a written notice of your election to remain a member of the fund which is valid 16 months only.

If you have already provided a written notice it is important to resubmit this notice every 16 months if you wish to maintain your account with us.

Trustee updates

Member Outcome Assessments

Trustees are required to publish Member Outcomes Assessments (MOAs) that assess superannuation and pension products on a number of metrics including fees and

costs, investment risk and return, claim management, scale and member services.

On 30 March 2022, Equity Trustees Superannuation Limited (the trustee) published its MOAs for SRF products, which can be found at <https://www.eqt.com.au/superannuation/annual-member-meetings-and-member-outcomes-statements>

MOAs reflect outcomes at a point in time as at 30 June 2022 and do not reflect more recent fee reductions implemented after this date on products in SRF.

Improving member outcomes continues to be ongoing priority for SRF and we are actively reviewing opportunities to further reduce fees and improve financial outcomes for members

Annual Member Meeting (AMM)

Your superannuation account is held with the Super Retirement Fund (SRF) and the Fund is responsible for monitoring and managing your account. SRF is overseen by a Trustee who operates in your best interests.

The Trustee has an important role to play in the financial wellbeing of its members and is focused on achieving the best retirement outcomes.

Equity Trustees Superannuation Limited, the Trustee for SRF, held its last Annual Member Meeting (AMM) on 7 February 2023.

The meeting minutes and video recording can be found online using the link below:

[eqt.com.au/superannuation/annual-member-meetings-and-member-outcomes-statements/pagepanels/super-retirement-fund](https://www.eqt.com.au/superannuation/annual-member-meetings-and-member-outcomes-statements/pagepanels/super-retirement-fund)

The AMM for the Financial Year ending 30 June 2023, will occur in early 2024. Further details on the next AMM will be issued to all members by mail.

Legislative changes

The following is a summary of some legislated changes that may relate to your product. To access the full description of these changes, including any qualifying criteria that may apply, please visit ato.gov.au/super

Transfer balance cap increase

From 1 July 2023 the transfer balance cap increases to \$1.9 million.

The transfer balance cap limits the total amount of super you can transfer into a tax-free retirement account over your lifetime. Most pensions and annuities count toward your transfer balance cap. It excludes the age pension, other types of government payments and pensions received from foreign super funds.

If you have any super in retirement phase, you will have a personal transfer balance account, which allows you to check whether you've exceeded your personal transfer balance cap.

The general transfer balance cap is reviewed each financial year and is indexed in line with the consumer price index in \$100,000 increments.

Your own personal transfer balance caps depends on the:

- financial year the transfer balance account commenced
- any increments that have been applied.

\$450 per month threshold for superannuation guarantee eligibility removed

From 1 July 2022, the existing \$450 per month minimum salary or wages threshold that resulted in low income employees not receiving any superannuation guarantee support was removed. All workers, regardless of how much they earn, are now entitled to receive employer super payments.

Increasing the payment frequency of employer super payments

Employers will be required to pay their employees' super at the same time as their salary and wages from 1 July 2026.

New age threshold for downsizers

From 1 July 2023, eligibility for downsizer contributions has been lowered from age 60 to 55, allowing individuals from 55 years of age to contribute up to \$300,000 (\$600,000 for couples) to their super following the sale of their home. Downsizer contribution must be made within 90 days of the sale of the property.

It is important to note that proceeds from the sale of a home that are transferred to super accounts will be included in the asset test for the Age Pension.

The principal place of residence remains exempt from the assets test.

The end of reduced minimum pension drawdown rate

From 1 July 2023, for account based pension, the temporary halving of the minimum drawdown rates ceased.

<https://moneysmart.gov.au/retirement-income/account-based-pensions>

Please contact us if you wish to make any changes to your pension payment amounts.

Investment performance

Details of investment options and their performance are available online at resolutionlife.com.au/aia/srf-annual-performance for the financial year ending 30 June 2022 and will be available online by 31 August 2023.

For a printed version (free-of-charge) please call us on the phone number provided on your annual statement.

Important reminders

Certified ID

To action certain requests, we may need to ask you to provide us with certified proof of your identity.

This is required under certain laws. For details on the acceptable forms of ID and how to have these certified, visit resolutionlife.com.au/aia/how-to-confirm-your-identity

Third Party Authority

You can authorise a third party (individual or adviser) to access information on your account. We're now able to accept Third Party Authority (TPA) requests by telephone with all parties present.

For more information on what's required from you to register a TPA on your account, please contact us on the phone number provided on your annual statement. Please note that your nominated third party will not be authorised to make any changes or withdrawals on your account, and they can only access information.

Power of Attorney

You may appoint a Power of Attorney (POA) on your account to act on your behalf in relation to financial matters, where you're unable to conduct them personally.

Please visit your local government website on how to appoint a POA.

Once your POA has been appointed, please contact us on the phone number provided on your annual statement to register the POA with us on the account.

More information?

For more information about your account and how to make the most of your super go to resolutionlife.com.au/aia/super-contribution-options

If you require a printed version of this document (free-of-charge), please call us on the phone number provided on your annual statement or send an email to au.service@aia.com

Please note: The information in this fact sheet is general information only and does not take into account your individual objectives, financial situation or needs. You should consider the information and its appropriateness, having regard to your own objectives, financial situation and needs, before making any decisions. You should seek professional financial advice tailored to your personal circumstances from an authorised financial adviser. Issued by AIA Australia Limited ABN 79 004 837 861 AFSL 230043 (AIA Australia) and Equity Trustees Superannuation Limited (ETSL) (ABN 50 055 641 757 AFSL No. 229757 RSE Licence L0001458) (Trustee), the Trustee of Super Retirement Fund (SRF) ABN 40 328 908 46. 06/23 – S&I6824