

SIGNIFICANT EVENT NOTICE

Here is some important information about your BUSSQ account

We would like to advise, that from **1 July 2019** there will be some important changes to your BUSSQ account relating to:

- **Protecting Your Super reforms**
- **Inactive Low Balance Transfers**
- **Fees and Charges**
- **Contributions**

Protecting Your Super

Benefits of life insurance through your super

The benefits of life insurance cover through your super, include:

- Automatic cover is provided to many of our members working in high risk occupations where alternative insurance options may be limited or difficult to obtain
- We work with our group life insurer to negotiate discounted bulk insurance rates on behalf of our members
- As we are a profit to members super fund, you only pay for what it costs to provide the life insurance cover, and
- Your insurance premiums are deducted from your super account each month, not your take-home pay – which means premium payments are hassle free.

Your rights to be covered by insurance remain unaffected while you are a BUSSQ member and BUSSQ has a contract of insurance with an insurer. BUSSQ cannot cancel your insurance, even if you get sick or injured.

Protecting Your Super reforms

In February 2019, the Federal Government passed legislation to support the 'Protecting Your Super' reforms introduced in the 2018/19 Budget. The reforms aim to ensure that members with low (under \$6,000) and inactive super account balances (16 months or more), are not unnecessarily eroded by fees and charges. The legislation requires superannuation trustees to:

- Cancel default insurance when an account has been inactive for more than 16 months
- Protect low balance superannuation accounts by capping the fees that can be deducted each year, and

- Allow for the consolidation of multiple accounts that a member may hold (by transferring inactive accounts to the ATO).

From 1 July 2019 BUSSQ will be unable to continue to provide default life insurance cover if your account has been inactive for more than 16 months. Your account is considered “inactive” if:

- We have not received an amount (such as a rollover or contribution) to your account within the last 16 months, and
- You have not communicated with us that you wish to continue to receive life insurance protection irrespective of the fact that your account is considered to be inactive.

To ensure you are kept up to date with the status of your BUSSQ account, we will notify you when your account has been inactive for 9, 12 and 15 months, providing you with ample opportunity to elect to maintain your life insurance protection with BUSSQ.

Alternatively, you can elect to maintain your life insurance cover now by contacting BUSSQ on **1800 MY BUSSQ (1800 69 2877)**.

Your BUSSQ super account may be transferred to the ATO

In order to allow for the consolidation of multiple accounts that a member may hold across several super funds, we are required to transfer “inactive low balance accounts” to the ATO. The ATO will then try and reunite your account with an active account elsewhere. Your account may be transferred to the ATO if in the last 16 months:

- Your account is less than \$6,000
- We have not received an amount (such as a rollover from another fund or a contribution) to your account
- We are not owed an amount in respect of your account
- You have no life insurance cover
- You have not changed your investment options or insurance cover, and
- You have not made or amended a Binding Death Benefit Nomination.

If your account is transferred to the ATO, they will endeavour to reunite this money to another active super account in your name. We encourage you to review your super arrangements and take into consideration that you may no longer enjoy the benefits of a profit to members super fund which generally provides lower fees and better investment returns for members.

If you don't want your account to be transferred to the ATO you can let us know by contacting BUSSQ on **1800 MY BUSSQ (1800 69 2877)**.

Fees and charges

Administration fee

For over 14 years, BUSSQ has kept its administration fee at a low \$1.50 per week.

From 1 July 2019, this administration fee will increase to \$2.25 per week to assist with implementing the legislative changes included within this notice and ensuring we can continue to provide products, benefits and award-winning services that our members expect from BUSSQ.

This fee is calculated weekly and deducted monthly from your BUSSQ superannuation account. This change does not apply to members who only hold an Income Account.

Other Management Costs

This is a fee that's deducted from BUSSQ's earnings before those earnings are applied to your account. This covers the cost of running the investment portfolios and some administration costs of the fund.

From 1 July 2019, part of that fee (the Administration (Trustee) Related Cost) which is currently between 0.15% and 0.17% (depending on which investment option you are invested in) will increase to 0.20% for all investment options.

High Balance Fee Cap

The Administration (Trustee) Related Cost will be capped at \$1,000 per annum if you have combined accounts valued at \$500,000 or more at the end of the financial year.

The excess fees, over \$1,000, will be rebated into your main BUSSQ account, as a credit, in July of the following financial year. To be eligible you will need to be a member at the time the rebate is paid.

For more detailed information relating to this rebate please refer to bussq.com.au.

Capped fees and removal of exit fees (full and partial)

From 1 July 2019 there will be a cap on the amount of administration fees, investment fees and certain costs that can be charged to members with an account balance below \$6,000. This cap is equal to 3% of that member's account balance. These changes protect members with low balances, many of which are inactive, from relatively significant erosion by fees and charges and will be applied if you leave the Fund or at the end of each financial year.

In addition, from 1 July 2019, exit fees on all super accounts, regardless of account balance, will be removed. Exit fees are a disincentive for you to consolidate your super accounts. Consolidation of accounts reduces your exposure to a duplication of fees across multiple accounts and reduces undue erosion of your superannuation savings.

Opportunity to contribute to super after age 65

Change to 'Work Test' eligibility

In the 2018 Federal Budget the Government announced a change to the 'Work Test' eligibility for superannuation contributions for recently retired members over 65 and not working or retired.

The change means that eligible members will not have to meet the 'Work Test' for one year only, allowing them the opportunity to boost their super balance.

From 1 July 2019, providing you are aged 65 to 74 years with total super balances below \$300,000, you can make additional voluntary contributions to your super for 12 months from the end of the financial year in which you last met the 'Work Test'.

If you have any questions relating to the information contained within this notice or require any other assistance with your BUSSQ account please contact us on **1800 MY BUSSQ (1800 69 2877)** and one of our friendly team will be able to help.

Yours sincerely



Linda Vickers
CEO

The information supplied in this Significant Event Notification is general advice only and does not take into account or consider your personal objectives, financial situation or needs. Before acting, you should consider the appropriateness of the information to your needs or seek independent advice from a properly qualified professional. Prepared by BUSS (Queensland) Pty Ltd (ABN 15 065 081 281, AFSL 237860) as Trustee for BUSSQ (BUSSQ Fund, ABN 85 571 332 201). BUSSQ SPIN/USI: BUS0002AU.