



## ANZ SMART CHOICE SUPER IMPORTANT INFORMATION AND UPDATES AS AT 30 JUNE 2023

With so many things vying for your attention these days it's easy to forget your super. But like an old friend, your super will be with you for the long haul and ready for you when it's time for you to enjoy a bit more me-time. So why not take a short break now and catch up one-on-one with your super today? This brochure details the product and legislation updates impacting your super account over the past year, upcoming changes and some other resources we think you'll find useful.

### ANNUAL STATEMENTS AND COMMUNICATIONS ARE NOW ONLINE

In addition to annual statements, your letters are now provided for you to view online. We'll send you an email or SMS when your annual statement and letters are ready for you to view online - unless you have previously opted out. If you're yet to register for online access, register today and join our journey to a sustainable future as we go paperless at [www.anzsmartchoicesuper.ioof.com.au/access](http://www.anzsmartchoicesuper.ioof.com.au/access)

If you wish to opt out or back into digital communications, either log in or call Customer Services on 13 12 87. If we don't have your email address or mobile phone number, we'll continue to send you paper-based communications.



### REGULATORY UPDATES

#### EXPANSION OF THE DOWNSIZER SCHEME

The downsizer contribution is aimed at helping older Australians put part or all the proceeds of the sale of their home into super to boost retirement savings. From **1 January 2023**, the eligible age reduced from 60 years old or older to 55 years old or older.

For full eligibility criteria please speak to your financial adviser or refer to the [ato.gov.au](http://ato.gov.au)

#### TEMPORARY REDUCTION IN MINIMUM PENSION REQUIREMENTS ENDED 30 JUNE 2023

The Government's temporary 50% reduction in minimum drawdown requirements for account-based (allocated) pensions and term allocated pensions over the 2019/20, 2020/21, 2021/22 and 2022/23 financial years ended on **30 June 2023**.

The measure was implemented to assist retirees by reducing their need to sell investments to meet minimum payment requirements over a period when market prices may have been under pressure.

If you had previously elected the minimum draw-down rate, we automatically applied the increased minimum to your account from **1 July 2023**. This meant from 1 July 2023, you've been receiving a higher pension payment.

To make a change to your pension payments, contact your adviser or call us.

## CHANGES TO CONTRIBUTIONS CAPS AND THRESHOLDS

Caps and thresholds	Up to 30 June 2023	From 1 July 2023	Change
Concessional contributions cap	\$27,500	\$27,500	–
Non-concessional contributions cap	\$110,000	\$110,000	–
Low-rate cap threshold	\$230,000	\$235,000	↑
CGT small business cap	\$1.650 million	\$1.705 million	↑
Government co-contributions lower income threshold	\$42,016	\$43,445	↑
Government co-contributions upper income threshold	\$57,016	\$58,445	↑
General transfer balance cap	\$1.7 million	\$1.9 million	↑



## INVESTMENTS

### ONEPATH CAPITAL STABLE – CHANGE TO STRATEGIC ASSET ALLOCATION (SAA) CASH RANGE

Each year the Investment Research Team reviews the strategic asset allocation benchmark and ranges of the OnePath Capital Stable investment option (closed to new members).

Following the latest annual review, we've decided to increase the SAA range for the cash asset class from 17%–39% to 0%–70%.

This change was made as it was considered that in the current market environment an increased SAA range for cash would permit better management of risks associated with fixed income investments by allowing greater flexibility in amount of funds that could be allocated to cash.

The table below sets out the investment option's new SAA ranges effective from **28 October 2022**.

OnePath Capital Stable*				
Asset Allocation <sup>†</sup> Asset Class	New investment SAA ranges (from 28 October 2022)		Previous investment SAA ranges	
	Benchmark (%)	Range (%)	Benchmark (%)	Range (%)
Cash	30	0–70	30	17–39
Australian fixed interest**	30	10–47	30	10–47
International fixed interest**	20	0–38	20	0–38
Australian property securities	1.5	0–5	1.5	0–5
Global property securities	1	0–5	1	0–5
Australian shares	10	2–15	10	2–15
International shares	2.5	0–7	2.5	0–7
Alternative investments <sup>‡</sup>	5	2–7	5	2–7

\* The fund may occasionally move outside of these ranges, and in these circumstances, we will seek to rebalance the fund within a reasonable timeframe.

† The maximum allocation to growth assets for the OnePath Capital Stable Fund is 20%.

\*\* Fixed interest may include exposure to government, corporate, inflation protected and/or other securities.

‡ The Alternative investments portfolio may include investments such as alternative credit, hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days).

## FUND UPDATES

Changes were made to the following funds:

Fund	Change	Date effective
Nikko AM Blue Chip Imputation	Nikko AM Blue Chip Imputation Fund changed its name to Tyndall Blue Chip Imputation.	July 2022
OnePath Emerging Companies	The underlying investment manager of OnePath Emerging Companies Fund changed from Karara Capital to Acadian Asset Management.	August 2022
OnePath Alternatives Growth Fund	<p>The underlying investment funds of the OnePath Alternatives Growth Fund changed with the removal of GMO Systematic Global Macro Trust and the Man AHL Alpha (AUD) Fund. These funds have been replaced with the addition of the following new funds:</p> <ul style="list-style-type: none"> <li>• Keynes Dynamic Beta Strategy (Offshore) Fund</li> <li>• One River Systematic Trend SP Fund</li> <li>• One River Systematic Alternative Markets Trend SP Fund.</li> </ul> <p>The fund will also allocate to cash, as appropriate, to a Cash fund managed by the Insignia Financial Group.</p>	June 2023

## UPDATED STANDARD RISK MEASURE

For details on how Standard Risk Measure works, please refer to the Product Disclosure Statement available at [www.anz.com/smartchoicesuper](http://www.anz.com/smartchoicesuper)

### Updated Standard Risk Measures

Option Name	Previous Risk Band	Previous Risk Label	Current Risk Band	Current Risk Label	Change
ANZ Smart Choice 1950s	6	High	5	Medium to high	↓
ANZ Smart Choice Australian Fixed Interest	4	Medium	5	Medium to high	↑
ANZ Smart Choice Cash	2	Low	1	Very Low	↓
ANZ Smart Choice Conservative	5	Medium to high	4	Medium	↓
ANZ Smart Choice OnePath Cash	3	Low to medium	2	Low	↓
Bentham Global Income Fund	6	High	5	Medium to high	↓
OnePath Geared Australian Shares Index	7	Very High	6	High	↓
Schroder Real Return Fund	5	Medium to high	4	Medium	↓



## FEE CHANGES

### CHANGES TO INVESTMENT FEES AND COSTS, PERFORMANCE FEES AND TRANSACTION COSTS

Investment fees and costs, performance fees and transaction costs for each investment fund offered through your product for the year ending 30 June may have changed from those that applied in the previous year. You can view the investment fees and costs, performance fees and transaction costs that applied to your investment in the 'Fees and costs deducted from your investment' section of your Annual Statement.

From **30 November 2022** ANZ Smart Choice Growth, ANZ Smart Choice Moderate and ANZ Smart Choice conservative investment fees were reduced from 0.5% p.a to 0.4% p.a.

Please also note buy-sell spreads have been updated to 0.04% p.a across all Lifestage investment options starting from **17 July 2023**.

To view the investment fees and costs, performance fees and transaction costs for all funds, please refer to the relevant Product Disclosure Statements available at [www.anz.com.au/smartchoicesuper](http://www.anz.com.au/smartchoicesuper)

## LEVIES AND EXPENSE RECOVERIES

Where appropriate, levies and expense recoveries are deducted annually to recover some of the costs related to the running of the Retirement Portfolio Services super fund.

The cost of this levy for the 12 months to 30 June 2023 has been passed on by OnePath Custodians Pty Ltd (the Trustee) of the Retirement Portfolio Service superannuation fund (the Fund) to its members as a 0.007% p.a. charge applied against the investments of the Fund on 24 February 2023. This deduction did not

include cash investment options and guaranteed products (which do not have a unit price).

To illustrate the impact of this deduction, for a member of the Fund with a \$50,000 balance, the cost of this deduction would be \$3.50.

Levies and expense recoveries are expected to increase to 0.02% p.a for the year ended 30 June 2024. The actual levy charged will be confirmed as part of next year's annual statement.



## INSURANCE

### YOUR ANNUAL INSURANCE CHECK-UP

You may already have insurance cover with your super—but perhaps it's been a while since you checked if it's still the correct type and amount for you right now. After all, things change, and your insurance can change with it.

Take our easy check-up on your insurance cover:

✓ **Do you know how much and the type of cover you have?**

Your Annual Statement will have all the details (you can also log in to your online account to find out at any time).

✓ **Have you got more than one insurance policy?** You may have more than one super account with insurance or a stand-alone insurance policy, either with us or somewhere else. If you have multiple policies, you might be paying premiums for cover you don't need. In some cases, you may not be able to claim on multiple policies for similar types of cover.

✓ **Have your circumstances changed?** For example, an expanding family or a reduction in personal debt may influence your choice in the type and amount of cover you have.

✓ **Do you know how much you're paying in insurance premiums?** The more you pay in insurance premiums, means less going into retirement savings—but having the right amount of cover is important too. Premiums typically increase as you age, so checking in on your cover as your circumstances change will help strike the right balance between your retirement savings goals, and your current insurance needs.

✓ **Have we got all your details correct?** Depending on the type of cover you have, the cost of your insurance cover may depend on factors such as your gender, your type of job, employment status, your age etc. Check we have your up-to-date details by logging in to your online account.

✓ **If you have more than one insurance policy,** before choosing to cancel any cover, check if your employer is paying any of your insurance premiums for you—it may be a benefit that influences the cover you keep. If you suffer from a pre-existing medical condition, consider whether you'll be eligible for the same level of cover if you cancel any existing insurance policy you have.

✓ **If you have Income Protection insurance** your benefit payment may reduce if you receive other income while you're not able to work due to illness or injury. Some examples of other income may include any regular income received from your employer (including sick leave) and payments made under any other similar policies.

We recommend speaking with your financial adviser to understand the amount and type of cover you need, and how to strike the right balance between insurance cover and super savings. For more general information, visit our website at [www.anz.com.au/smartchoicesuper](http://www.anz.com.au/smartchoicesuper)

To understand more about your super and your insurance cover, please refer to the relevant *Product Disclosure Statement*.

#### Did you know?

- You can check for other super accounts in your online account by selecting **Consolidate Super**.
- If you have multiple Income Protection Insurance policies, you can generally only claim on one. Let us know if you're unemployed, as it may impact your ability to claim.
- Our *Insurance needs calculator* available at [www.anz.com.au/smartchoicesuper](http://www.anz.com.au/smartchoicesuper) may help you assess the cover you need for your current personal circumstances—and it only takes a few minutes to complete.

## ELIGIBILITY FOR LIFESTAGE OR DEFAULT COVER

*This information applies to ANZ Smart Choice Super for employers and their employees.*

For new members that joined on or after **10 December 2022** we removed the Occupation based exclusion from the eligibility requirements within our Lifestage or Default cover.

We also reviewed the eligibility rules for Default or Lifestage cover, with an objective to limit application of occupational exclusions. Occupational exclusions mean that insurance cover is not available for certain occupations that the insurer has classified as higher risk.

Refer to the AIG and Insurance Guide(s) applicable to your employer plan.

*This information applies to all ANZ Smart Choice Super and Pension members.*

On **10 December 2022** we clarified the application of the exclusions for Lifestage cover and Events Cover.

In addition to benefit exclusions, Lifestage cover is subject to other exclusions where the Insurer will not pay your claim. Lifestage cover is limited to New Events Cover. This means the Insurer will not pay a benefit if your Death, Total and Permanent Disablement or Terminal Illness

arises directly or indirectly, wholly or partially from your Pre-Existing Condition (PEC) which existed on the day insurance cover commences or on the day an increase in insurance cover commences (in which case, the increased portion of insurance cover is not payable).

New Events Cover means an Insured Member is only insured for claims arising from an injury, illness, or any symptom of either, which in the Insurer's opinion:

- occurs to the Insured Member;
- the Insured Member (or a reasonable person in his or her position) was aware of, or should have been aware of;
- the Insured Member had, or was intending to have, a Medical Consultation in respect of;
- a reasonable person in the circumstances of the Insured Member would have had a Medical Consultation in respect of,

on or after the date the Insured Member's cover commences, recommences or is reinstated under the relevant policy.

New Events Cover applies for at least 12 months. New Events Cover will end from the date on which you are At Work for 30 consecutive days ending on or after the end of the 12 month period.



## GENERAL

### YOUR FUND ANNUAL REPORT

Your fund Annual Report will be available online in December at [www.anz.com.au/smartchoicesuper](http://www.anz.com.au/smartchoicesuper)

If you'd like to receive a printed copy, call us on 13 12 87 and we'll mail one to you.

### WHAT DOES A COMFORTABLE RETIREMENT MEAN?

The reference to a comfortable retirement in your statement relates to the research work prepared by the Association of Superannuation Funds Australia (ASFA). ASFA is the peak policy, research and advocacy body for Australia's super industry.

Available on the ASFA consumer website [superannuation.asn.au/resources/retirement-standard](http://superannuation.asn.au/resources/retirement-standard) are two compelling documents to help you in planning for your retirement—the *ASFA Retirement Standard* and *Detailed budget breakdowns*. Both provide a detailed explanation of what is meant by achieving either a 'comfortable' or 'modest' lifestyle in retirement, while the *Detailed budget breakdown* also compares a detailed weekly budget breakdown for each.

The *Detailed budget breakdown* covers expected weekly expenditure on a wide range of costs such as utilities, personal care items, food and household costs, mobile and internet services, medical, transport and leisure, each at a granular level. Comparing with your current expenditure and the lifestyle you'd like to have in retirement may help you consider how well you're prepared for your retirement.

### WHAT HAPPENS TO YOUR SUPER IF YOUR RELATIONSHIP ENDS?

Super and family law facilitates the division of super benefits upon breakdown of a relationship, including a de facto spouse who lives with you on a genuine domestic basis as a couple (same or different sex). The law provides for the payment of the super benefit to be split between separating parties (**splitting**) or the suspension of payment (**flagging**), of super benefits.

Flagging or splitting can be achieved between the separating parties through agreement or by court order. If requested, we are required to provide information about your super benefit to either:

- your spouse (including a de facto partner of the same or opposite sex) or their legal representative; or
- a person who intends to enter into an arrangement with you about splitting your super in the event of a separation of marriage or breakdown of a de facto relationship (including same sex).

The request must be in a form prescribed by law. The law prevents us from telling you about any such request and from providing your address to a person requesting the information.

**Note:** We may charge for costs incurred in attending to enquiries and/or other work in relation to family law and super matters. Currently, we do not charge such fees. We will advise you of any change to this position.





## ADDITIONAL INFORMATION

### TOTAL ANNUAL CONTRIBUTIONS INCLUDED IN YOUR ANNUAL STATEMENT

The total value of contributions made to your account for Australian Taxation Office (ATO) reporting purposes may not align to the total annual contributions included in this annual statement. Contributions received towards 30 June 2022 that couldn't be allocated to your account until 1 July 2022 or after, will appear in this statement. Similarly, contributions received towards 30 June 2023, that couldn't be allocated to your account until 1 July 2023 or after, will not appear in this statement.

We've correctly reported your contributions to the ATO, so you don't need to do anything. If you have any questions, please contact us.

### FEES AND COSTS DEDUCTED FROM YOUR INVESTMENT

The fees and costs that are shown under 'Fees and costs deducted from your investment' in your annual statement are explained below.

**Investment Fee** – the cost of managing the investment fund and the underlying fund manager's Investment Management Fee (IMF). The IMF charged by the underlying fund manager includes the fees, charges and some estimated expense recoveries that relate specifically to the management of each investment fund.

**Other investment related costs which include:**

- **Performance Fees** – fees that the underlying fund manager are entitled to receive if the underlying investment fund outperforms an agreed investment benchmark.
- **Other Costs** – costs that are incurred by the underlying fund manager. Examples of these costs include expense recoveries and over the counter derivative management costs.
- **Transaction Costs** – costs that are incurred by the underlying fund manager related to the buying and selling of assets. These include costs such as brokerage costs, settlement costs and stamp duty. Transaction costs do not include buy-sell spreads.

**Administration fees and costs - Levies and expense recoveries** – includes any levies and expense recoveries that have been deducted from the assets of each investment fund. This includes the APRA levy charged to all super funds and some of the costs to comply with the Government's superannuation regulatory changes.

**Buy-Sell Spread** – an additional cost reflected in the daily unit prices of an investment fund that is not charged separately. It is used to allocate the costs of buying and selling assets in an investment fund to those investors who are transacting on that fund rather than to members who are not transacting. As your account is valued at the sell unit price, all investments into an investment fund are reduced by the buy-sell spread at the time of the investment.

If you have any questions about the fees and costs on your statement, please contact Customer Services.

### KEY DEFINITIONS

The following information may not be applicable to you if you are a Defined Benefit member. Refer to the 'Explanatory Notes' in your Annual Statement.

#### Contributions tax

Contributions tax of 15% will apply to any personal contributions for which you claim a tax deduction or contributions made by your employer (including salary sacrifice contributions).

Where an income tax deduction is available under the applicable laws in respect to the insurance fee, and is to be claimed by the Fund, this benefit will be passed on to you.

The contributions tax applied may not equal 15% of concessional contributions received or a positive contributions tax amount may have been applied. This is because when calculating the amount of contributions tax payable, the tax deductions claimed by the Fund on transactions, like insurance fees, administration fees and any Member Advice Fees are passed onto the member as a tax benefit. If no contributions for the year were made, but the insurance and administration fees were paid, this may appear as a positive contributions tax (similar to a tax rebate).

#### No-TFN Contributions Tax

If you or your employer have not provided us with your TFN, a No-TFN additional tax may be applied to your concessional contributions. The additional tax is applied at the end of the financial year or on withdrawal from your account. If we are provided with a valid TFN, the No-TFN tax will not be applied and you may be entitled to any No-TFN tax applied on up to the previous three financial years to be returned to your account, as a No-TFN Tax Offset.

#### Additional tax for high income earners

An additional 15% tax may apply to certain concessional contributions if your income for surcharge purposes plus your low tax contributions for a financial year exceeds \$250,000. For further information, visit [ato.gov.au](http://ato.gov.au) or speak to your financial adviser.

### **Withdrawal benefit**

A withdrawal benefit is the sum you receive if you withdraw your super balance. Due to a legislative requirement, we must show how much your benefit would be worth on 30 June, but this does not mean you can access your super.

To withdraw your super, you must first meet a 'Condition of release', for example:

- you have reached your preservation age and have permanently retired.
- You have reached age 60 and subsequently ceased a gainful employment relationship.
- you are aged 65 or over.
- you are permanently incapacitated.

For full details of when you can access your super, contact your financial adviser or Customer Services.

### **Preservation status**

- **Unrestricted Non-Preserved Benefit** is the amount of the withdrawal benefit at the close of the reporting period that you can access at any time.
- **Restricted Non-Preserved Benefit** is the amount of the withdrawal benefit at the close of the reporting period that you can access, if you leave an employer who has contributed to this fund on your behalf, or when preserved benefits are payable.
- **Preserved Benefit** is the amount of withdrawal benefit at the close of the reporting period required to be preserved by the Trust Deed and super legislation governing your benefits. Generally, you cannot access this amount until age 65, or once you have reached your preservation age (between age 55 and 60, depending on your date of birth) and you have met a condition of release, such as retirement.

### **Super Guarantee Allocation**

The Super Guarantee Allocation (SG Allocation) is the amount of employee entitlement paid by the ATO representing a superannuation guarantee shortfall and any interest for the shortfall.

The SG Allocation may appear on your Annual Statement as either an addition or deduction.

An addition is a payment from the ATO into your account and a deduction may be the correction of a payment received to your account or the recovery of an overpaid SG Allocation by the ATO. Speak to your financial adviser or contact the ATO for further details.

## Contact us

### ANZ Smart Choice Super



13 12 87



[smartchoice@insigniafinancial.com.au](mailto:smartchoice@insigniafinancial.com.au)

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