

# SOME THINGS YOU SHOULD KNOW ABOUT

## CHANGES TO ADMIN COST REBATE MEANS LOWER FEES FOR SOME MEMBERS

Energy Super's fees and costs are amongst the lowest in the industry and with recent changes to our administration cost rebate some members' costs could get even lower.

To keep your fees and costs as low as possible, Energy Super puts a cap on the percentage-based administration cost you pay on Defined Contribution, Defined Benefit accumulation and Pension accounts. Until recently, the 0.22% pa cost was capped at \$2,200 pa for eligible balances of \$1,000,000 or more (as at 30 June of each year). On 1 July 2016 that cap was halved, which means any percentage-based administration costs over \$1,100 for eligible balances of \$500,000 or more will be returned to your account as a rebate in the following financial year.

The cap is applied to all your eligible Energy Super accounts and can include your spouse's Energy Super account – it's not just applied to the account-holder like some other funds. This means a couple with eligible Energy Super accounts totalling \$500,000 or more pays only \$1,100 combined, not \$1,100 per person.

There are a few conditions that need to be met:

- You and your spouse need to link your accounts with our *Account Linking Request Form* available on our website at [energysuper.com.au](http://energysuper.com.au)
- If you or your spouse has any portion of your account balance in the MySuper investment option, only your individual account balance counts towards the cap.
- The defined benefit portion of a Defined Benefit account can't be included in the calculation.
- If you separate or divorce and you're not living together at the end of the financial year, you won't be eligible for spouse-linked status.

If you have one or more Energy Super accounts in your own name, you don't need to do anything – we'll automatically apply the rebate across your multiple accounts.

For more information, see our *Fees and Other Costs Guide*. If you have a Pension account, see our *Income Stream Product Disclosure Statement* or *Market Linked Pension Product Disclosure Statement*. All are available on our website at [energysuper.com.au/pds](http://energysuper.com.au/pds)

To talk to us about how the cap works, linking your spouse or introducing your spouse to Energy Super, contact us on **1300 4 ENERGY** (1300 436 374).

## NEW – NON-LAPSING DEATH BENEFIT NOMINATIONS

Do you want more certainty about who will get your super when you die but don't want to fill in a new Binding Death Benefit Nomination Form every three years? Then read on.

Energy Super has recently introduced non-lapsing Death benefit nominations. Like a binding nomination, non-lapsing nominations give you the opportunity to choose an eligible dependant/s or legal personal representative to receive your death benefit.

Unlike current binding nominations, you're not required to renew your nomination every three years. This will suit many members who don't like the thought of having to renew their nomination so regularly. But as this itself carries some inherent risk, non-lapsing nominations become invalid in more situations than binding nominations, for example if you remarry or enter into a new de facto relationship, or you separate on a permanent basis from your partner.

Binding and non-lapsing nominations can help give members peace of mind. They also usually simplify death benefit claims resulting in a better (and speedier) outcome for the families of our members.

To find out more, check out our *What happens to my super when I die?* Guide. If you're a Pension member, see the product disclosure statement relevant to you. All are available on our website at [energysuper.com.au/pds](http://energysuper.com.au/pds)

## CHANGES TO WHEN IP COVER STOPS: ARE YOU PAYING FOR IP COVER YOU DON'T NEED?

When you change jobs it's easy to forget about your old super; it's even easier to forget about the insurance cover that came with it.

To protect your Energy Super account from being eroded by fees for insurance you may no longer need, we recently changed our rules so that your Standard or Extended Income Protection cover will automatically be cancelled if:

- no employer contributions have been received for at least 6 months

AND

- your account balance falls below \$2,000 (excluding investment earnings that have accrued but not yet been credited to your account).

In recent weeks we've written to all our members who have IP insurance but haven't received employer contributions in their account for at least 4 months. We've explained the changes and given them the opportunity to increase their super balance (if necessary) within the following two months.

In a nutshell:

- **If your balance is above \$2,000** – your insurance costs will continue to be deducted, unless you tell us that you want your IP cover cancelled.
- **If at some point in the future you haven't had employer contributions for a period of 6 months and your balance falls below \$2,000** – we'll stop your IP cover in the first week of the month after your balance falls below \$2,000.
- **If you aren't currently employed** – you should contact us to make sure you're still eligible to make a claim. We wouldn't want you to be paying for insurance that you aren't eligible for and can help you cancel the cover if you no longer want it.
- **If you're still employed or self-employed but not receiving employer contributions into your Energy Super account** – you'll need to maintain a balance above \$2,000 each month to keep your IP insurance in place. You can do this in a number of ways such as changing your contribution arrangements or transferring in other super you may have.

To check if you're still eligible for IP cover or to discuss your insurance and contribution options, call us on **1300 4 ENERGY** (1300 436 374) or email [info@energysuper.com.au](mailto:info@energysuper.com.au)

## NEW STANDARD IP INSURER, BUT NO INCREASE IN COSTS

Over the past several months we've reviewed the offers of a number of income protection insurance providers, including our current provider Beazley Underwriting, to give our members the best Standard IP cover available – *without increasing costs*.

This is one of the benefits of having insurance in your super: we can use our size to negotiate a competitive level of cover for members that is generally much cheaper than if a member took out the same level of cover independently.

The most important change affecting members (except Defined Benefit members) is the reduction in the amount you can be paid after 120 days into your benefit period. The level you can be paid after 120 days reduces from 90% of your income to 80% of your income; the 10% paid into super remains the same. This change was necessary to avoid increasing your insurance costs.

For some members, the changes will have absolutely no impact. For others, the changes may have some impact depending on their age, current level of cover and conditions surrounding their employment.

It might be a good time to think about when you last reviewed your insurance. Has your personal situation changed? What about your level of cover – do you have too much? Too little?

Visit our website for more information or call us: our advisers can give personal advice about your insurance cover over the phone at no additional cost to you.

### WE'RE HERE TO HELP

For more information about any of these updates

**W** [energysuper.com.au](http://energysuper.com.au)

**T** **1300 4 ENERGY (1300 436 374)**

8.30am and 5.00pm Monday to Friday

**E** [info@energysuper.com.au](mailto:info@energysuper.com.au)

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