

Paying advice fees from a Spirit Super account



Spirit
Super



30 September 2023

All our forms and publications are available at spiritsuper.com.au/forms or call us on 1800 005 166, and we'll send you a copy.



In certain circumstances your clients can authorise payment of advice fees from their Spirit Super accounts. Payment of advice fees from our accounts is at our discretion. This fact sheet outlines some of the principles we'll apply when exercising this discretion.

Eligible advisers

To be eligible to receive advice fees from our accounts, you must be:

- listed on the ASIC financial adviser register
- operating under a valid Australian Financial Services Licence (AFSL).

We won't pay fees to advisers who are currently banned or disqualified.

You can't charge advice fees to your own account.

Who receives the payment?

Advice fees are paid to the financial adviser's licensee (the holder of an AFSL), not the individual financial planner.

How is the fee paid?

We pay advice fees by debiting the GST-inclusive amount from the member's nominated account.

Fees are deducted from the member's investments in line with their current future transactions investment nomination.

Payment will be completed within 10 business days of us receiving all required information.

Requirements

To request a fee to be paid from an account held with us, you must provide the following:

- a completed *Pay advice fees from your account* form signed by the member and the adviser (other forms won't be accepted)
- an invoice with payment instructions.

This form can be sent by email or post. We may ask for further information to support the request, including copies of the personal advice documents.

We reserve the right to decline payment of an advice fee in any circumstances, and don't need to provide reasons.

We don't offer recurring advice fee payments. Each payment will require a new *Pay advice fees from your account* form signed by the member.

Conditions and rules

The advice must be provided in writing

We'll only allow payments for advice fees where advice recommendations are provided to the member in a personal advice document such as a *Statement of advice* or *Record of advice* within the last six months.

This fact sheet contains general information only and doesn't take into account your objectives, financial situation or needs. Before making a decision about Spirit Super, you should consider if this information is right for you and read our *Product disclosure statements*, *Target market determinations* and *Financial services guide*. These are available at spiritsuper.com.au/pds or by calling 1800 005 166. | Issuer is Motor Trades Association of Australia Superannuation Fund Pty Ltd (ABN 14 008 650 628, AFSL 238718), the trustee of Spirit Super (ABN 74 559 365 913). Any advice is provided by Quadrant First Pty Ltd (ABN 78 102 167 877, AFSL 284443) (Spirit Super Advice), which is wholly owned by the trustee. A copy of the *Financial services guide* for Spirit Super Advice is available at spiritsuper.com.au/financial-services-guide or by calling us on 1800 005 166.

The advice relates solely to the member's Spirit Super interests

To be eligible to be paid from a super account, the advice services provided must meet the sole purpose test requirements of the *Superannuation Industry (Supervision) Act 1993*.

We'll only allow payment of advice fees from Spirit Super account where the advice relates to the member's interests with Spirit Super.

Eligible advice services include:

- opening a Spirit Super account
- opening a Spirit Super pension account
- insurance within Spirit Super
- investment choices within Spirit Super
- contributions into Spirit Super
- consolidation of funds into Spirit Super
- super beneficiaries
- retirement planning projections.

Advice fees for the following services can't be paid from Spirit Super accounts:

- the advice wasn't provided to the member
- trauma and business insurance
- managed funds
- shares
- negative gearing
- debt reduction and/or mortgage-related advice
- credit advice
- other non-super investments
- interests and/or features in any super fund other than Spirit Super
- withdrawals not related to the member's retirement.

Advice fees can be apportioned between advice services that can be paid under this arrangement and advice services that can't be paid under this arrangement. You must be able to support the apportionment of any advice fees, and we reserve the right to request evidence, including copies of the advice documents provided.

Comprehensive financial advice

If you've provided comprehensive financial advice to a Spirit Super member, the advice fee can be apportioned so that only the fee relating to advice on the Spirit Super interests can be paid from the member's Spirit Super account.

Comprehensive advice example:

You've charged a single client \$2,000 for comprehensive advice services provided.

As only half of the advice is related to the client's Spirit Super assets, only \$1,000 can be paid from their Spirit Super account.

Advice provided to a couple

If you've given advice to both members of a couple, only the member's share of the advice fee can be paid from the member's account. Each member of the couple is assumed to have an equal (50%) share of the advice provided.

Couple advice example:

You've provided a couple with a joint *Statement of advice* for \$3,000.

Each member may be able to pay for their share of the advice fee from their respective Spirit Super accounts.

The most each member can pay from their own Spirit Super account is \$1,500.

This amount might be reduced further if the advice wasn't limited to Spirit Super.

Fee limits

There's no set limit to the advice fees that can be charged. However, payment of the advice fee mustn't reduce the member's total Spirit Super balance to less than \$6,000.

If we believe that an advice fee request is unlikely to be solely for advice services related to the member's Spirit Super interests, we'll request a full copy of the *Statement of advice/Record of advice* or other evidence of the advice services provided.

Tax treatment

Tax deductions may be allowed when the expense directly relates to the generation of assessable income under the *Income Tax Assessment Act 1997*.

We'll only apply a tax rebate against advice fees when all of the following apply:

- the review or management of your advice strategy
- the advice directly relates to gaining or producing assessable income
- the fee is deducted from the member's Spirit Super or Transition Pension account.

We won't apply a tax deduction if the fees relate to the following:

- preparation of an initial financial plan
- recommendations to either open an account or implement a new investment strategy
- Spirit Super pension assets that don't produce assessable income, such as a Control or Managed Pension.

If most of a member's Spirit Super assets are held in a Control or Managed Pension, a tax deduction won't be applied, even if the advice fee is paid from a Spirit Super or Transition Pension account. This is because investment earnings in our Control and Managed Pension accounts aren't assessable for tax purposes.

More information

1800 005 166
+61 3 6270 4800 (if overseas)
info@spiritsuper.com.au
spiritsuper.com.au

GPO Box 1547
Hobart TAS 7001

Pay advice fees from your account

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info@spiritsuper.com.au
GPO Box 1547, Hobart TAS 7001

Important information

We don't offer recurring advice fee payments. Each payment will require a new *Pay advice fees from your account* form signed by the member.

You can pay financial planning advice fees from your Spirit Super account if:

- the advice relates solely to your Spirit Super account
 - If you've received advice on other aspects of your financial situation, only the amount that relates to advice on your Spirit Super account can be paid from your Spirit Super account.
 - If the advice was provided to you and your spouse, only your share of the advice can be paid from your Spirit Super account.
- the advice was provided in writing in either a *Statement of advice* or *Record of advice* within the last six months
- your adviser appears on the ASIC financial advisers register and operates under an Australian Financial Services Licence (AFSL)
- payment of the advice fee won't reduce your Spirit Super balance below \$6,000 across all of your accounts.

Amounts paid from a Spirit Super account or a Transition Pension may attract a tax rebate when the fee relates to the review or management of your advice strategy, rather than implementing a new strategy.

Section 1 Your personal details

Member number

Date of birth (DD MM YYYY)

Last name

Given name/s

Residential address

Suburb/Town/City

State

Postcode

Preferred phone

Email

Section 2 Financial adviser details

Adviser's full name

Business / Trading name

Licensee name

AFSL number

ASIC financial adviser register number

Phone

Email



Section 3 Advice fee details

Advice fee to be paid from Spirit Super account (including GST) \$

Paid from Spirit Super account number

Type of advice – if you don't tell us, we'll assume you've received initial advice.

Initial e.g. preparation of a *Statement of advice*, implementing new strategies or setting up new investments or accounts.

OR

Review of your advice strategy, for example rebalancing the investments in your existing account.

Payment details – adviser to complete.

I've included a copy of the invoice addressed to the member with payment details.

Invoice reference:

Section 4 Member declaration

I authorise Spirit Super to pay the advice fee specified on this form from my nominated Spirit Super account.

I declare that:

- to the best of my knowledge, the information I've provided is true and correct
- the advice fee relates solely to advice provided about my Spirit Super account
- my adviser provided this advice to me in either a *Statement of advice* or a *Record of advice* within the last six months, and I understand that Spirit Super may request a copy
- I understand that I can contact Spirit Super to withdraw this request at any point prior to the fee being deducted from my Spirit Super account
- I consent to the use of my personal information as outlined in Spirit Super's *Privacy policy* available at spiritsuper.com.au/privacy-policy or by calling 1800 005 166.

I acknowledge and accept that Spirit Super reserves the right to decline payment of advice fees at any time. I understand that if Spirit Super declines payment of the fee I'll need to pay the advice fee myself.

Your signature

Date (DD MM YYYY)

You MUST sign and date the member declaration above for this request to be valid.

Section 5 Adviser declaration

As the member's financial adviser, I declare that:

- the advice fee relates solely to advice provided about the member's Spirit Super interests
- I provided this advice to the member in either a *Statement of advice* or a *Record of advice* within the last six months, and I understand that Spirit Super may request a copy.

I acknowledge and accept that Spirit Super reserves the right to decline payment of advice fees at any time.

Adviser signature

Date (DD MM YYYY)

Adviser MUST sign and date the adviser declaration above for this request to be valid.



Return the completed, signed and dated form to info@spiritsuper.com.au or Spirit Super, GPO Box 1547, Hobart TAS 7001.