

22 March 2019

Important changes to your super

On 12 March 2019, the Government passed legislation known as '*Protecting Your Super*', which included several changes that may affect your insurance cover and superannuation fees. Details of these changes are below.

Insurance cover to be cancelled on all inactive accounts

From 1 July 2019, insurance cover on all **inactive super accounts** will be cancelled, regardless of the account balance.

For insurance purposes, your account is considered **inactive** if we have not received a contribution or rollover into your account in the last 16 months. If you would like to keep your current insurance cover, you must do one of the following before 1 July 2019:

- make a contribution into your account (employer or voluntary);
- consolidate super from another fund into your account; or
- notify us in writing that you would like to maintain your current insurance cover and continue paying insurance fees from your inactive account.

You may have strong reasons for maintaining your current insurance cover. If your account is affected by this change, we will contact you in the coming weeks with more information about how to stop your insurance being cancelled.

Inactive low-balance accounts to be transferred to the Australian Tax Office (ATO)

From 1 July 2019, all **inactive low-balance** accounts with a balance less than \$6,000 will be transferred to the ATO.

For ATO purposes, your account is considered inactive if, in the last 16 months we have not received a contribution into your account; and you haven't made any updates to your account details, such as changing investment options, insurance cover, or making or amending a binding beneficiary nomination.

If your account balance is transferred to the ATO, the ATO will try to identify if you have an active super account with another fund. If a match is found it will automatically transfer your balance into that account.

It is important to note that if your balance is transferred to the ATO, you will no longer be a member of MTAA Super.

Removal of exit fees

From 1 July 2019, exit fees will be banned for all Australian super funds. MTAA Super does not charge exit fees.

New cap on admin and investment fees for low-balance accounts

From 1 July 2019, administration and investment fees and costs will be capped at a maximum of 3 per cent for all accounts with less than \$6,000.

Other changes

Transfers to an Eligible Rollover Fund (ERF)

Separately and coinciding with the Government's "*Protecting your Super*" legislation, MTAA Super currently transfers inactive low-balance accounts to an Eligible Rollover Fund (ERF), a fund designed to preserve low-balance super accounts. Our next scheduled transfer will happen on 17 May 2019.

If our chosen ERF identifies that you have an active super account with another participating fund, it will automatically transfer your balance to that account. If no match is found, your balance will be transferred to the ATO.

It is important to note that if your balance is transferred to an ERF, you will no longer be a member of MTAA Super. All current member benefits will stop, including any insurance cover you may have.

To keep your MTAA Super account open and continue enjoying the benefits it provides, we must receive a contribution (employer or voluntary) or rollover into your account before 17 May 2019.

What happens next?

If your account has the potential to be transferred or is at risk of losing insurance cover, we will contact you shortly with more information about any actions you need to take.

Need help?

Call us on 1300 362 415 or visit our website at mtaasuper.com.au.

Yours sincerely



Leeanne Turner
Chief Executive Officer
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