

# Significant event notice

24 February 2022

This significant event notice is to inform you of amendments to Spirit Super's *Trust Deed*.

↘ [spiritsuper.com.au](https://spiritsuper.com.au)  
1800 005 166

## Overview

On 20 December 2021, the Trustee of Spirit Super made changes to our *Trust Deed* to enable it to be paid a fee for its role in acting as trustee of Spirit Super.

The Supreme Court of New South Wales determined the Trustee was justified in making these changes. The superannuation regulator, APRA, was also involved in the court process to ensure that appropriate member protections were incorporated in these changes.

We can only use the trustee fee to pay penalties and other trustee costs, such as director fees and insurance.

At present, the trustee fee will be taken from the fund's general reserve and there'll be no additional fee charged to your account. However, we may change how the trustee fee is charged in the future. If we do increase your fees, we'll let you know before it happens.

Our *Trust Deed* is a legal document that sets out the basic rules that govern the operation of Spirit Super. You can find a copy at [spiritsuper.com.au](https://spiritsuper.com.au).

## Why are we introducing a trustee fee?

Spirit Super is a 'profit-for-member' fund. As the Trustee has previously not charged a trustee fee, it only has a small amount of capital (money in the bank).

Over the past few years, there have been significant changes in the law, regulation and enforcement for super trustees. There's been an increase in the volume and complexity of legal obligations and greater regulatory supervision. Penalties and fines are now being imposed on a broader number of obligations and in higher amounts.

From 1 January 2022, the law changed to prevent super trustees from using members' money to pay regulatory penalties and fines. If the Trustee doesn't hold its own capital and must pay a significant penalty or fine, it runs the risk of becoming insolvent and no longer being able to operate the fund. By building the Trustee's capital through the trustee fee we're ensuring the continued operations of Spirit Super if something was to go wrong.

We have strong risk management processes in place that comply with laws and regulations and don't expect to pay significant fines. The Trustee also has insurance to protect itself, its directors and officers. However, in the current environment it's no longer in the best financial interests of members for the Trustee to continue to provide services without sufficient capital to manage the financial risks it faces.

Many trustees have introduced similar amendments to their trust deeds to enable a trustee fee to be charged.

## How will the trustee fee work?

For each financial year from 1 July 2021, the Trustee can charge a fee of up to 0.105% of the value of Spirit Super's net assets as at the end of the previous financial year.

The trustee fee is capped. When the Trustee's capital reserve reaches 0.30% of the value of net assets of the fund, or another maximum amount set by law or a regulator, the trustee fee will no longer be charged. This allows the Trustee to accumulate sufficient funds to protect against the financial risks it faces while ensuring members are protected by limiting the Trustee's access to Spirit Super's assets.

The annual trustee fee limit and the trustee capital cap will be reviewed every three years to ensure these amounts remain fair and reasonable.

Importantly, the Trustee's income and property, including trustee capital, can only be used for the purpose of being the trustee of Spirit Super.

If at any time your fees increase, we'll let you know beforehand.

## Need more information?

For more information, refer to the current *Trust Deed* at [spiritsuper.com.au/about-us/governance](https://spiritsuper.com.au/about-us/governance), the Court decision at [caselaw.nsw.gov.au/decision/17dbcd19c4ada97f6ce34892](https://caselaw.nsw.gov.au/decision/17dbcd19c4ada97f6ce34892) or call us on 1800 005 166, 8am–7pm, Monday to Friday.



Motor Trades Association of Australia Superannuation Fund Pty Ltd (ABN 14 008 650 628, AFSL 238718) is the trustee of Spirit Super (ABN 74 559 365 913) and issues interests in Spirit Super.

If you're considering acquiring or continuing to hold a particular financial product, you should obtain the *Product disclosure statement* relating to the product and consider it before making any decision. Spirit Super's *Product disclosure statements* and *Target market determinations* are available at [spiritsuper.com.au/pds](https://spiritsuper.com.au/pds) or by contacting us on 1800 005 166.