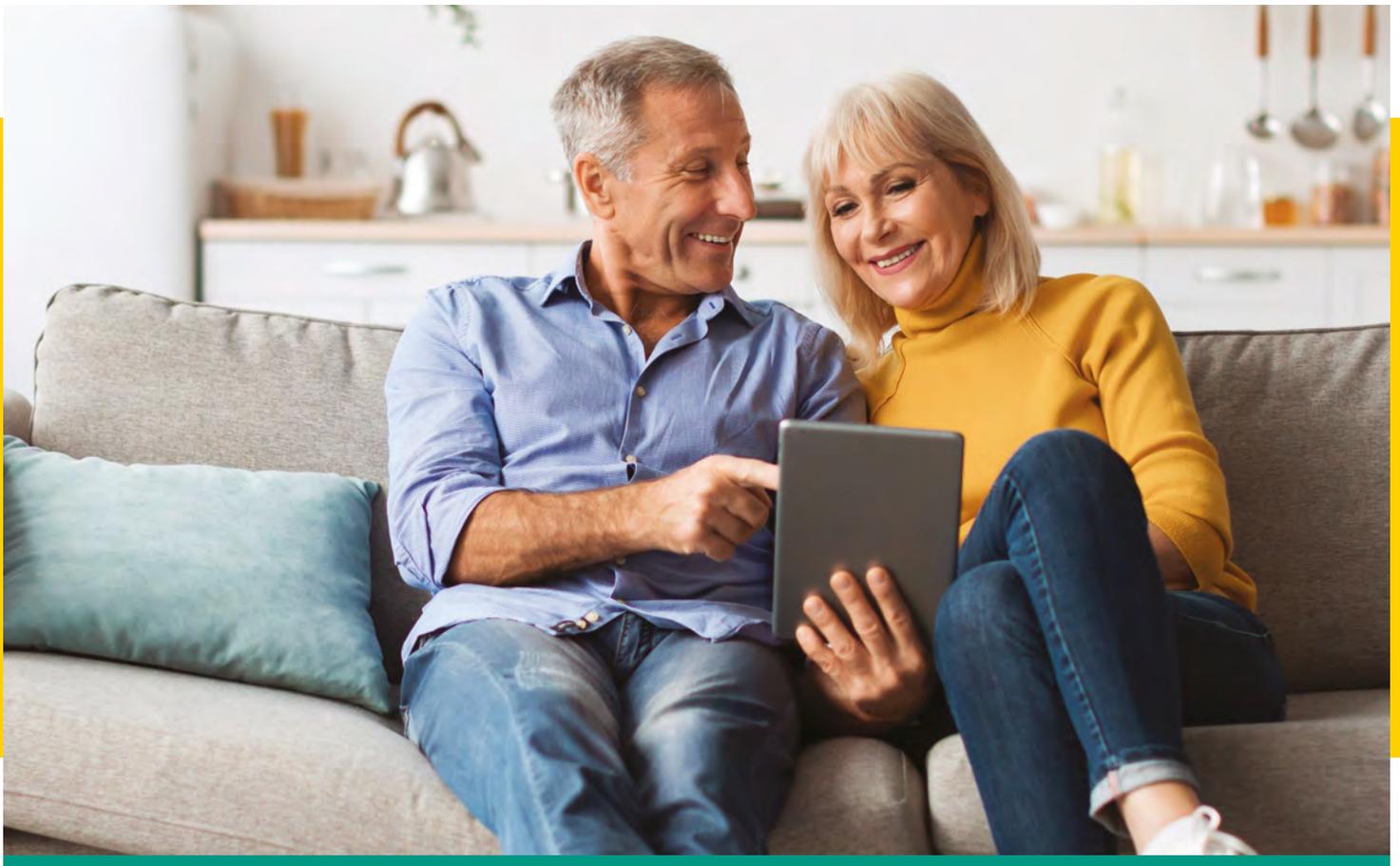


# Group Super News

Your member update



## In this issue

Chair's message	2
The merger: Where we are now	3
More on defined benefits arrangements	3
Spotlight: New offers from the merger	5
2023 Federal budget	6
Member notices	7

## Important update: Our merger with Australian Retirement Trust.

Our intention to merge with Australian Retirement Trust is still in progress following the signing of the Heads of Agreement, about which we notified members in June. The next stage in the merger process is the signing of the Successor Fund Transfer deed. We remain confident of a successful resolution and outcome and will keep members updated about the expected timing for later this year or early 2024. Please read the article "Our merger with Australian Retirement Trust: Where we are now" in this newsletter for more information.

# A note from Rosemary Vilgan

Chair, Trustee Board



It is remarkable to think that a year has passed since my message to you in this annual publication. In that time, we announced our Retirement Income Strategy as well as progressed well with our planned merger with Australian Retirement Trust announced in February. It has been another milestone year in the fund's history. While this last change will be transformational, what remains continuous and steadfast is our commitment to our members' best financial interests and their retirement outcomes.

## Our merger with Australian Retirement Trust

We are making progress with the merger and have nearly completed the due diligence and other regulatory requirements. This involves both funds exchanging information and conducting a detailed and careful review to confirm that the proposed merger is in the best financial interests of members. We anticipate a merger at the end of this or early 2024.

We have received positive feedback from members on our regular email updates about the merger. We will continue these updates, keeping you informed of important highpoints. Closer to the merger date, we will send you detailed information of changes, new features and temporary limits on services during the merger period. Our merger hub has the latest information; please visit [oursuperfund.com.au/merger](https://oursuperfund.com.au/merger).

## What defined benefits members can expect after the merger

Since our announcement of the proposed merger with Australian Retirement Trust in February this year, members have had the opportunity to provide feedback and questions through our Helpline and also through our Annual Member Meeting on 7 March 2023. One of the more significant themes to emerge from member feedback about the merger is about current defined benefit arrangements.

Australian Retirement Trust is one of the largest defined benefit providers in the Australian marketplace, and the decision to pursue a merger with that fund was made after a thorough and careful review to ensure it would likely be in the best interests of members, including defined benefit members.

You can read more about what you can expect as a defined benefit member with Australian Retirement Trust on pages 3 and 4.

Another area of interest is what Australian Retirement Trust will offer its members in retirement, as not all defined benefit members have access to lifetime pensions. It is able to offer members three core products: a transition to retirement income account, a retirement income account and a lifetime pension. You can read more about these offerings in our article "Spotlight: New offers from the merger" on pages 5 and 6.

We understand members have many questions about the merger, and we will continue to keep members fully informed and provide regular updates of key milestones as we progress.

## Thank you

My sincere gratitude goes to all who are continually committed to serving our members. I thank my fellow directors, the Trustee Services team and our valued service providers.

It is a privilege to look after the retirement savings of past and present Commonwealth Bank Group employees and their families. Most importantly, the trustee board thanks you, our members, for your continued support and trust, particularly as we navigate the proposed merger. I look forward to communicating with you further as we progress the merger of our fund.



## Our merger with Australian Retirement Trust: Where we are now.

We remind members that the trustee considered several critical factors prior to making a decision to pursue a merger, including:

- the size of the Group Super fund,
- the importance of scale in delivering long term outcomes to members, and
- the required investment for the fund to remain competitive and the impact of that required investment on members' fees.

The decision to continue to pursue a merger was made only after all due diligence steps were taken to assure the trustee that the merger was likely to be in the best financial interests of members, and that members will have equivalent rights to benefits in Australian Retirement Trust.

Our activities to merge with Australian Retirement Trust are still in progress following the signed Heads of Agreement, about which we notified members in June. The next stage in the merger process is the signing of the Successor Fund Transfer deed with the merger planned for later this year or early 2024.

Since announcing our intention to merge with Australian Retirement Trust in February this year, we have received queries from members about why the merger decision

was made, and more pointedly what members can expect.

This is particularly so for our defined benefit members, as their benefit arrangements tend to be more unique and complex. It's important that our defined benefit members understand how the merger will proceed in the context of their defined benefit arrangements.

### Defined benefits after the merger

Our defined benefits, including Lifetime Pension members, will continue to use the same defined benefit formulae. CBA's obligations to fund these benefits and to beneficiaries have not changed as a result of the merger.

The goal is for Australian Retirement Trust to provide equivalent arrangements to the existing Group Super defined benefit governing rules. These would be included in a new section of the governing rules of Australian Retirement Trust, subject to the consent of both trustees.

Existing defined benefit arrangements would continue to apply, including the benefit formulae used to calculate benefits; lifetime pension arrangements (where applicable); death benefits; indexation and other relevant arrangements.



### More information



We will continue to send you regular communications via your preferred method. We recommend checking that your communication preferences are up to date in your Group Super Online account or in the Group Super App. We will continue to keep members informed as we progress through the merger process. You can read more on our website merger hub, at [oursuperfund.com.au/merger](https://oursuperfund.com.au/merger).



## More on defined benefit arrangements.

### **Commonwealth Government Guarantee continues to apply for eligible members**

Over the past months, work has progressed with the relevant authorities in relation to maintaining the Commonwealth Government Guarantee in line with the transfer to Australian Retirement Trust.

As part of this process, the trustee consulted with the Federal Treasurer, Assistant Treasurer and Treasury to seek an amendment to the Commonwealth Banks Act 1959 to allow for the continuation of the guarantee to Australian Retirement Trust, as the successor fund.

We are pleased to confirm that the Commonwealth Banks Act 1959 has been now amended, following the passing of Treasury Laws Amendment (2023 Measures No.2) Act 2023 and Royal Assent being given to that legislation.

The guarantee is applicable to members of Divisions B, C, D, E and F (Accumulate Plus) of the fund immediately prior to 19 July 1996. The guarantee arose as a result of the Commonwealth Government's full privatisation of the Commonwealth Bank of Australia.

Unless you were a member of the fund prior to 19 July 1996, you would not be covered by the guarantee. For instance, members of the Colonial Group Staff Superannuation Scheme (CGSSS) were transferred into the fund on 3 October 2003. They were

not members of the fund on 19 July 1996 and therefore are not covered by the guarantee.

Please note the guarantee is not a guarantee of investment returns, it is a guarantee of a payment of superannuation and employer contributions.

### **Australian Retirement Trust has deep defined benefits expertise**

As the super fund formed through the merger of Sunsuper and QSuper, Australian Retirement Trust is one of Australia's largest funds with over \$240 billion in retirement savings for more than 2 million members.

Australian Retirement Trust also has considerable significant aggregate experience and expertise overseeing complex defined benefit plans, managing \$32 billion in defined benefit assets on behalf of 74,000 members.

We believe Australian Retirement Trust has the expertise and capabilities to seamlessly continue the existing administration practices and where necessary to enhance approaches, to accommodate for Group Super's particular defined benefit divisions' rules.

**Note:** There may be some operational changes going forward. We and Australian Retirement Trust will communicate these when more information becomes available.

### **More information**



You can find more information and answers to some frequently asked questions by visiting [oursuperfund.com.au/merger](https://oursuperfund.com.au/merger). For more information on Australian Retirement Trust, visit their website at [art.com.au](https://art.com.au).





## Spotlight: New offers from the merger.

The merger with Australian Retirement Trust brings with it some new and interesting possibilities for our members to consider when it comes to investing and managing their retirement savings.

The following article includes a brief summary of Australian Retirement Trust’s investment options and retirement products. Please note the general advice warning at the end of this article and additional details from the Australian Retirement Trust PDS available on their website.

### Investments

In-service (employee) members of Division CB, CC, CD, CE, CF, CN or CO who have accumulation-style accounts that are eligible for investment choice will have accumulation-style accounts transferred to comparable options in Australian Retirement Trust.

### How Australian Retirement Trust compares to Group Super

Australian Retirement Trust offers a wider range of investment options compared to Group Super.

Australian Retirement Trust		
Diversified options	Single asset class options	
<ul style="list-style-type: none"> <li>• Growth</li> <li>• Balanced</li> <li>• Balanced Index</li> <li>• Socially Conscious Balanced</li> <li>• Diversified Alternatives</li> <li>• Retirement</li> <li>• Conservative</li> </ul>	<b>Actively managed:</b> <ul style="list-style-type: none"> <li>• Shares</li> <li>• Australian Shares</li> <li>• Property</li> <li>• Diversified Bonds</li> <li>• Cash</li> </ul>	<b>Index (passively managed):</b> <ul style="list-style-type: none"> <li>• Australian Shares – Index</li> <li>• International Shares – Index (hedged)</li> <li>• International Shares – Index (unhedged)</li> <li>• Emerging Markets Shares</li> <li>• Australian Property – Index</li> <li>• Diversified Bonds – Index</li> </ul>

Members can choose up to 10 investment options from both the diversified options and/or any of the single asset classes.

We will be able to provide members with further information on the planned overall investment design, including performance details and how investment options would be mapped, ahead of the merger date.

Members should refer to Australian Retirement Trust’s product disclosure statements on its website to view the objectives of the investment options, and other related information such as Target Market Determinations. For general information, visit [art.com.au/investments](http://art.com.au/investments). You can view performance at [art.com.au/performance](http://art.com.au/performance).

For more information on Group Super investments, visit [oursuperfund.com.au/investments](http://oursuperfund.com.au/investments). You can also call our Helpline on 1800 023 928 if you have additional questions about investments in your account.



### Consider seeking financial advice



If you are considering what these investment option changes and retirement products may mean for your particular circumstances and/or preferences, we recommend you consider advice from an authorised financial adviser when making decisions that can affect your financial future. You can also visit [oursuperfund.com.au/advice](http://oursuperfund.com.au/advice) for information.



## Spotlight: New offers from the merger (continued).

### Retirement products

Those defined benefit members who do not have access to lifetime pensions may wish to consider Australian Retirement Trust retirement products: a transition to retirement income account, a retirement income account and a purchased lifetime pension.

Australian Retirement Trust offers members access to a lifetime pension under the QSuper banner, part of Australian Retirement Trust. This Lifetime Pension product is designed to work alongside the Retirement Income product. It provides members with a tax-free income for life, as well as money-back protection and optional spouse protection.

It's important to understand that the Lifetime Pension is not an annuity; it is linked to market performance. This means it generally pays a higher income but with the potential for payments to go up and down each year, rather than a lower fixed income that comes with an annuity traditionally invested more conservatively. You can find out more at [australianretirementtrust.com.au/retirement/getting-ready/income-accounts](http://australianretirementtrust.com.au/retirement/getting-ready/income-accounts).

### Important: General advice warning

In relation to information provided concerning Australian Retirement

Trust, this is general information only and does not take into account your personal objectives, financial situation or needs. You should refer to [art.com.au](http://art.com.au) and in particular the Product Disclosure Statements; Target Market Determinations and relevant investment guides. We provide these references for information only. Neither Commonwealth Bank Officers Superannuation Corporation Pty Limited nor Commonwealth Bank of Australia guarantees or is responsible for the performance of products issued by Australian Retirement Trust Pty Ltd as trustee for Australian Retirement Trust. If you have any questions on Australian Retirement Trust products, you can call 13 11 84.



## 2023 Federal budget: Impacts for super.

On 9 May 2023, Commonwealth Treasurer, Jim Chalmers, handed down the federal Budget. There are some changes on the way, but mostly not unexpected.

In February this year the government announced a planned reduction in tax concessions, applicable if a Total Superannuation Balance (TSB) exceeds \$3 million and taking effect from 1 July 2025. Those with a TSB less than \$3 million will not be affected. For defined benefit members, interests will be valued appropriately and have earnings taxed in a similar manner to accumulation interests, to ensure fair treatment. The intention is to ensure that super concession arrangements are 'better targeted' in terms of the government's objective of delivering income for retirement in an equitable and more sustainable manner.

### More information

For more information on the 2023-24 federal budget announcements, visit [budget.gov.au](http://budget.gov.au).

# Member notices.

Notices to in-service (employee) members of Division CB, CC, CD, CE, CF, CN or CO who have an accumulation-style account(s) eligible for investment choice within that division.

## Changes to investment-related fees and costs effective 1 July 2023

Super funds are required to disclose certain information about fees and costs based on fees and costs incurred in the previous financial year. This means disclosure of investment-related fee and cost estimates are likely to change each year.

The updated estimates of investment fees and costs and transaction costs for the 12 months to 30 June 2023 are outlined in Table 1, together with the prior year estimates for comparison.

These fees and costs have also been updated in our Defined Benefit Supplement: Investments and fees issued on 1 July 2023 and available from [oursuperfund.com.au/memberbooklets](https://oursuperfund.com.au/memberbooklets).

### Important notes to keep in mind:

- **Past costs are not a reliable indicator of future costs.** Investment fees and costs and transaction costs include components that vary from year to year and can't be calculated precisely in advance. The amount you pay in future years depends on the actual fees and costs we incur in managing the investment options in those years.
- **There are no changes to other fee types or amounts at this time.** For further details of the fees and costs that may apply to your accumulation-style account, you should read our Defined Benefit Supplement: Investments and fees.



Table 1: Changes to estimates of investment fees and costs and transaction costs for the 12 months to 30 June 2023

Investment option	OLD		NEW		
	Estimated investment fees and costs for 12 months to 30 June 2022 (% of balance p.a.)	Estimated transaction costs for 12 months to 30 June 2022 (% of balance p.a.)	Estimated investment fees and costs for 12 months to 30 June 2023 (% of balance p.a.)	Estimated transaction costs for 12 months to 30 June 2023 (% of balance p.a.)	Estimated annual effect of these changes to fees and costs for a \$50,000 account balance
Conservative	0.33%	0.05%	0.36%	0.04%	\$10.00
Moderate	0.43%	0.08%	0.48%	0.06%	\$15.00
Balanced	0.52%	0.11%	0.54%	0.07%	-\$10.00
Growth	0.53%	0.11%	0.54%	0.08%	-\$10.00
Cash	0.10%	0.00%	0.11%	0.00%	\$5.00

### Notices to all Defined Benefit division members

#### Changes to super legislation from 1 July 2023

From 1 July 2023 the following super changes came into effect.

- The superannuation guarantee rate for compulsory employer contributions increased to 11% and will increase by 0.5% each year until it reaches 12% in 2025.
- The lifetime low rate threshold for lump sum withdrawals for members between preservation age to age 59 increased from \$230,000 to \$235,000.
- The total superannuation balance cap was increased due to indexation, from \$1.7 million to \$1.9 million. Your total super balance determines your non-concessional contribution cap, as well as your eligibility to access bring-forward and carry forward contribution rules, spouse contributions and the super co-contribution.
- The general transfer balance cap, which determines the amount that can be transferred into and held in retirement-phase products, was indexed to \$1.9 million. Each person will have a personal transfer balance cap depending on when their first retirement-phase pension began.
- Effective 1 January 2023, the eligibility age for making downsizer contributions into super (up to \$300K for individuals, \$600K for couples) has been lowered to age 55, from age 60.



## Member notices (continued).

### Notices to all Defined Benefit division members (continued)

#### Update on Group Super board and committee members

Member-elected director Stephen Halmarick's existing 3-year term has been extended to a 4-year term. The board considers it is in the best financial interests of members for Stephen to remain as director in light of the proposed merger.

Committee member Daniel Nott resigned from the Member Services & Claims Committee on 24 March 2023 and we thank him for his service and contribution to the fund.

For more details on our board and committee members, please visit [oursuperfund.com.au/about-us](https://oursuperfund.com.au/about-us).

#### Group Super's third Annual Member Meeting

In March 2023, we held our Annual Member Meeting (AMM) via online livestream, providing all members with an opportunity to hear from our board and executive team on our fund's performance, outlook and fund strategy, and ask questions.

If you weren't able to attend, the meeting minutes and published questions & answers are available from [oursuperfund.com.au/member-meeting](https://oursuperfund.com.au/member-meeting).

#### 2022-2023 Annual Report online



Our 2022-2023 Annual Report will be available from our website [oursuperfund.com.au](https://oursuperfund.com.au) from October. Please contact us if you require a printed copy. Note: if you requested a printed copy of last year's report, we will automatically send you this year's report once available. Copies of annual reports from previous years are also available from our website.

#### Defined Benefits members



[oursuperfund.com.au](https://oursuperfund.com.au)



**1800 023 928**  
between 8am and 7pm  
(AEST/AEDT) Monday to Friday



**GPO Box 4303**  
**Melbourne VIC 3001**



This newsletter was prepared on 30 August 2023 by Commonwealth Bank Officers Superannuation Corporation Pty Limited (the trustee) (ABN 76 074 519 798, AFSL 246418), trustee of Commonwealth Bank Group Super (the fund) (ABN 24 248 426 878). The information is prepared for members for general information only and does not take into account your individual objectives, financial situation or needs. You should consider the information and how appropriate it is having regard to your own objectives, financial situation and needs. Before making any decisions you should consider the Member Booklet for your DB division from our website [oursuperfund.com.au/memberbooklets](https://oursuperfund.com.au/memberbooklets) before making any decision about whether to acquire or continue to hold the product. You should also consider seeking professional financial advice tailored to your personal circumstances from an authorised financial adviser.

Taxation considerations are general and based on present taxation laws and may be subject to change. The trustee is also not a registered tax (financial) adviser under the Tax Agent Services Act 2009. You should seek tax advice from a registered tax agent or a registered tax (financial) adviser before making a decision based on this information or if you intend to rely on this information to satisfy the liabilities or obligations or claim entitlements that arise, or could arise, under a taxation law.

Please also remember that past performance is not a reliable indicator of future performance.

In relation to any information supplied in relation to the Australian Retirement Trust, you should refer to [art.com.au](https://art.com.au) and other ART documentation as required. The warnings made above in relation to the fund, also apply in relation to the Australian Retirement Trust.

GroupSuper/1962/0923