



A note from Neil Cochrane
Chairman, Trustee Board

The end of a financial year is always an opportune time to pause and reflect on our achievements and outcomes over the past year and to re-confirm our priorities and areas of focus for the year ahead.

Although growth in your defined benefit superannuation is largely driven by factors such as employment tenure with the Commonwealth Bank Group, salary and member contribution rates, many of you also have a portion of your benefit that may be influenced by earning rates and investment returns.

For these benefits, I am pleased that for 2014-15 we have again delivered positive returns for members—around seven per cent or more for benefits adjusted by our declared and crediting rates and member investment choice returns (based on the default investment option).

We are mindful of the fact that superannuation entitlements and rules can sometimes seem complex, especially for defined benefit arrangements.

An area of focus for us in the year ahead will be on how we can simplify and demystify some of this complexity.

In addition to re-thinking how we can best provide you with clear and simple information through documents such as your member booklets, we will also be re-designing our website to make it easier for you to access information that is important to you, when you need it.

While improving our member communications is important, we know that finding information that relates to personal circumstances cannot always be easily answered from a booklet or website. Sometimes it helps to talk with an expert to help guide you through this.

With this in mind, we are particularly looking forward to launching a new service to make it easier for you to access free telephone-based advice about your defined benefits (see below).

As always, we do appreciate your continued support of our fund and the opportunity to assist you in preparing for your retirement.

In this news update...

Changes to investment objectives for Mix 30 & Mix 50, better reflecting expected market environment. **See page 2.**



Is a lawyer needed for disability claims in super? Also, we bust 4 common claim myths. **See page 3.**





Important member notices: 2014-15 Annual Report, extension of self-insurance arrangements & involuntary payment process. **See page 4.**





If you need to contact us:


Defined Benefit members

 oursuperfund.com.au

 **1800 135 970** from 8am to 7pm (AET) Monday to Friday

 via online member login at oursuperfund.com.au

 GPO Box 4303
Melbourne VIC 3001

 (03) 9245 5827

COMING SOON! New services to provide help & advice for your defined benefit questions over the phone.



We all ask questions—they're a normal part of life. As kids, we ask questions so we can learn, understand and prepare for the future. And, as anyone with kids will know, sometimes finding the right answers can be a whole other challenge!

Luckily, we'll shortly be introducing a new phone-based advice service to help you find the answers to better understand your super...and keep preparing for the future!

More information coming in October/November.

Let's be REALISTIC

Being able to accurately predict investment returns for members would be great—impossible, but great! Returns always depend on what's going on in the investment environment at a given time. But what we can try to do is to inform you as best we can about likely return outcomes so that you can plan accordingly.

Changing investment objectives to better reflect current trends

Each investment option you can choose for your accumulation-style benefits within your defined benefit division that are eligible for investment choice has an investment objective.

In setting objectives, our team of investment professionals takes into account what's happening in the investment environment today, as well as what's happened in the past and what might be likely to happen in the future.

Returns for fixed interest investments, which are usually bonds issued by governments or corporations, are generally driven by interest rates—both current rates and forecasted future rates.

If interest rates decrease, for example, the capital value of the bond typically increases, which means future returns on the bond would decrease, and vice versa.

Since the GFC many governments and central banks, including Australia, have kept interest rates low in order to boost their economies and prevent recessions. There is a growing acceptance in investment circles that the current low-interest environment is likely to remain over an extended period of time.

One implication of this environment is that investment options with a higher weighting to these types of investments are likely to experience lower overall future returns because it is increasingly expensive to invest in these assets.

This is one of a number of factors we have taken into account in changing the investment objectives for two of our diversified investment options.

New Mix 30 and Mix 50 objectives from 1 July 2015

- The investment objective for **Mix 30** (in the accumulation phase) is to achieve an average return of 1% p.a. above CPI (after applicable taxes and investment fees) over a 3-year period (previously a return of 2% p.a. above CPI).
- The investment objective for **Mix 50** (in the accumulation phase) is to achieve an average return of 2% p.a. above CPI (after applicable taxes and investment fees) over a 5-year period (previously a return of 2.5% p.a. above CPI).

Lowering the expected level of returns for these objectives means a higher (but not guaranteed) level of comfort in achieving that return.

Note: There are no changes to the investment objectives for our diversified Mix 70 and Mix 90 options, where allocations to the fixed interest asset class are lower overall.

For more information about investment options, please refer to oursuperfund.com.au. It's important that you consider the investment options available and make sure any choices you make are suited to your personal circumstances. You may also wish to seek professional financial advice before finalising any investment decisions.

Objectives have changed but our investment approach hasn't

These changes do not mean that our approach to investing has changed, nor are we setting a lower bar for the returns we're aiming to deliver.

Our focus remains on producing sustainable long-term returns for our members, including continuing to look at efficient ways to improve returns from our existing investments.

Disabili

Four claim myths busted!

My claim will be resolved more quickly if lodged by a lawyer.

MYTH! We understand that making a claim is likely to be at a difficult time for many people and our aim is to progress the claims process as quickly as possible. Like any claim process, we do need to collect certain information before making a decision, and in the case of medical information, this may take time. These steps must be completed regardless of who initiates a claim, in order for us to make a decision based on all relevant information.

A lawyer has a better chance of getting my claim approved.

MYTH! If, on the basis of medical information that is provided, a claim meets the conditions of super law and the trust deed then it will be accepted, regardless of who initiated the claim.

A lawyer might be able to get me more money.

MYTH! The amount payable for any accepted claim is not a discretionary or negotiable amount. If a claim is accepted by the trustee, the type and amount of benefit payable is defined under the trust deed and rules for the relevant defined benefit division.

A claim will generally be denied in the first instance.

MYTH! All claims are assessed individually based on the merit of the supporting medical information and the terms of the trust deed.

Disability claims in super: Is a lawyer needed?

More ads are popping up in the media for law firms and other companies wanting to assist super fund members to lodge and potentially increase the success of disability claims. But is a legal adviser really needed in the first stages of a super claim? After all, when we claim on our house, car or health insurance, we don't generally look for legal advice first.

Our role in the disability claim process

As a member of our fund, you entrust us to look after your super until you need it in retirement.

We want to help you be able to provide for your retirement, particularly when circumstances mean that it may be somewhat longer than anticipated, such as in the case of early retirement due to ill health.

One of the responsibilities as the trustee of a fund is keeping members' interests front of mind when any making decisions for the fund.

From a disability claim perspective, this means acting as your advocate throughout the process and working to resolve claims as effectively, efficiently and transparently as possible.

Do lawyers play a role in other claims?

Think about the claim process for home, contents, car or health insurance: we fill in some forms, provide evidence of the incident or accident, send it off to the insurer or fund and await a decision.

If a claim is accepted, good news! Sometimes a claim might not be accepted but we're given the reasons for this decision. If we're not happy with the claim outcome, we might then consider the options available to us—ask for a review, lodge a complaint, or in some more serious cases, consider legal action.

What's interesting in the case of disability claims, and particularly those within the super environment, is that we're increasingly seeing advertising for options to engage third parties, such as lawyers, during the claims process—not necessarily wanting to be engaged at the later stages of potentially disputing a claim once it has been assessed and a decision has been advised, but wanting to be engaged as early as the initial claim lodgement stage.

While an upfront no win/no fee legal proposal may sound attractive, think about what this means at the end of the process for an accepted claim—a member could give up what may be a significant percentage of their benefit as fees and legal costs. In reality the likelihood of the fund accepting and paying the claim is the same as if the member had lodged the claim themselves.

Top tips if you have a disability claim!

If you, or anyone you know, may need to lodge a claim for disability, here are a couple of suggestions:

In the first instance, talk to us

When you make a claim on your home, contents, car or travel insurance, the first thing you do is call the insurance company. Why not do the same with a claim in your super fund?

Our job is to help you understand what the potential benefit may be, how to make a claim and keep you informed about what to expect.

Once a decision is made, if the management or outcome of the claim isn't what you were hoping for, we can help you understand the options and next steps available to you.

If your circumstances change, talk to us

Medical conditions can be complex and opinions and prognoses can change.

In some cases, when assessing a disability claim it may initially be possible that your condition could improve in the future such that you could return to work in some capacity.

It's important to remember that if your circumstances change or if new or different medical information becomes available, we may be able to review your claim.



Member notices

Extension of self-insurance arrangements

Important note: The insurance changes outlined below in no way change the rules about when a member may be entitled to a benefit or how a benefit is calculated for any defined benefit division.

For many years, the trustee has self-insured the risk associated with benefits payable in the event of death or permanent disablement for the majority of its defined benefit divisions. However, benefits for a small group of members have been insured with external insurance providers.

In late 2014, after consideration of actuarial advice and consultation with the Australian Prudential Regulation Authority (APRA) and Commonwealth Bank (as the fund's principal employer under the trust deed), the trustee extended its self-insurance arrangements to include the group of members that were previously insured externally as follows:

- Death and permanent disablement benefits for members of Divisions CN and CO became wholly self-insured from 11 November 2014 (following termination of our former policy with AMP Life Limited on 10 November 2014).
- Death and disablement benefits for members of Divisions CB, CC, CD, CE and CH became wholly self-insured from 11 December 2014 (following termination of our former policy with The Colonial Mutual Life Assurance Society Ltd on 10 December 2014).

Our former policy with AMP Life Limited also insured the risk associated with temporary salary continuance (income protection) benefits available to members of Divisions CN and CO. These benefits will remain insured externally but cover has been transferred to a policy with The Colonial Mutual Life Assurance Society Ltd, effective 11 November 2014.

Note: There is no change to the current insurance arrangements for Accumulate Plus accounts within the fund, which remain insured externally under separate policies with The Colonial Mutual Life Assurance Society Ltd.

Changes to involuntary payment process

One of the benefits of being a member of our fund is that you can generally keep your membership throughout your career, even if you leave employment with the Commonwealth Bank Group or retire.

Depending on the type of benefit payable from your defined benefit division, there are some circumstances in which you may not be able to keep that benefit within your division.

Our defined benefit members have always had, and continue to have, the opportunity to voluntarily transfer any such benefit to our Accumulate Plus division in the fund, but our default process in the past when we didn't receive any specific transfer or payment instructions was to transfer this benefit to an eligible rollover fund.

Good news—we've now made it even easier to keep your membership with our fund, with these types of 'involuntary' transfers now also being transferred to an Accumulate Plus account in the fund.

This new process began from July 2015 and will only apply in limited circumstances once your benefit becomes payable at retirement, resignation or another payment trigger. If it applies to you, you will receive details of all your payment options in writing.

2014-15 Annual Report online

Our 2014-15 Annual Report will be available to view or download from November from our website oursuperfund.com.au.

We will not generally send a printed report to members automatically but if you'd like to receive a copy of this year's report by post (and continue receiving future reports by post), please log into your defined benefit account online via oursuperfund.com.au/login and update your communication preferences (*Personal details > Update current details*) or contact us to request a copy free of charge.

If you have already updated your preferences to receive a printed report, or if you requested a printed copy of last year's report, we will automatically post you a printed copy of this year's report (and future reports) free of charge once available. Copies of annual reports from previous years are also available from our website.

OurSuperFund

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