



NEWS UPDATE

DEFINED BENEFITS — AUGUST 2017

“IT HAS BEEN A SUCCESSFUL YEAR FOR OUR FUND, WITH DELIVERY ON OUR COMMITMENTS TO YOU CONTINUING TO BE OUR CORE FOCUS.”



A note from Neil Cochrane,
 Chairman, Trustee Board

Maintaining our position as a strong fund committed to your financial wellbeing for retirement is something we take very seriously. We will continue to work conscientiously on our products and services, so that you may feel confident with your fund and well-supported now and in the future.

Super changes are here

There have been significant changes to the superannuation system since the 2016-17 Federal Budget announcement. Now that most of these changes have been legislated, it is important to understand more about them and how they may affect you. I encourage you to view the details on page 2, or online at oursuperfund.com.au/2017reforms.

More flexibility to protect your important assets

Financial protection in the event of death and disablement is important to give you peace of mind if something unexpected happens.

Lump sum death and disablement entitlements within your Defined Benefit division will cease if you leave employment with the Group. From 1 October 2017, you may have the option to apply for death and disability insurance cover within the Accumulate Plus division of our fund upon leaving the Group. We are pleased to be able to offer this feature as it could provide you with increased flexibility to protect yourself and your family.

Committed to your financial wellbeing

Following on from our successful participation in the Commonwealth Bank Group's AdvantAGE program to help reach and educate Group employees on the value of super and advice, we are in the development stages of a new national seminar program for our fund. This program will be designed to provide you with knowledge and tips for your super, retirement planning and other financial education topics to help you maximise your financial wellbeing now and for the future. Stay tuned for more details on this exciting program later in 2017.

Fond farewells and warm welcomes

This year we farewelled our long-time Chief Investment Officer, Gerard Parlevliet, who retired after an exemplary 38 years of service to the Commonwealth Bank Group. In his over 20 years with our super fund, he remained dedicated to the financial wellbeing of our members and shaped our current investment philosophy and strategy. We are extremely grateful for his invaluable contribution to the fund and wish him a happy and successful future.

Our fund's board of directors continues to evolve and change in line with our membership. Our board of directors now comprises three independent, three employer-appointed, and three member-elected directors who bring with them a deep level of expertise and wisdom. For more details on our board of directors, visit our website oursuperfund.com.au/about-us.

Thank you

As always, we are grateful to you for entrusting us to look after your superannuation. With the support and dedication of the fund's executive management and their teams, our administrators, fund managers and all of our service providers, we look forward to continuing to help you manage your financial wellbeing.



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SUPER CHANGES ARE HERE



The 2016-17 Federal Budget brought with it some significant changes to the superannuation system.

Some of these changes represent a significant departure from the previous rules, so it's a good idea to know more about what these changes mean.

Super reforms include:

Maximum retirement benefits apply from 1 July 2017

- ◆ A 'transfer balance cap' of **\$1.6 million** now applies to retirement account-based pensions, retirement income streams, lifetime pensions (including reversionary pensions) and other products used to support tax-free retirement income streams.
- ◆ A new 'Defined Benefit income cap' of \$100,000pa will apply from 1 July 2017 to all current and future DB pension payments. If you're aged 60 or over and your annual Defined Benefit pension payments exceed this cap, tax may apply to the excess amount.

Reduced caps on super contributions

- ◆ From 1 July 2017, the non-concessional contributions cap reduced to \$100,000pa, or would reduce to zero if you have a total super balance of \$1.6 million or more. This cap is subject to indexation. For Defined Benefit members, if your total super balance is above the \$1.6 million limit and you make compulsory non-concessional (after-tax) contributions, these contributions will be subject to excess contributions tax.

- ◆ From 1 July caps on concessional contributions were reduced to \$25,000pa for all individuals irrespective of age. Concessional contributions are before-tax super contributions – these can include an employer's contribution or salary sacrifice super contributions.

Personal deductible contributions

- ◆ From 1 July 2017 individuals under age 75 (including those aged 65 to 74 who meet the work test) can claim an income tax deduction for personal (after-tax) superannuation contributions made to an Accumulate Plus account. Personal deductible contributions will count towards your concessional contributions cap.
- ◆ You are unable to claim a tax deduction for personal (after-tax) contributions made to your Group Super defined benefit account.

Need more information or advice?

Seeking professional advice can be important at any time, but particularly so in this new environment.

For advice about your Defined Benefits in our fund, in the first instance you may wish to call us on **1800 135 970** to speak with our advice team for general advice and if needed, they can help refer you to an adviser who specialises in defined benefit arrangements.

For more information on these and other super changes, please visit [oursuperfund.com.au/2017reforms](https://www.oursuperfund.com.au/2017reforms) or the **Australian Taxation Office (ATO) website** (<https://www.ato.gov.au/individuals/super/super-changes/>).

How to plan for retirement when the rules keep changing

The Association of Superannuation Funds of Australia (ASFA) regularly issues a Retirement Standard, estimating what people may need for a 'modest' retirement lifestyle and a 'comfortable' retirement lifestyle. For a couple, this equates to \$34,855 and \$59,971 respectively (ASFA Retirement Standard, March 2017). To find out more about how much you might need, visit the 'How much will you need' page at [oursuperfund.com.au](https://www.oursuperfund.com.au).

You can also try one of the many retirement calculators available – visit our website for some suggestions. You can always speak to a financial adviser for more in-depth advice to help you make decisions about your financial future. Visit [oursuperfund.com.au/advice](https://www.oursuperfund.com.au/advice) for more information.

So ultimately it can come down to how you want your super to fund your lifestyle at the point of retirement. If you are considering topping up your defined benefit with extra contributions you may want to find out more about Accumulate Plus from [oursuperfund.com.au](https://www.oursuperfund.com.au).



THINKING ABOUT GETTING ADVICE?

It's always worth taking a good look at your finances for retirement and your plans for your life after work. Getting advice from a professional could improve your future financial wellbeing and peace of mind.

Whether you're already in retirement or it's just around the corner, it's never too late to seek financial advice and review your financial situation.

Seeing an adviser could help you make the most of your retirement savings with strategies like taking advantage of tax-effective measures, maximising home loan arrangements and possibly lower insurance premiums. The right strategy for you will depend on your particular situation.

And beyond the strategies, there is also the comfort of knowing you've had a professional to look at your situation and objectives and provide you with a personalised plan to get you closer to achieving your goals.

To help you find out more about how financial advice can help, whatever stage of life you're in, we've created some helpful videos. Visit oursuperfund.com.au/advice for more details.

Ask our Defined Benefit Helpline Advice team!

The Defined Benefit Helpline Advice team¹ is here to help. We've arranged for this team of financial advisers, who specialise in defined benefits, to provide advice over the phone to our members. As a member, there is no cost to you to use this service for advice and guidance about your defined benefits in our fund. If advice is provided outside of this scope, a fee² may apply – the adviser will let you know these details beforehand if this is the case. Or if you'd like advice on a more comprehensive or complex basis, the team can refer you to an adviser for additional assistance².

Want to start a conversation?

Call **1800 135 970** and ask to speak with the Helpline Advice team for more information. For more information (including terms and conditions), visit oursuperfund.com.au/advice.

¹ Advice relating to our Defined Benefit divisions is provided by Mercer Financial Advice (Australia) Limited (ABN 79 153 168 293, AFSL 411766).

² If you also have an Accumulate Plus or Retirement Access account in our fund, a fee payable to any financial adviser for advice services provided in relation to your defined benefits can be deducted from that account (conditions apply).

THE CHANGING FACE OF RETIREMENT

Australians are in no hurry to stop working as personal enjoyment and a sense of belonging are becoming just as important as saving enough money for retirement.

Retiring is no longer something Australians feel they need to do when they reach retirement age. Rather, a 'right' time to retire is increasingly becoming a decision that's up to the individual.

The FSC-CBA Older Workers Report 2015, conducted by the Financial Services Council and the Commonwealth Bank, indicates that workers aged between 50 and 74 are in no hurry to retire. 72% of those surveyed are happy to keep working regardless of their financial situation and 66% believe they have enough funds for retirement.

What's keeping older Australians in the workforce?

The research shows that most people are happy to stay in the workforce if they feel they are making a contribution. The Report indicates Australian workers are feeling more supported in the workplace. They're experiencing less barriers to keep working.

The incentive to continue to work is there with age discrimination in the workplace decreasing and flexible work arrangements increasing.

What do Australians want for their retirement?

As with the number one reason chosen for staying in the workforce, financial security is the top answer for deciding to retire.

Retirement aspirations for some still includes work as a longer-term part of the plan. For others it is a combination of paying off the house and being debt free, spending time with family and friends, contributing to the community, being fit and active and being able to travel. The current generation of 50-somethings are more desirous than past generations to keep their minds active and doing something they enjoy.

What's your journey?




Every person has their own unique journey to retirement. Even if you feel that you will be financially secure, leaving work for retirement is becoming more about the importance of being able to maintain a healthy life balance and financial means to have freedom of choices.

You can **view the full FSC-CBA Older Workers Report** at https://www3.colonialfirststate.com.au/content/dam/colonial-first-state/docs/adviser/client-education/FSC_CBA_Older_Workers_Study.pdf



MORE WAYS WE CAN HELP ON THE ROAD TO FINANCIAL WELLBEING

Did you know that you can give your financial wellbeing a boost with some great features available to you as a member of our fund?

-  **Open an account for your partner/spouse** – your family's financial wellbeing is just as important to us as yours. By opening an Accumulate Plus account in our fund, your partner/spouse can enjoy some great membership features.
-  **Use an Accumulate Plus account to boost your super balance** – you can use an Accumulate Plus account to contribute more to your super savings (which are subject to contribution caps) or receive contributions from other employers.
-  **A fund for life, during work and beyond** – when you're ready to leave work behind, if you have an Accumulate Plus account or have a Defined Benefit lump sum entitlement, you can choose to open a Retirement Access pension account with us and stay with the fund that has been by your side throughout your career.

For more information, visit oursuperfund.com.au



MEMBER NOTICES

2016-17 Annual Report online

Our 2016-17 Annual Report will be available to view or download from November from our website oursuperfund.com.au.

Please contact us if require a printed copy of the report. 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.

Commonwealth Bank Group Super

Accumulate Plus and Retirement Access members

-  oursuperfund.com.au
-  1800 023 928 from 8am to 7pm (Sydney time) Monday to Friday
-  oursuperfund@cba.com.au
-  GPO Box 4758, Sydney NSW 2001
-  (02) 9303 7700

Defined Benefit members and pensioners

-  oursuperfund.com.au
-  1800 135 970 from 8am to 7pm (Melbourne time) Monday to Friday
-  via online member login
-  GPO Box 4303, Melbourne VIC 3001
-  (03) 9245 5827

Our Super Fund

This newsletter was prepared on 14 August 2017 by Commonwealth Bank Officers Superannuation Corporation Pty Limited ('the trustee') (ABN 76 074 519 798, AFSL 246418) as trustee of Commonwealth Bank Group Super ('the fund') (ABN 24 248 426 878). The information is general information only, is not intended to be financial product advice and does not take into account your individual objectives, financial situation or needs. Before acting on the information, you should consider its appropriateness, having regard to your own objectives, financial situation and needs. If the information relates to acquiring or continuing to hold a particular financial product (e.g. Accumulate Plus or Retirement Access), you should obtain a Product Disclosure Statement (PDS) or other information relating to the product from our website oursuperfund.com.au and carefully consider the PDS before making any decision about whether to acquire or continue to hold the product. All investments carry risk and the value of most financial products can go up and down. You should also consider seeking professional financial advice before finalising any decisions that may affect your financial future. An Accumulate Plus or Retirement Access account in the fund is issued by the trustee as an interest under Division F of the trust deed.