



# NEWS UPDATE

RETIREMENT ACCESS — AUGUST 2018

**“OUR FUND HAS HAD ANOTHER SUCCESSFUL YEAR, AND HELPING MEMBERS LIKE YOU ACHIEVE POSITIVE OUTCOMES FOR YOUR FUTURE FINANCIAL WELLBEING REMAINS OUR CORE FOCUS.”**



A note from Rosemary Vilgan,  
Chair, Trustee Board

In November 2017 I was honoured to have been appointed to the role of Chair of the trustee board of Commonwealth Bank Group Super. This was after joining the board as an independent director in February 2017.

My appointment followed the resignation of Neil Cochrane, the board’s Chair for the last eight years. Under Neil’s stewardship the fund maintained a strong and competitive outlook, and upheld our commitment to positive member outcomes.

My fellow directors and I look forward to continuing on this path, and are grateful for Neil’s guidance and support. We wish him happiness and success for the future.

## FOCAL POINTS OF 2017-18

The board and the management team are dedicated to evolving and developing the fund to better meet members’ changing needs.

### From the fund

The year was another active one meeting regulatory and legislative changes including changes to fee disclosures and embedding the significant changes to retirement pensions, contribution caps, total super balances, and transfer balance caps from 1 July 2017.

This year we saw and spoke to more members than ever before. This was mostly through our general advice service and seminar program. It is pleasing to note that thousands of our members have discussed their super queries with us. Seminars were held across several locations in Sydney and we will be visiting Brisbane, Melbourne and Perth soon where we will help members maximise their super and contribute to their financial wellbeing.

The selection of new investment managers and directly owned assets has been undertaken on the basis of their ability to achieve a slightly improved level of net performance while providing a smoother, less volatile return experience for members.

We remain of the belief that it will be a forward-looking lower return environment, and are committed to providing consistent returns that meet investment objectives over the longer term.

## Measures to strengthen member outcomes

The spotlight in the superannuation industry is on strengthening the industry’s focus and prioritising and improving member outcomes, and rightfully so. The Australian Prudential Regulation Authority (APRA) aims to lift industry practices and consistency in developing and tracking strategic business plans and to require funds to annually assess member outcomes. New standards will incorporate expense management, net investment performance against industry peers and measure of value and quality of member outcomes. We welcome this new set of standards, as they will further advance the industry’s placement of members at the heart of a fund’s strategic focus.

## LOOKING AHEAD

As we begin a new financial year, our commitment to achieving the best possible member outcomes remains unwavering. It is in this spirit that we aim to not only provide you with the support, guidance and information you need to manage your retirement savings, but importantly to also strive for improved stability of investment returns in a challenging market environment.

## THANK YOU

I would like to take this opportunity to thank my fellow directors, including former directors Neil Cochrane and Deborah Wixted, for their commitment to members. In addition, I know all directors would share my appreciation for the quality work done by Trustee Services, led by Doug Carmichael, who day to day manage the operations of the fund.

Looking after your retirement savings is a genuine privilege. Through the support and dedication of the fund’s executive management and their teams, our administrators, fund managers and service providers, we continue our firm commitment to helping you achieve financial wellbeing.

## READ MORE INSIDE YOUR NEWS UPDATE...

Notes from the federal budget	2	Maximising your retirement benefits	5
Still working? Consider pro bono work	3	Need someone to talk to about your super	6
Upgrading your online member experience	5	Member Notices	6

# NOTES FROM THE FEDERAL BUDGET

## Federal Budget 2018-19 announced

On 8 May 2018, Federal Treasurer Scott Morrison handed down his third federal budget. It contained several expected measures, and some new ones.

For those nearing or in retirement, there were a few areas that may be of interest:

- ◆ Homeowners over age 65 will be offered a reverse mortgage to unlock home equity.
- ◆ Increase in Medicare funding by \$4.8 billion over four years.
- ◆ Investment in new medicines up by \$2.4 billion over four years.
- ◆ \$5 billion increase for aged care spending over four years.

It is important to keep in mind that these measures are proposals and have not yet been passed into law.



## Downsizer contributions into super from 1 July 2018

New super contribution rules from 1 July 2018 allow you to give your super a boost if you're selling your primary residence. This is known as a 'downsizer contribution'.

Providing you're 65 or older, you may be eligible to make a downsizer contribution of up to \$300,000 from the proceeds of the sale (couples can generally contribute separately, up to \$600,000 combined). Some other eligibility conditions apply. This contribution will not count towards your contribution caps and can be made regardless of your total super balance at the time. Please note that this contribution cannot be made into a Retirement Access account, but can be placed into an Accumulate Plus account.

A downsizer contribution will, however, be included when your total super balance is re-calculated on 30 June at the end of the financial year you make the contribution, which may affect your contribution caps and eligibility for some types of super entitlements in the following financial year. It will also count towards your transfer balance cap when you move your super savings into retirement phase. Downsizer contributions are not tax deductible and will be taken into account for determining eligibility for the age pension.

For more information on downsizer contributions, refer to 'Reference Guide: Boost your super' available from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets). If you'd like to learn more about Commonwealth Bank Group Super Accumulation Plus accounts, visit [oursuperfund.com.au/super/about-our-accumulate-plus-super/top-advantages-of-membership](http://oursuperfund.com.au/super/about-our-accumulate-plus-super/top-advantages-of-membership).

## Reminder: Transfer balance cap

An Account-Based Pension is subject to the transfer balance cap. This cap means the total amount that you can transfer into and hold within retirement-phase income streams cannot exceed \$1.6 million (indexed).

The products that count towards the cap include retirement account-based pensions, retirement income streams, defined benefit or lifetime pensions, including reversionary pensions, and other products used to support tax-free retirement income streams. Transition to retirement income streams are excluded from this cap until another condition of release is satisfied.

The transfer balance cap applies to any existing products you hold as well as any new products you may begin in the future and applies across all products you hold, regardless of the fund or pension or annuity provider.

For more information, refer to the member booklet for Retirement Access available from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets).

If you have any questions about current or past federal budget measures, you can visit the government's budget website at [www.budget.gov.au](http://www.budget.gov.au) for more information.



## **STILL WORKING? CONSIDER SUPPORTING THE NOT-FOR-PROFIT COMMUNITY WITH PRO BONO WORK THROUGH YOUR EMPLOYER**

Looking for a way to share your professional skills with the not-for-profit community in the lead-up to retirement? Consider exploring options through the workplace.

Many people approaching retirement age are looking for a way to start becoming more involved in the community while still working. Ideally, this would allow them to start the transition process from working full time to a part-time role and eventually a post-working lifestyle, where contributing to the community is an important element in an active and fulfilling retirement.

With businesses increasing their focus on contributing to the community and society through initiatives like Corporate Social Responsibility, this means they can provide employees with a wider range of options and flexibility in donating their time and skills. It just might be the right time to talk to your employer!

### **A meaningful solution**

Some companies, like Commonwealth Bank (CBA), offer a structured pro bono program through their business. It's about encouraging employees to extend their skills and expertise to not-for-profit organisations through flexible pro bono engagements or secondments – be it accounting, office administration, business development, IT, marketing or any manner of professional skills.

Some employers' pro bono programs, like CBA's, continue to pay the employee their regular salary while the employee is working with the partner organisation, be it two days, two weeks or longer. In essence, these employers want to donate not just money, but also the skills of their people to organisations that help support the community.

### **LISA'S STORY**

Commonwealth Bank employee Lisa Milner has been with the Group for many years. In her time with CBA she has worked in roles across the branch network and corporate offices, giving her unique perspectives on looking after customers and more broadly, looking after people.

One of Lisa's children faced a reading difficulty growing up, and received invaluable support during this time from volunteers. This experience prompted Lisa to get involved herself over the years, with stints participating in CBA's schools programs and various community-based CBA activities. Her husband has also done extensive volunteering with the Rural Fire Service for the past 30 years, so helping out is certainly a family affair.

As she approaches retirement in the next decade, Lisa looks forward to having more time to dedicate to volunteer work, helping children, youth and the disabled live the best quality lives they can. And as Lisa sees it, "if I'm able to use my considerable experience in office management and coordination towards achieving this, all the better."

In 2016 CBA helped Lisa realise part of her volunteering vision. After discussions with her manager and the CBA pro bono services team about the significance of the opportunity and how it would help Lisa in her professional and personal development, she was able to secure a 5-week secondment working with Lirrwi Tourism.

(continued)





Lirrwai Tourism was established in 2010 to develop and promote Aboriginal tourism experiences in Arnhem Land, Northern Territory. It aims to combine economic development and tourism activities to assist Yolngu people to gain employment and actively support the preservation of the Yolngu culture.

In late May 2016, Lisa arrived in Yirrkala to an office that was understaffed and very appreciative of her support and skills. She immediately got to work, and over time became a jack of all trades.

But it wasn't just a modest budget that Lisa had to contend with. "Though I was able to help by bringing some processes to Lirrwai Tourism, it was a different world," she says. "I had to 'unlearn' much of what I'd considered to be standard business practice and find ways to make things work, but obviously whilst respecting their culture and values."

Lisa was able to take her extensive coordination skills and make adjustments to suit her new environment. It meant some unpredictable days, but she took things in stride. "You need to use the same skills, only differently."

During her pro bono experience, Lisa also saw segments of the SBS series *First Contact* filmed in the area. Hosted by Ray Martin, the series documents the journey of six non-Aboriginal Australians as their perceptions of Aboriginal peoples are challenged. Lisa was excited to see the Yolngu culture respected and showcased in such a high-profile manner. "The documentary experience really helped bring the [Lirrwai Tourism] organisation and its goals to life," she says.



Back in her regular role, Lisa has been able to bring with her the knowledge of helping out a worthy organisation like Lirrwai Tourism, but more importantly a significantly broadened understanding and appreciation of Aboriginal culture. "I'd love to do it again. It's so different to what you would expect; our ways of thinking and what is viewed as 'important' can sometimes be quite far removed from the Aboriginal community, and I think we can really learn from that."

Asked to describe her pro bono experience in one word, and Lisa smiles. "Inspiring, challenging and satisfying. It had to be three words!"



### Transitioning to retirement and interested in doing pro bono work?

For those considering pro bono work Lisa is unequivocal. "I would absolutely recommend it if you have the chance – it's such a rich experience and a unique opportunity. Many people wouldn't normally have that option".

If you are a current CBA Group employee and interested in speaking to the CBA pro bono services team please email [probonoservices@cba.com.au](mailto:probonoservices@cba.com.au).



## UPGRADING YOUR ONLINE MEMBER EXPERIENCE

### Online transactions

As a member you have 24/7 access to log into your member account via our online tool FirstNet, at [oursuperfund.com.au/login](https://oursuperfund.com.au/login) to see your up-to-date account balance, pension payments and other details. You can also make some transactions or requests online, such as changing your pension amount or payment frequency, or switching investment options.

### Password resets now available online

Previously, resetting your password for your FirstNet account online involved calling us and arranging for a new password to be mailed to you via post. Now there is no need to call, no need to wait – as long as we have your mobile number, you can reset your password instantly online. Simply log in to your FirstNet account at [oursuperfund.com.au/login](https://oursuperfund.com.au/login) to find out more.



## MAXIMISING YOUR RETIREMENT BENEFITS: NAVIGATING WHAT YOU'RE ELIGIBLE FOR

Working out your retirement budget can be a tricky business. The good news is that there are a range of government payments and other benefits that can help your nest egg stretch further.

Your super may be your main source of income in retirement. However, you might also be able to access other allowances and concessions that can help you reduce your living costs.

### Age Pension

Once you reach age pension age (between 65 and 67 depending on your date of birth), you can apply for the Age Pension if your income and assets don't exceed certain levels. Depending on your financial situation, you could be eligible to receive a full or partial Age Pension from the federal government. You can find out more at [www.humanservices.gov.au](https://www.humanservices.gov.au).

Under the assets test, if the value of your assets (not including your home) is below the lower threshold, you could receive a full pension – and if it's between the two thresholds you may be eligible for a partial pension. However, if you're above the upper threshold, you won't receive any pension at all. These thresholds<sup>1</sup> are currently:

1. Single homeowner: \$258,500 to \$561,250
2. Single non-homeowner: \$465,500 to \$768,250
3. Couple homeowner: \$387,500 to \$844,000
4. Couple non-homeowner: \$594,500 to \$1,051,000

Your age pension is the lower of the assets test and income test calculation.

Any income you receive may also reduce the value of your pension. However as a single pensioner, you can earn up to \$172 a fortnight without it affecting your pension entitlement. A couple can earn a combined fortnightly income of \$304. Every dollar you earn above these thresholds will reduce your fortnightly pension by 50 cents.

### Other allowances

On top of the Age Pension, you may also be able to access additional government payments, such as:

- ♦ **Carer allowance** – if you give daily care to an elderly person or someone with a disability or serious illness.
- ♦ **Rent assistance** – to help cover your rent if you receive an eligible government benefit and are renting privately.
- ♦ **Energy supplement** – to help manage household costs if you receive an eligible income support payment.

## Affordable health care

Even if you're not eligible for the Age Pension upon reaching age pension age, you can still get a Commonwealth Seniors Health Card<sup>2</sup> – as long as your annual income is less than \$53,799 for singles and \$86,076 for couples.

This card offers reduced-cost medicines under the Pharmaceutical Benefits Scheme, bulk billing for doctor's appointments and cheaper out of hospital medical expenses through the Medicare safety net.

## Other discounts and concessions for seniors

You can apply for a Seniors Card once you reach 60 (or 65 for Queenslanders), as long as you're working the required number of hours a week and you're a permanent resident of your state. With your Seniors Card, you'll get exclusive offers and significant discounts.

To find out what you're eligible for, check the government website for your state or territory, or look for the Seniors Card sign in stores.

Additionally, if you're receiving the Age Pension or another government allowance, you may also qualify for a Pensioner Concession Card. This card provides lower-cost medicines under the Pharmaceutical Benefits Scheme, bulk billing for doctor's appointments, cheaper out of hospital medical expenses through the Medicare safety net and assistance with hearing services.

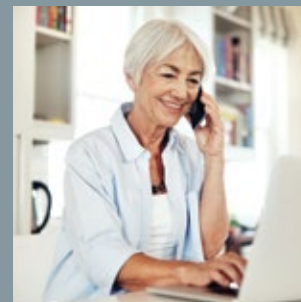


## Every situation is different

These are just a few of the benefits available – but the eligibility requirements are different for each one. You can find out more about these options at [www.humanservices.gov.au](http://www.humanservices.gov.au).

It may be a good idea to talk to a financial adviser as you may be entitled to these and other the retirement benefits. With their expertise you'll be able to navigate your way through the different benefits.

## NEED SOMEONE TO TALK TO ABOUT YOUR SUPER?



Sometimes the notion of super and planning for the future can seem a little overwhelming, but talking to someone about your circumstances and getting the right advice can go a long way in helping you make the most of your retirement.

We have several ways to help you have these conversations, whatever stage of life you're in, and we've created some helpful videos which you can find on [oursuperfund.com.au](http://oursuperfund.com.au) under 'Help & advice options > Seeking financial advice'.

You also have the option to have the fees for advice about your account in our fund **paid from your account balance, and not from your pocket.**

For more information (including terms and conditions), visit [oursuperfund.com.au/advice](http://oursuperfund.com.au/advice).

## MEMBER NOTICES

### Changes to fees and costs

From 30 September 2017, super funds are required to disclose additional information about fees and costs. One of the key changes was the requirement to report figures based on fees and costs incurred in the previous financial year. This means that investment-related fees and costs estimates will generally change each year.

The investment fees and costs for Retirement Access have been updated in the new Product Disclosure Statement (PDS) issued on 1 July 2018. The new figures are also shown in Table 1 on page 7.

For comparison, the estimates included in the previous PDS issued on 30 September 2017, which are estimates for the 12 months to 30 June 2017, are set out in Table 2 on page 8.

**Important note:** Please remember that past costs are **not** a reliable indicator of future costs – refer to the boxed note on page 7 for more information.

<sup>1</sup> Current thresholds apply from 1 July 2018. Australian Department of Human Services, Assets, 2017.

<sup>2</sup> Australian Department of Human Services, Commonwealth Seniors Health Card, 2017.

Content sourced from Colonial First State (published 5 March 2018)



**Table 1: Estimates of investment fees and related costs for the 12 months to 30 June 2018**

Investment option	Estimated investment fee (% p.a.)			Estimated transaction costs (% p.a.)			Estimated borrowing costs (% p.a.)	Estimated total property operating costs (% p.a.)
	Investment fee (total)	Investment management component	Other investment-related costs component	Total transaction costs	Costs included in investment fee	Costs not included in investment fee	Costs not included in investment fee	Costs not included in investment fee
	= A + B	A	B	= C + D	C	D		
Cash / Cash TRIS	<b>0.08</b>	0.07	0.01	<b>0.02</b>	0.01	0.01	<b>n/a</b>	<b>n/a</b>
Conservative / Conservative TRIS	<b>0.35</b>	0.25	0.10	<b>0.10</b>	0.05	0.05	<b>0.01</b>	<b>0.08</b>
Moderate / Moderate TRIS	<b>0.48</b>	0.34	0.14	<b>0.13</b>	0.07	0.06	<b>0.01</b>	<b>0.13</b>
Balanced / Balanced TRIS	<b>0.56</b>	0.41	0.15	<b>0.14</b>	0.08	0.06	<b>0.01</b>	<b>0.17</b>
Growth / Growth TRIS	<b>0.58</b>	0.43	0.15	<b>0.17</b>	0.10	0.07	<b>0.01</b>	<b>0.18</b>

All fees and costs in Table 1 are estimates of investment fees and costs paid in the 12 months to 30 June 2018. They are estimates of gross fees, and the transaction, borrowing and property operating costs include the net effect of GST.

These fees and costs are not deducted directly from your account balance but are deducted from the assets of each investment option and factored into unit price calculations and investment returns. Please also remember that for TRIS accounts, the actual fees applied to your account may be less than the gross figures disclosed above, as any tax benefit the fund is entitled to for TRIS fees and costs may be passed on to you.

**Important:** Table 1 does not include all fees that apply to your account. For example, administration fees are also payable. You should refer to the PDS for details of all fees that may apply to your account. Please note there are no changes to other fee types or amounts at this time.

You can find additional information on fees and costs in the PDS available from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets) or by calling us on 1800 023 938.

**Important note:** The investment fees shown in Table 1 are estimates of fees and costs paid in the 12 months to 30 June 2018. Past costs are not a reliable indicator of future costs, and costs may vary from year to year depending on the allocation of assets between the fund's investment managers and the investment activity of each manager.

As a guide, we estimate that the investment fee for 2018-19 for all investment options may vary by up to 0.05% from the figures in Table 1. For example, the investment fee for 2018-19 for the Balanced or Balanced TRIS option could be between 0.51% p.a. and 0.61% p.a.

The estimates for 2018-19 are based on information available as at 1 July 2018 but may be updated in the future. You should refer [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets) for any update notices that we may issue in regard to fee estimates.



**Table 2: Estimates of investment fees and related costs for the 12 months to 30 June 2017**

Investment option	Estimated investment fee (% p.a.)			Estimated transaction costs (% p.a.)			Estimated borrowing costs (% p.a.)	Estimated total property operating costs (% p.a.)
	Investment fee (total) = A + B	Investment management component A	Other investment-related costs component B	Total transaction costs = C + D	Costs included in investment fee C	Costs not included in investment fee D	Costs not included in investment fee	Costs not included in investment fee
Cash / Cash TRIS	<b>0.06</b>	0.06	0	<b>0.01</b>	0	0.01	<b>n/a</b>	<b>n/a</b>
Conservative / Conservative TRIS	<b>0.28</b>	0.23	0.05	<b>0.11</b>	0.03	0.08	<b>0</b>	<b>0.09</b>
Moderate / Moderate TRIS	<b>0.39</b>	0.31	0.08	<b>0.16</b>	0.05	0.11	<b>0</b>	<b>0.18</b>
Balanced / Balanced TRIS	<b>0.48</b>	0.38	0.10	<b>0.18</b>	0.06	0.12	<b>0.01</b>	<b>0.26</b>
Growth / Growth TRIS	<b>0.53</b>	0.42	0.11	<b>0.19</b>	0.07	0.12	<b>0.01</b>	<b>0.29</b>

## New Retirement Access PDS and Reference Guides issued 1 July 2018

It's important that you always refer to the most up to date information when considering or making any changes to your Retirement Access account or when making decisions that may affect your financial future.

Effective 1 July 2018, we issued a new product disclosure statement (PDS) titled 'Member Guide for Retirement Access'. The key changes include updated content to investment fee estimates. Copies of these documents are available by calling us or from [oursuperfund.com.au/memberbooklets](http://oursuperfund.com.au/memberbooklets).

## 2017-18 Annual Report online

Our 2017-18 Annual Report will be available to view or download from November from our website [oursuperfund.com.au](http://oursuperfund.com.au). Please contact us if you 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

### Retirement Access members

-  [oursuperfund.com.au](http://oursuperfund.com.au)
-  **1800 023 928** from 8am to 7pm (AEST/AEDT) Monday to Friday
-  [oursuperfund@cba.com.au](mailto:oursuperfund@cba.com.au)
-  GPO Box 4758, Sydney NSW 2001
-  (02) 9303 7700

**OurSuperFund**

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