


Sunsuper Product update

July 2021



This *Product update* contains information about important changes for members who have a *Sunsuper for life*, *Sunsuper for life Business*, or *Sunsuper for life Corporate* account.

Quick reference guide

Fee and costs changes	4
Insurance changes	7
Investment changes	7
Upcoming legislative changes	10
Other important updates	11

Need some financial advice?

Speak to your adviser. If you don't have a personal financial adviser and you need advice about your Sunsuper account, Sunsuper also has qualified financial advisers¹ who can help you over the phone with simple advice about your Sunsuper account. This service is included in your membership fee. If the advice you need is more complex or comprehensive in nature, we may refer you to an accredited external financial adviser². Advice of this nature may incur a fee.

¹ Sunsuper employees provide advice as representatives of Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818 AFSL No. 227867) (SFS), wholly owned by the Sunsuper Superannuation Fund. ² Sunsuper has established a panel of accredited external financial advisers who are not employees of Sunsuper. Sunsuper is not responsible for the advice provided by these planners and does not receive or pay any referral fees. These advisers will explain to you how their advice fees are determined.

Fee and costs changes

Investment fees and costs

Our updated investment fees and cost will be available in *Product Disclosure Statements (PDSs)* issued from 1 July 2021. Full details of fees and costs are published in the *Sunsuper for life guide*, which forms part of each *PDS*.

Investment fees and indirect costs

The table below shows the estimated investment fees and indirect cost ratios that will apply from 1 July 2021.

For comparison we've also provided the estimated investment fees and indirect cost ratios that apply up to 30 June 2021.

	Investment fees ¹ and indirect costs ²	% p.a. (to 30 June 2021)	Per \$50,000 invested (to 30 June 2021)	% p.a. (from 1 July 2021)	Per \$50,000 invested (from 1 July 2021)
Lifecycle Investment Strategy - Balanced Pool	Base fee	0.24%	\$120	0.24%	\$120
	Performance-related fee	0.03%	\$15	0.03%	\$15
	Indirect cost ratio	0.40%	\$200	0.59%	\$295
Lifecycle Investment Strategy - Retirement Pool	Base fee	0.24%	\$120	0.24%	\$120
	Performance-related fee	0.03%	\$15	0.03%	\$15
	Indirect cost ratio	0.41%	\$205	0.60%	\$300
Lifecycle Investment Strategy - Cash Pool	Base fee	0.24%	\$120	0.08%	\$40
	Performance-related fee	0.03%	\$15	0.00%	\$0
	Indirect cost ratio	0.00%	\$0	0.00%	\$0
Growth	Base fee	0.24%	\$120	0.24%	\$120
	Performance-related fee	0.03%	\$15	0.04%	\$20
	Indirect cost ratio	0.43%	\$215	0.69%	\$345
Balanced	Base fee	0.24%	\$120	0.24%	\$120
	Performance-related fee	0.03%	\$15	0.03%	\$15
	Indirect cost ratio	0.40%	\$200	0.59%	\$295
Balanced - Index	Base fee	0.10%	\$50	0.09%	\$45
	Performance-related fee	0.00%	\$0	0.00%	\$0
	Indirect cost ratio	0.16%	\$80	0.08%	\$40
Socially Conscious Balanced	Base fee	0.23%	\$115	0.24%	\$120
	Performance-related fee	0.03%	\$15	0.03%	\$15
	Indirect cost ratio	0.55%	\$275	0.40%	\$200
Diversified Alternatives	Base fee	0.23%	\$115	0.24%	\$120
	Performance-related fee	0.01%	\$5	0.05%	\$25
	Indirect cost ratio	1.21%	\$605	1.94%	\$970
Retirement	Base fee	0.24%	\$120	0.24%	\$120
	Performance-related fee	0.03%	\$15	0.03%	\$15
	Indirect cost ratio	0.41%	\$205	0.60%	\$300

	Investment fees ¹ and indirect costs ²	% p.a. (to 30 June 2021)	Per \$50,000 invested (to 30 June 2021)	% p.a. (from 1 July 2021)	Per \$50,000 invested (from 1 July 2021)
Conservative	Base fee	0.25%	\$125	0.24%	\$120
	Performance-related fee	0.02%	\$10	0.03%	\$15
	Indirect cost ratio	0.39%	\$195	0.56%	\$280
Shares	Base fee	0.24%	\$120	0.23%	\$115
	Performance-related fee	0.03%	\$15	0.03%	\$15
	Indirect cost ratio	0.06%	\$30	0.07%	\$35
Australian Shares	Base fee	0.28%	\$140	0.27%	\$135
	Performance-related fee	0.08%	\$40	0.08%	\$40
	Indirect cost ratio	0.12%	\$60	0.12%	\$60
Australian Shares - Index	Base fee	0.10%	\$50	0.10%	\$50
	Performance-related fee	0.00%	\$0	0.00%	\$0
	Indirect cost ratio	0.00%	\$0	0.00%	\$0
International Shares - Index (hedged)	Base fee	0.11%	\$55	0.10%	\$50
	Performance-related fee	0.00%	\$0	0.00%	\$0
	Indirect cost ratio	0.02%	\$10	0.02%	\$10
International Shares - Index (unhedged)	Base fee	0.11%	\$55	0.10%	\$50
	Performance-related fee	0.00%	\$0	0.00%	\$0
	Indirect cost ratio	0.01%	\$5	0.01%	\$5
Emerging Markets Shares	Base fee	0.13%	\$65	0.12%	\$60
	Performance-related fee	0.00%	\$0	0.00%	\$0
	Indirect cost ratio	0.11%	\$55	0.14%	\$70
Property	Base fee	0.19%	\$95	0.18%	\$90
	Performance-related fee	0.02%	\$10	0.00%	\$0
	Indirect cost ratio	0.58%	\$290	0.91%	\$455
Australian Property - Index	Base fee	0.08%	\$40	0.07%	\$35
	Performance-related fee	0.00%	\$0	0.00%	\$0
	Indirect cost ratio	0.07%	\$35	0.05%	\$25
Diversified Bonds	Base fee	0.25%	\$125	0.23%	\$115
	Performance-related fee	0.02%	\$10	0.00%	\$0
	Indirect cost ratio	0.08%	\$40	0.07%	\$35
Diversified Bonds - Index	Base fee	0.08%	\$40	0.07%	\$35
	Performance-related fee	0.00%	\$0	0.00%	\$0
	Indirect cost ratio	0.09%	\$45	0.06%	\$30
Cash	Base fee	0.08%	\$40	0.08%	\$40
	Performance-related fee	0.00%	\$0	0.00%	\$0
	Indirect cost ratio	0.00%	\$0	0.00%	\$0

¹Investment fees shown are estimated fees for the financial year, based on recent experience and our long-term expectations. ²Calculated using actual costs and reasonable estimates of actual costs incurred in the previous financial year.

About indirect cost ratios

The indirect cost ratio (ICR) is not charged by Sunsuper or deducted from your account. It is instead deducted from investment returns prior to calculation of daily unit prices. In other words, it is already included in your net investment returns.

For more information on how ICRs are calculated refer to the 'Additional explanation of fees and costs' in the *Sunsuper for life guide*.

Transactional and operational costs

The table below shows the Transactional and operational costs that will apply from 1 July 2021.

For comparison we've also provided the Transactional and operational costs that apply up to 30 June 2021.

Investment option	Transactional and operational costs (% p.a. of your balance) To 30 June 2021			Transactional and operational costs (% p.a. of your balance) From 1 July 2021		
	Explicit	Implicit	Total	Explicit	Implicit	Total
Lifecycle Investment Strategy - Balanced Pool	0.18%	0.10%	0.28%	0.18%	0.14%	0.32%
Lifecycle Investment Strategy - Retirement Pool	0.19%	0.13%	0.32%	0.19%	0.19%	0.38%
Lifecycle Investment Strategy - Cash Pool	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Growth	0.18%	0.08%	0.26%	0.18%	0.10%	0.28%
Balanced	0.18%	0.10%	0.28%	0.18%	0.14%	0.32%
Balanced - Index	0.06%	0.00%	0.06%	0.03%	0.03%	0.06%
Socially Conscious Balanced	0.44%	0.06%	0.50%	0.21%	0.19%	0.40%
Diversified Alternatives	0.36%	0.00%	0.36%	0.35%	0.00%	0.35%
Retirement	0.19%	0.13%	0.32%	0.19%	0.19%	0.38%
Conservative	0.18%	0.15%	0.33%	0.19%	0.24%	0.43%
Shares	0.06%	0.11%	0.17%	0.07%	0.13%	0.20%
Australian Shares	0.12%	0.19%	0.31%	0.12%	0.30%	0.42%
Australian Shares - Index	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%
International Shares - Index (hedged)	0.02%	0.01%	0.03%	0.02%	0.02%	0.04%
International Shares - Index (unhedged)	0.01%	0.01%	0.02%	0.01%	0.02%	0.03%
Emerging Markets Shares	0.11%	0.11%	0.22%	0.14%	0.11%	0.25%
Property	0.29%	0.01%	0.30%	0.33%	0.00%	0.33%
Australian Property - Index	0.01%	0.00%	0.01%	0.00%	0.00%	0.00%
Diversified Bonds	0.08%	0.29%	0.37%	0.07%	0.61%	0.68%
Diversified Bonds - Index	0.04%	0.10%	0.14%	0.00%	0.10%	0.10%
Cash	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Calculated using actual costs and reasonable estimates of actual costs incurred in the previous financial year.

Insurance changes

Annual Tailored Income Protection indexation (*Sunsuper for life members only*)

If you have Tailored Income Protection, your amount of cover may be indexed annually. Indexation is based on the annual trend adjusted increase of the Full Time Adult Average Weekly Ordinary Time Earnings Index, published by the Australia Bureau of Statistics, as at the previous November.

On 1 July 2021, the indexation amount will be 3.2%.

You can elect to not have your cover indexed by completing an *Insurance variation* form available at [sunsuper.com.au/forms](https://www.sunsuper.com.au/forms). To submit your form, visit [sunsuper.com.au/contact-us](https://www.sunsuper.com.au/contact-us)

Investment changes

Changes to performance benchmarks

From 1 July 2021, the performance benchmarks for the Shares and Property options will be updated as outlined in the table below.

	Performance Benchmark	
	Current to 30 June 2021	From 1 July 2021
Shares	<ul style="list-style-type: none"> 50% S&P/ASX 300 Accumulation Index; 25% MSCI ACWI ex Australia IMI Index in \$A; and 25% MSCI ACWI ex Australia IMI index hedged to \$A 	<ul style="list-style-type: none"> 50% S&P/ASX 300 Accumulation Index; 19% MSCI World ex Australia Investable Market Index (IMI) in \$A unhedged; 6% MSCI EM Investable Market Index (IMI) in \$A unhedged; and 25% MSCI World ex Australia Investable Market Index (IMI) hedged to \$A
Property	<ul style="list-style-type: none"> 25% FTSE EPRA/NAREIT Global REIT A\$ (A\$ hedged), 45% MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index, 18.75% NCREIF Open End Diversified Core Equity Index (A\$ hedged), and 11.25% MSCI Pan European Quarterly Property Fund Index (A\$ hedged). 	<ul style="list-style-type: none"> 25% of the FTSE EPRA/NAREIT Global REIT A\$ (A\$ hedged); 45% ANREV Australia Core Open End Fund Monthly Index; 18.75% NCREIF Open End Diversified Core Equity Index (A\$ hedged); and 11.25% INREV Open End Diversified Core Equity Fund Index (A\$ hedged).

Changes to asset allocations

Cash option and Cash Pool

If you are invested in the Cash option, or the Cash Pool in the Lifecycle Investment Strategy, from 1 July 2021, Sunsuper will invest 35% of your investment in this option or pool into an interest bearing account with an authorised deposit-taking institution (ADI), the National Australia Bank, ABN 12 004 044 937, subject to the following: (1) Maintaining a specific allocation requires regular rebalancing and the actual allocation will vary between rebalancing dates; (2) There is a cap on the total amount that Sunsuper members can collectively invest in this account, and the allocation may fall below 35% if this cap is reached.

Diversified options

From 1 July 2021, the asset allocations for the Growth, Balanced, Socially Conscious Balanced, Retirement, and Conservative options, as well as the Balanced and Retirement Pools in the Lifecycle Investment Strategy will be updated as outlined in the tables below.

	Growth option			
	Current to 30 June 2021		From 1 July 2021	
	Strategic %	Allowable range %	Strategic %	Allowable range %
Australian shares	34	0-50	34	0-50
International shares	31.5	0-70	32	0-70
Private capital	10	0-20	10	0-20
Property	8.5	0-30	8.5	0-30
Diversified Strategies	2.5	0-15	-	-
Infrastructure	8.5	0-20	8.5	0-20
Fixed income [^]	0	0-20	2	0-20
Alternative strategies	5	0-20	5	0-20
Cash	0	0-20	0	0-20

	Balanced option and Balanced Pool			
	Current to 30 June 2021		From 1 July 2021	
	Strategic %	Allowable range %	Strategic %	Allowable range %
Australian shares	26.5	0-50	26.5	0-50
International shares	26.25	0-70	27	0-70
Private capital	6.5	0-15	6.5	0-15
Property	10.5	0-30	9.5	0-30
Diversified Strategies	2.5	0-15	-	-
Infrastructure	7.5	0-20	8.5	0-20
Fixed income [^]	10.75	0-30	12.5	0-30
Alternative strategies	5.5	0-25	5.5	0-25
Cash	4	0-25	4	0-25

	Socially Conscious Balanced Option			
	Current to 30 June 2021		From 1 July 2021	
	Strategic %	Allowable range %	Strategic %	Allowable range %
Australian shares	26	0-50	25.5	0-50
International shares	27.5	0-70	26.5	0-70
Private capital	7	0-15	8	0-15
Property	11	0-30	10	0-30
Infrastructure	8	0-20	10	0-20
Fixed income [^]	16.5	0-45	18	0-45
Cash	4	0-25	2	0-25

	Retirement option and Retirement Pool			
	Current to 30 June 2021		From 1 July 2021	
	Strategic %	Allowable range %	Strategic %	Allowable range %
Australian shares	19.25	0-50	19	0-50
International shares	15.25	0-55	15.5	0-55
Private capital	6	0-15	5.5	0-15
Property	9.5	0-30	9.5	0-30
Diversified Strategies	2.5	0-15	-	-
Infrastructure	6.5	0-20	8	0-20
Fixed income [^]	21.5	0-50	26.5	0-50
Alternative strategies	8	0-15	7	0-15
Cash	11.5	0-25	9	0-25

	Conservative option			
	Current to 30 June 2021		From 1 July 2021	
	Strategic %	Allowable range %	Strategic %	Allowable range %
Australian Shares	9.5	0-30	9.25	0-30
International Shares	7	0-30	7.25	0-30
Private Capital	5	0-10	4.5	0-10
Property	8.5	0-20	8	0-20
Diversified strategies	2.5	0-15	-	-
Infrastructure	5.5	0-20	6.5	0-20
Fixed income [^]	30.5	0-70	34.5	0-70
Alternative strategies	8	0-15	8	0-15
Cash	23.5	0-100	22	0-100

Upcoming legislative changes

Superannuation Guarantee payment rate increases

Superannuation Guarantee (SG) is the minimum legislated amount of superannuation your employer pays.

On 1 July 2021, the Superannuation Guarantee (SG) rate is scheduled to increase from 9.5% p.a. to 10% of your ordinary-time earnings. (different arrangements apply for Norfolk Island). There has been considerable media attention about potential government policy announcements that might further impact superannuation following the release of the retirement income review report, which could impact this legislated increase.

It is expected that the uncertainty surrounding whether the increase will proceed as legislated will be made on or before the announcement of the 2021 Federal Budget on 11 May 2021. Up to date information about this will be available on our 2021-22 Federal Budget summary page at sunsuper.com.au/budget

Proposed Your Future, Your Super package

As previously announced in the October 2020 Federal Budget, the federal government are proposing super reforms in its *Your Future, Your Super* package which, pending the passing of legislation through parliament, are to apply from 1 July 2021. Two of the key changes you'll want to be aware of are highlighted below.

Proposed Superannuation 'stapling' on job change

Proposed to commence from 1 July 2021, the government will identify a 'stapled fund' to follow you when you change jobs. The intent of this change is to prevent the unintended creation of new super accounts on job change.

A 'stapled fund' will in general terms mean your primary super fund. This means that when you change jobs, your employer will use your existing super fund information available through the ATO, preventing the unintended opening of multiple accounts. As at the date of issue of this *Product update*, the government were working on the exact definition of what a 'stapled fund' is and how the process would work.

How will this impact me?

If legislated, your employer/s will be required to comply with new laws to ensure that they aren't creating a new fund for you where you have a 'stapled fund'. If you start a new job from 1 July 2021 onwards (the proposed legislation start date), unless you nominate your preferred super fund (like Sunsuper), your employer will pay your super contributions to your 'stapled fund'.

You start a new job, have one or more super funds, and...

You don't nominate a super fund for your employer to pay to.	You do nominate a super fund for your employer to pay to.
Your employer will need to find your 'stapled fund' to pay SG to. Once they have found the super fund, they will pay into that fund.	Your employer will be required to pay to your nominated super fund.

MySuper annual performance test

A new performance test for super funds, which will require the Australian Prudential Regulation Authority (APRA) to conduct an annual performance test for MySuper products is proposed to come into effect from 1 July 2021. Super fund trustees would be required to give notice to members if their product fails this performance test, and if it failed over two consecutive years, the fund would be prohibited from accepting new members.

This measure seeks to ensure that super products have their performance assessed against an objective, consistently-applied benchmark to provide greater transparency and protection to members from being in underperforming products.

Increase in age where the 'bring forward rule' for non-concessional contributions rule may be used

At the time this *Product update* was issued, legislation is pending that would increase the maximum age at which the 'bring forward rule' for non-concessional contributions may be used, from 65 years to 67 years.

If this legislation is passed, persons aged 67 years or less in a financial year may trigger the 'bring forward rule' which allows after-tax contributions of up to 3 times the yearly non-concessional cap to be contributed in the first, or over the next two, financial years. Your ability to take advantage of the bring-forward rule is subject to the work test, if applicable, and your account balance. This change would be applied to non-concessional contributions made on or after 1 July 2020 (or a date established by the legislation).

Other important updates

Yearly changes to rates and thresholds

Updated rates and thresholds for 2021-22 (including contribution caps, government co-contribution income thresholds, and the general transfer balance cap) will come into effect from 1 July 2021. These rates are published on the Australian Taxation Office (ATO) website at ato.gov.au and will be updated in our *PDSs* and *Guides* from 1 July 2021.

Sunsuper Retirement Bonus increases to a maximum of \$5,100

The maximum Retirement Bonus for eligible members who open a new *Retirement income account* after 1 July 2021 will increase from \$4,800 to \$5,100. This is due to the general transfer balance cap being indexed on 1 July 2021 to \$1.7 million from \$1.6 million.

How much of a Retirement Bonus would I receive?

The Retirement Bonus is calculated as 0.30% of your account balance up to a maximum of \$5,100. The table below shows some examples:

Income account balance	Retirement Bonus (from 1 July 2021)
\$200,000	\$600
\$500,000	\$1,500
\$800,000	\$2,400
\$1,000,000	\$3,000
\$1,700,000	\$5,100 (maximum amount)

If you activate a *Retirement income account* on or after 1 July 2021 and you make a top-up before 30 June of the financial year that the *Income account* is established, any Retirement Bonus you are eligible for will be calculated on the sum of your starting account balance and any top-ups you make.

Eligibility conditions apply. Refer to sunsuper.com.au/retirementbonus

Updates to our consolidation tool

From 28 March 2021, members are required to confirm their identity before they can request for us to search with the ATO for any super held with other funds and any lost and unclaimed super monies.

We will also now require you to confirm your identity with us to complete automatic annual searches for your super with the ATO.

You can confirm your identity and access our consolidation tool using *Member Online* or the Sunsuper app. Otherwise, contact us over the phone on **13 11 84** for assistance.

Privacy Policy update

Sunsuper's Privacy Policy can be found at sunsuper.com.au/privacy. The Privacy Policy outlines how personal information is collected, held, used and disclosed by Sunsuper, and provides information on your rights regarding your personal information. We are in the process of reviewing and updating our Privacy Policy to ensure it remains up to date. We expect that an updated policy will be available on our website by 1 July 2021.



📞 13 11 84 🖱️ [sunsuper.com.au](https://www.sunsuper.com.au)

Need assistance?

Call our translation service on **13 14 50** and say one of the following languages at the prompt: Italian, Chinese, Vietnamese, Korean, or Arabic.

Important information

Please read this *Product update* and familiarise yourself with all of the changes and make sure you understand how they may affect your Sunsuper account.

Product Disclosure Statements (PDS) and important *PDS* updates for *Sunsuper for life* members are available at [sunsuper.com.au/pds](https://www.sunsuper.com.au/pds)

This information was prepared on 22 April 2021 and was current when this document was prepared. We make every effort to ensure the information shown is correct. Sunsuper reserves the right to make adjustments for any errors, misprints or omissions. A printed copy of the *Product update* is available on request at no additional cost.

This *Product update* contains general information only. Any advice does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of any advice having regard to your personal objectives, financial situation and needs before acting on that advice. You should consider the *Product Disclosure Statement (PDS)* in deciding whether to acquire, or to continue to hold the product. A copy of the *PDS* can be obtained by visiting [sunsuper.com.au/pds](https://www.sunsuper.com.au/pds). To contact us visit [sunsuper.com.au/contact-us](https://www.sunsuper.com.au/contact-us)

Prepared by Sunsuper Pty Ltd ABN 88 010 720 840, AFSL No. 228975, the Trustee and issuer of the Sunsuper Superannuation Fund ABN 98 503 137 921, MySuper Authorisation 98 503 137 921 996, USI 98 503 137 921 001