PAGE 14: MEET LECTURER IN PROPERTY, DR GEORGIA WARREN-MYERS

BUILDINGS FOR THE FUTURE

INTRODUCING PERSONAL ACCOUNTS

PAGE 10: FAMILY, FORMER MEMBERS AND OTHERS CAN NOW JOIN UNISUPER

PAGE 6: UNISUPER’S MANAGER OF GOVERNANCE AND SUSTAINABLE INVESTMENT ON WHY RESPONSIBLE INVESTING IS MORE THAN A BUZZWORD

INVESTING RESPONSIBLY
A pill that smells your gut for disease?
Researchers Professor Kourosh Kalantar Zadeh, Dr Kyle Berean and Mr Nam Ha from RMIT have successfully completed phase one human trials of ingestible pills that may revolutionise the prevention and diagnosis of gut disorders and diseases.

The smart capsules work by essentially ‘smelling’ your gut to measure gas levels in the gastrointestinal tract. They send data from inside the gut to a receiver connected to a mobile phone, opening new possibilities for diagnosing and treating disorders like irritable bowel syndrome (IBS) and inflammatory bowel disease (IBD).

Gut reaction
“The smart pills allow us to identify precisely where the gases are produced and help us understand the microbial activity in these areas—it’s the first step in demolishing the myths of food effects on our body and replacing those myths with hard facts,” Professor Kalantar Zadeh said.

UniSuper members are currently invested in at least one of our sustainable or environmental options. Read about how responsible investing is more than just a buzzword on page 6.
60% of Australians have just one super account. Do you have other accounts to combine?

To join the silent majority, go to unisuper.com.au/memberonline and use our Combine my super tool.


Future thinking
The researchers hope the device will allow personalised diets or drugs to be designed that can efficiently target problem areas in the gut, to help those affected by digestive disorders and diseases. Their next step is raising the capital needed for a large scale human trial, so they can bring the pill to market.

Radar
Three podcasts we're loving right now

Trust Me, I'm an Expert
This monthly podcast from The Conversation deep dives into the news of the day and brings to life interesting stories from the academic world. theconversation.com

Revisionist History
An oldie but a goodie, Malcolm Gladwell's cult podcast examines the past in a new light—wondering whether we got things right the first time. revisionisthistory.com

Chat 10 Looks 3
The ABC's Annabel Crabb and Leigh Sales talk all things books, movies, TV, cooking and show tunes in this podcast. Look out for their live shows. chat10looks3.com

Thinkers to watch

Neuroscience
Dr. Leonie Kirszenblat from the University of Queensland investigates the relationship between sleep and attention. Her work includes looking at the effects of sleep deprivation on the brain.

Social Study
Dr. Julie Robert from the University of Technology Sydney is an expert in embodied philanthropy. Her work broadly looks at social, cultural and political uses of the body—and the rise of initiatives such as febfast, Movember and Dry July.

Health Science
Prof. Jenny Graves from La Trobe University won the 2017 Prime Minister’s Prize for Science for her 50-year career in genomic and epigenetic research. In 2002, she suggested that the Y chromosome might eventually disappear.

Got a story? We love hearing about what you’re doing and so do our readers! Drop us a line at superinformed@unisuper.com.au if you’d like to be contacted for a member profile in the future, or to share news of your research.
A word from our CEO

WELCOME

The last 12 months have seen another period of growth and achievement for UniSuper.

We don’t set out to win awards, but we’re pleased to have been recognised again with a number of industry awards—cementing our position as one of Australia’s best performing super funds.

We received the 2017 Super Fund of the Year and Default Fund of the Year, as well as the Best Insurance Offering and Best Advice Offering awards at the Conexus Financial Superannuation Awards. We were also named Industry Fund of the Year at the Super Review BNP Paribas Awards.

Earlier in 2017, Chant West named our Flexi Pension its 2017 Pension of the Year and we also received its Best Fund: Advice Services award.

NOW YOUR FAMILY CAN JOIN UNISUPER

We recently launched Personal Accounts—our accumulation super product for former UniSuper members and the family of current members. We did this in response to regular member feedback that you’d like more of your family to be able to join UniSuper, and requests from former members wanting to re-join. This new product offers an easy online application process, our full range of investment options and a suite of insurance options.

We’ve been thrilled at the level of uptake of this product since launch, with hundreds of new members joining the Fund. Find out more on page 10 or visit unisuper.com.au/personal.

EXPANDING OUR EDUCATION AND ADVICE SERVICES

We’ve made it even easier for you to make informed decisions about your super, launching our online webcast library. The library provides live and on-demand recordings of popular super and money management topics.

More than 23,000 members registered for our education services in 2017, which included seminars, podcasts and webcasts.

We continue expanding our advice services, with purpose-built member centres now open in every UniSuper office. Throughout the year, we provided advice services to over 40,000 members through our on-campus consultants, phone-based consultants and financial advisers.

We’ve also launched a new aged care advice service through UniSuper Advice, with referral arrangements to aged care specialist placement firms now in place.
“We recently launched Personal Accounts—our accumulation super product for former UniSuper members and the family of current members ... This new product offers an easy online application process, our full range of investment options and a suite of insurance options.”

And many members are regularly tuning into our award-winning video and podcast series, Five questions for the Chief Investment Officer and Super Informed Radio. If you haven’t tuned in yet, you’ll find past videos and episodes at unisuper.com.au.

RECENT DIGITAL ENHANCEMENTS
Delivering a high-quality digital experience for members is a focus for us, and we’re continually expanding the range of transactions and tasks you can complete through MemberOnline.

You can now verify your identity through MemberOnline, before making withdrawals and other changes to your account. It’s a quicker and simpler experience than the time-consuming process of certifying paper documents. MemberOnline is available anytime, anywhere and on any device.

We continually strive to evolve our Fund in line with your needs. And we’ll continue this important work in 2018.

I hope you enjoy this edition of Super Informed and the year ahead.

Kevin O’Sullivan

‘APP’ IN HAND
Having your super at your fingertips is easy!


→ Use the browser’s ‘Add to Home Screen’ function.

→ A shortcut to MemberOnline—which looks like an app—will save to your home screen.

→ Tap the app each time you want to log in to MemberOnline.

HIGH MARKS FOR LOW FEES
UniSuper is among the lowest-fee super and pension funds, according to Chant West’s most recent fee surveys.¹

Chant West reviews the fees charged by Australia’s largest 100 super and pension funds across a range of investment options, balances and product types.

Our Accumulation 1 fees (which also apply to Accumulation 2 members) ranked in the lowest 10% of all funds.

Our Accumulation 1 default Balanced (MySuper) investment option fees ranked fourth lowest for $25,000 super balances, third for $50,000 balances, and second for $250,000 balances.

And the Accumulation 1 Balanced option’s fees of 0.75% on a balance of $50,000 were below the overall industry average of 1.14%.

¹ Super Fund Fee Survey and Pension Fee Survey, September 2017.
The concept of empowering leadership has generated increasing interest in recent years. While there are many empirical studies on the topic, the results are far from conclusive. Some find positive effects on things like job performance and creativity. Others find an insignificant or even negative effect.

The definition of empowering leadership used by Amundsen and Martinsen identifies three core elements: delegating authority to employees; self-directed and autonomous decision-making; supporting aspects like coaching, sharing information, and frequent feedback for employees’ career development. In these ways, leaders promote their subordinates’ sense of empowerment and capability, leading to more desirable job performance and attitudes.

Our recent analysis aimed to understand the effect of empowering leadership on performance at the individual and team level. We were interested in different types of performance—including how you perform your core tasks and your creativity—plus what we call organisational citizenship behaviour, or ‘extra role’ behaviour. From a theoretical point of view, the effects should be positive—you’re giving people empowerment and autonomy, and they should appreciate this by performing better, right?

Sometimes that isn’t the case, so we wanted to understand it further. Secondly, we wanted to investigate the different mechanisms linking empowering leadership to employees’ job performance. What about the sense of safety and trust? What about the quality of the relationship between leaders and subordinates? Does that impact how people behave?

And thirdly, we wanted to find out under which conditions empowering leadership works better than others. What about the environment you’re in, both in terms of industry and cultural environment?

Empowering leaders need to consider at least three things: how they provide autonomy and what level of autonomy they should provide; thoroughly understanding their employees (are they prepared to take on more autonomy and be more empowered?); clearly communicating the motivation for sharing their power. Employees must have a strong sense of trust in their leader’s ability and fairness in dealing with workplace-related issues.

We found that, when done well, empowering leadership does positively influence employees’ sense of trust in their leaders. It enhances their psychological empowerment and the quality of the relationships with their leaders, in turn enhancing performance, creativity and organisational citizenship behaviour.
Responsible investing is more than a buzzword

If you’ve heard the term ‘responsible investing’ a lot lately, you’re probably not alone. More and more people are looking to the way their super fund responds to environmental, social and governance issues. We take a closer look at what it means to invest responsibly, what UniSuper’s doing about it, and how can you get involved.
Talieh Williams’ role as UniSuper’s Manager of Governance and Sustainable Investment is a busy one.

“We’re constantly out in the field, talking to and working with the companies we invest in,” Talieh says.

“Members are always interested to learn that UniSuper is focused on the environmental, social and governance (ESG) performance of the companies we invest in. But actually, I think what’s even more interesting and important is the work we do behind the scenes with these companies.”

UniSuper assesses ESG factors for all investment decisions.

“We can’t afford not to. We need to know the broader ESG risks and opportunities that all our investments face, so we can better understand how they might impact our analysis and decisions. Ultimately, if a company manages ESG well, it likely manages other issues well, too,” she says.

UniSuper adopts a holistic approach to responsible investment.

“We use climate change risk assessments, conduct internal ESG due diligence before we invest, and continuously monitor the portfolio.”

‘ACTIVE’ OWNERSHIP
John Pearce, Chief Investment Officer, believes that central to UniSuper’s approach to responsible investing is being an ‘active’ owner—and key to this is taking an ‘engaged’ rather than ‘activist’ approach.

“Activist investors tend to invest in underperforming, poorly-governed companies, and seek to aggressively drive change to shake up company management and boards,” John says.

“Ultimately, we believe that being an engaged owner and using our ownership rights responsibly, through private and respectful engagement—combined with our shareholder voting rights—is the most effective way to communicate with and influence these companies.”

Talieh says some of the key topics UniSuper addresses with companies are remuneration, board succession planning, climate risk management, occupational health and safety, and human rights in the supply chain.

“And where necessary, we seek to drive change where we have concerns about the way companies are managing ESG.”

Talieh’s team has been especially active in engaging with companies about the way they manage the physical and transition risks associated with climate change.

“As a result of our and other investor efforts, we’ve seen a number of companies make better disclosures about how they’re managing these risks.”

DUTY BOUND
John adds that UniSuper is restricted legally in terms of what can and can’t be included in portfolios. In short, we have a ‘fiduciary duty’ to invest in members’ best financial interest.

“As a fiduciary, we simply cannot consider an investment that delivers below-market rates, regardless of the virtues of such an investment from a public benefit perspective.”

And while trends such as ‘impact’ and ‘ethical’ investment are growing across the super fund sector, John warns that members of such funds should be mindful of outcomes.

“Super funds getting more involved in this space is, of course, admirable—provided that investments are consistent with their fiduciary responsibilities to act in their members’ best financial interests,” he says.
“I note, for example, our Sustainable Balanced option has outperformed most other ethical and environmental peer fund options over the last five years, in terms of lower costs and higher returns.”¹

**GETTING INVOLVED**

In addition to being a responsible investor and considering ESG across all investments, we also provide a range of investment options for members interested in sustainable and ethical investing.

“Our Sustainable Balanced and Sustainable High Growth options invest in companies that are highly rated for their sustainability performance,” Talieh says.

These options don’t invest in alcohol, gaming, weapons and fossil fuel exploration and production sectors—in addition to the fund-wide exclusion in tobacco. Sustainable Balanced also invests in ‘green bonds’, which provide debt finance to fund the development of renewable energy and energy efficiency projects.

The Global Environmental Opportunities option invests in companies that focus on delivering products or solutions across five key areas: clean energy, energy efficiency, waste/pollution control, clean water, and green buildings.

All three of these options seek to exclude investments in companies in breach of the UN Global Compact.

In addition, seven of our 16 options have no direct exposure to fossil fuels: Sustainable Balanced, Sustainable High Growth, Global Environmental Opportunities, Cash, Australian Bond, Diversified Credit Income and Listed Property.

“So really, members have quite a few options to consider if they’re interested in getting involved,” Talieh says.

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Past performance isn’t an indicator of future performance.
You no longer have to be working in the higher education or research sector to become a UniSuper member. As long as you’re living in Australia, former UniSuper members and family of current members can now join us through our newest product—Personal Accounts.

Personal Accounts offer accumulation-style super (like our Accumulation 1 accounts), which means your super balance grows through contributions and investment returns.

Introducing Personal Accounts

Over the years, many members have told us they’d like their broader network—not just their spouse—to be able to join us too. We’ve listened!
WHY CHOOSE UNISUPER?

1. A record of strong long-term investment returns. Investment returns matter. We’re proud to have achieved returns that have exceeded industry benchmarks and averages for various investment options.*

2. Value for money. We keep our administration fees competitive, and we don’t pay commissions to our financial advisers.

3. A comprehensive range of products and services. Whatever your financial situation, career stage or savings goals, we have a lifetime worth of super products, including a range of pension options, to suit you. Make sure you consider the relevant PDS before making a decision.

4. Financial advice from an organisation you know. With UniSuper Advice, you can feel confident you’ll get the information you need to grow your super and other finances. To find out more, contact 1800 UADVICE (1800 823 842) or visit unisuper.com.au/advice.

* The value of investments can rise and fall, and past performance shouldn’t be relied upon as an indicator of future performance.

You decide how you want to invest your super by choosing from our range of investment options. A suite of insurance options such as Death, Total and Permanent Disablement (TPD) and Income Protection cover are also available if you’re eligible.

Joining has never been easier. Our online application only takes 10 minutes to complete and you don’t need to make an initial contribution. Simply sign up online at unisuper.com.au/personal.

SO WHO’S ELIGIBLE TO JOIN?

You can open a Personal Account and enjoy the benefits of being a UniSuper member as long as you’re living in Australia and are:

→ related to a UniSuper member
→ a former UniSuper member wanting to re-join, or
→ working in an honorary or affiliate role with a university.

READY TO MAKE IT PERSONAL?

Why not invite your family members to invest in their future and join UniSuper? Find out more at unisuper.com.au/personal.

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Five things

FIVE THINGS YOU MAY NOT KNOW ABOUT BINDING NOMINATIONS

Your super will grow to become one of your most valuable assets. So it’s important you understand where it’ll go when you’re gone. Did you know that ‘binding nominations’ can empower you to tell your super fund exactly that? Here are five things you may not (but probably should) know about them.

1 YOUR WILL WON’T COVER YOUR SUPER
Many people don’t know this, but your super usually won’t automatically form part of your Will. Your Will covers assets you own (like property, investments and savings). Your super is governed by superannuation law and is held in a trust by the trustee of your super fund. This is why different rules apply and why it’s important to let us know how you’d like your death benefits distributed.

2 EVEN WITH A SMALL BALANCE, IT MATTERS
You may have a small super balance now, but it’ll grow over time. You may also have death insurance cover through your super. This would be paid out on your death, which means your small super balance may become quite significant.
3 A VALID BINDING NOMINATION GIVES YOU THE FINAL SAY

Some family arrangements are complex and the number of blended families is increasing. Industry-wide, this is a common factor in many of the death benefit disputes coming before the Superannuation Complaints Tribunal. You can control who can share in your death benefit by making a valid binding death benefit nomination.

5 YOU CAN’T NOMINATE JUST ANYONE

To be valid, a beneficiary must be a ‘superannuation dependant’ or legal personal representative. A dependant may include your spouse, child, someone in an interdependency relationship with you or someone financially dependent on you. For more information, visit unisuper.com.au/beneficiaries.

WHERE CAN YOU GET HELP?

Each year, the UniSuper Advice team helps members navigate the financial side of important life events. Call UniSuper Advice on 1800 UADVICE (1800 823 842) to see how we can help you.

4 A BINDING NOMINATION DOESN’T HAVE TO BE FOREVER

We offer lapsing and non-lapsing binding death benefit nominations. A lapsing nomination expires after three years, whereas a non-lapsing nomination doesn’t expire (unless you change or revoke it). You can revoke or change your binding nomination at any time.

WHAT TO DO NOW

››› Check if you have a nomination by logging in to MemberOnline or calling us.
››› Check your beneficiaries are valid and eligible to be nominated.
››› If you’re nominating a legal personal representative, make sure your Will is up to date.
››› If you joined the Defined Benefit Division before 1 January 1990, seek advice before making a binding nomination.
››› To nominate, complete the Binding death benefit nomination form at unisuper.com.au/forms.
››› Make sure you keep your nomination up to date.

DID YOU KNOW?

››› More than half of our members have a beneficiary nominated on their UniSuper account.¹
››› According to the Superannuation Complaints Tribunal, almost one-third of all complaints are about death benefits.²

¹ Fund statistics (September 2017) across all UniSuper products.
How does Australia compare to other developed countries in the construction of sustainable residential property?

The Australian residential market lags behind other developed countries in terms of sustainability. Although we have mandatory new star ratings for new homes, the sector is plagued by problems and a lack of verification of the built product.

Part of the limitation is that energy ratings are restricted only to new homes. Whereas in the ACT, a mandatory rating system exists for all homes for sale and rent. Analysis has demonstrated that pricing premiums exist for increasing energy star levels—and communication of the ratings in the market is an important component to drive valuations. The ACT model suggests that an Australia-wide approach to mandatory ratings and communication of these ratings at point of sale or lease could drive sustainability nation-wide.

“What’s the state of sustainability reporting in the Australian commercial property market?” The commercial market has a mandatory energy efficiency disclosure program. It requires all buildings over 1,000m² to have a Building Energy Efficiency Certificate (BEEC), and disclose their National Australian Built Environment Rating System (NABERS) energy rating on any advertising material. This has increased the knowledge and perception of the rating. However, broader sustainability objectives and ratings have reduced market exposure and discussion.

Unfortunately, a recent study which examined the relationship between sustainability and valuations found that little information or consideration was given beyond noting that the building had a NABERS rating and BEEC. Actual comparisons or consideration of financial adjustment aren’t being undertaken, with valuers still claiming a need for more evidence.
Can you talk about your findings on pricing the risks of climate change for the Australian property market? Action in relation to sea level rise is predominately the focus of local, state and federal governments. Much of this relates to planning and policies, yet actual implementation is highly variable. Further, in many locations the public awareness of proposed and future planning changes is lacking, and there has been little consideration, interaction or action by private property stakeholders. The implications to valuations are of utmost concern to property stakeholders. So the lack of discussion, mitigation and action coming from the property sector in relation to sea level rise is surprising.

The Australian property market and other property stakeholders need to start considering the implications of climate change for their portfolios.

At present there’s a severe lack of interest and discussion, and little adaption or mitigation strategies being developed. The political situation over the last few years has done little to drive much needed consideration and change in the sector. Given current predictions, there are range of issues that are going to face property stakeholders in both the short and long term.
GET TO KNOW YOUR INVESTMENTS

Dive deeper into your investments with MemberOnline

We get there’s a lot of information to take in when you jump on to MemberOnline—the secure section of our website. So here are some key things to look out for when checking your investments.

1. Understand the options you’re invested in. Once you’ve logged in, go to ‘Your investments’. One of the first things you’ll see is up to three pie charts—depending on what membership category you’re in. These charts break down the different ways your balance is invested. Hover over each pie chart section to see to each proportion, or compare using the tables below each pie chart.

2. See how those options have performed over time. Now onto the exciting bit—performance! There are two ways you can check performance. If you’re more of a numbers person, you can look at specific option returns on the ‘Overview’ page. If you’re more of a visual person, you can view the chart on the ‘Investment performance’ page.

   Both displays show how the options have performed in general—not how your amount in each option has performed. It’s important to remember that the way options performed in the past doesn’t reflect how they’ll perform in the future.

3. Find out what major holdings your balance is invested in. This is where we start breaking down your individual investments. Go back to the ‘Your investments’ page and scroll past the pie charts. Based on the options you’re invested in and how much you’ve invested in them, you’ll see what major holdings we’ve invested your balance in, starting with the highest amount and moving down.

   The order of holdings may change depending on market movements, our investment approach or if you decide to switch—but it helps bring your super or pension to life.

   Understand the mix of your investments. Scroll past the table of major holdings and you’ll come to another pie chart. This time, we bring your investments up a level and show how your balance is invested by asset class.

An asset class is a specific category of investments—e.g. cash, fixed interest, property, alternative investments and shares—which fall into two broader groupings: growth and defensive.

4. Switch your investment options. If you need to, it’s easy to switch your investments on MemberOnline. Simply go to the ‘Change your investments’ page and, depending on your membership category, choose the type of switch you’d like to make.

   If you’re still working and growing your super, you can tailor how you’d like to invest your existing balance, future contributions to your account, or transfers from other super accounts into UniSuper. If you’re taking a pension, you can choose how to invest your remaining balance.

5. Check in regularly. Keeping an eye your balance is super simple—simply go to unisuper.com.au/memberonline to get started.

“Both displays show how the options have performed in general—not how your amount in each option has performed.”

1 Defined Benefit Division (DBD) members will only see investment information for their accumulation component in MemberOnline.

Written by Marta Zyznowska
Communications Consultant
FOR THE LOVE AND THE MONEY

Family members—especially grandparents—often play a big role in caring for the children of busy parents. But some may not be aware that their role as a carer might make them eligible for Centrelink benefits.

People who care for children, including relatives, friends or neighbours, can apply to be ‘registered carers’, and receive Centrelink payments in addition to any payments made by parents or guardians.

The current registered care rate for a non-school aged child for up to 50 hours of care per week is $0.719 per child per hour, or $35.95 per child per week. Payment rates for school aged children are 85% of the non-school aged rate.

To become a registered carer, you must:

→ provide care to one or more children on a regular basis, and
→ be aged 18 or over, or
→ be aged under 18 and have relevant qualifications in child care, home-based help, or as a nanny.1

Application processes differ between states and territories—visit www.acecqa.gov.au to find your local authority. Most require criminal checks, a Working with Children Check (WWCC), or in some cases, a ‘Blue card’ (effectively a WWCC ‘licence’).

Once you’re a registered carer, you can apply to the Department of Human Services (DHS) by completing the Registered Carer Application form.

Family Tax Benefit (FTB) Part B, commonly paid to parents or guardians, can also be paid to eligible grandparents and great-grandparents who care for a child at least 35% of the time.2 You’ll find the payment rates in the table above.

To receive this benefit, the children must:

→ be aged 16 or younger, or
→ be a full-time secondary student up until the end of the calendar year in which they turn 18.3

FTB Part B is means-tested. Generally, grandparents or great-grandparents are ineligible if an individual or member of the couple’s income exceeds $100,000 per year. For couples with one partner earning $100,000 or less, the second partner must earn less than $27,613 when caring for at least one child under five years old, and $21,499 for 5-18 year-old children.4 Speak to the DHS to check your eligibility.

The DHS’s Grandparent Adviser service provides information on the benefits available to eligible grandparents. To find out more, call 1800 245 965.

2 Grandparents or great-grandparents refer to a biological, adoptive or step-relationship to the child.
3 Home schooling children aged 16-19 is not included as part of the FTB requirements.
WHAT WOULD TRAUMA COST YOU?

Trauma insurance cover may be worth considering if you want to protect yourself from upfront expenses involved with a traumatic health event.

Could you continue to work and support yourself, or your family, if the unexpected occurred?

Trauma cover—often overlooked—is a type of insurance which pays a lump-sum benefit in the event you suffer from a defined health event like cancer, stroke or heart attack.

Unlike death, total and permanent disablement (TPD) and income protection cover, super funds can’t offer trauma cover. But it can be purchased from some insurers, or via financial advisers who can act as brokers and find you the best rated policy.

Trauma cover payments can cover things like out-of-pocket medical expenses, physical therapy or other expenses arising from a change in lifestyle following a traumatic health event.

Unlike income protection cover held outside of super, trauma cover isn’t tax deductible.

Like all insurances, there’s a lot to consider when deciding on the most appropriate type or level of cover.

Assess the type and level of any existing cover you may already have, like health insurance, income protection and/or TPD cover.

And remember—these insurances all cover different things.

Income protection pays a regular income of up to 85% of your income (usually your income at the time of claim), but generally won’t pay for other expenses arising from a traumatic health event. TPD pays a lump-sum benefit if you’re permanently unable to work.

Health insurance is provided as ‘hospital’ and ‘extras’ cover, and reimburses expenses like hospital admissions, or ancillary health services like dental, optical and physiotherapy.

Be sure to consider the finer details of your existing insurance arrangements.

For example, income protection payments are usually subject to a 30, 60 or 90-day waiting period, and health insurance can have different levels of excess charges, gap payments and exclusions.

Trauma cover policies include a defined list of medical conditions which they will and won’t cover, so it’s really important you know what you’re covered for.

There’s also the choice of ‘level’ or ‘stepped’ premiums. Level premiums stay the same over time (adjusted in line with inflation), but are generally more expensive when you’re younger. Stepped premiums are generally cheaper when you’re younger, but the cost increases over time.

You can also choose to have your benefit increase over time automatically—typically in line with inflation.

Need help? Our financial advisers can help assess the most appropriate cover for you, in line with your broader financial and personal situation. Call 1800 UDAVICE (1800 823 842) to learn more.
CHANGES TO SUPER

Legislative update

2017 FEDERAL BUDGET
Two measures affecting super from the 2017 Federal Budget became law in December 2017. There are tax and other financial issues to consider with both of these measures, so we recommend you seek financial advice if you’re interested in taking advantage of them.

First Home Super Saver Scheme (FHSSS)
The FHSSS allows people to make additional voluntary contributions to their super and release them to make a contribution to the purchase of their first home.

The scheme applies to voluntary contributions made to super after 1 July 2017. Savers can contribute up to $15,000 per year, or $30,000 in total.

Voluntary contributions include:
- concessional (before-tax) contributions (including salary sacrifice contributions), and
- non-concessional (after-tax) contributions.

The contributions will still count towards the applicable contributions caps, but can be withdrawn from 1 July 2018 to purchase a first home.

Contributing the proceeds of downsizing to super
This measure will allow the proceeds of downsizing a family home to be contributed into the super system.

From 1 July 2018, people aged 65 and over will be able to make a non-concessional (after-tax) contribution of up to $300,000 into their super from the sale of their primary residence. These contributions won’t count towards the concessional or non-concessional contributions caps.

Your ability to make a downsizer contribution isn’t affected by the ‘total superannuation balance’ test. This means that if you have a total super balance of $1.6 million or more, you’ll still be able to make these top-ups. Note, though, that the ‘transfer balance cap’ will still limit the amount that you can transfer to the concessional-tax environment.

OTHER ANNOUNCEMENTS
In September 2017, the Government announced a raft of proposed changes to super under the heading: Improving accountability and member outcomes in superannuation announcement. If legislated, these proposals would introduce:

- a new Outcomes Test—requiring trustees to undertake an annual determination to ensure outcomes are in the financial interests of their members
- enhanced powers for the Australian Prudential Regulation Authority (APRA)
- a new penalty regime—aligning the superannuation director penalty regime with the penalty regime that applies to directors of managed investment schemes
- annual members’ meetings—requiring super funds to hold annual members’ meetings to allow members to ask questions about all areas of performance and operation, and
- an extension of Choice of Fund—which would remove the exemption from Choice for those covered by Enterprise Bargaining Agreements (EBAs). If legislated, once a new EBA is made after 1 July 2018, employers will be required to offer Choice of Fund to most of their staff. The Choice rules include an exemption for defined benefit members (i.e. defined benefit members won’t be eligible for Choice of Fund, but new employees who are not yet defined benefit members will be entitled to Choice). UniSuper is currently working through the implications of these proposals which, if legislated, will take effect progressively from 1 July 2018.
Financial System Inquiry
Another public policy issue we’ve been closely monitoring is the Financial System Inquiry’s recommendations that super funds develop new ‘comprehensive income products for retirement’ (CIPRs). These would include a longevity component, such as a lifetime pension. Given this recommendation remains in the early stages of policy development, funds have not yet ventured into this market.

The Government has also proposed new legislation to create a new body, the Australian Financial Complaints Authority (AFCA). It would replace the Financial Ombudsman Service (FOS), the Credit and Investments Ombudsman (CIO) and the Superannuation Complaints Tribunal (SCT) and provide a one-stop shop for consumer dispute resolution.

The proposed AFCA launch date is expected to be 1 July 2018, meaning all new complaints would need to be referred to the AFCA. A transition period would see any existing SCT matters reviewed before 1 July 2018 managed until the SCT ceased operating on 30 June 2020.

We’ll keep you updated with developments as they come to hand. For the most up-to-date information, go to unisuper.com.au.

UniSuper update
On 1 October 2017, we implemented the following insurance changes:

→ For Defined Benefit Division members exercising day one contribution flexibility, we extended the time period in which they can send us their fully completed and signed application forms for default insurance cover. The time period is now 60 days (it used to be 30 days).

→ For Income Protection cover, we removed ‘unarmed security guards employed within the sector’ from the list of excluded occupations.

→ We introduced insurance cover for Personal Account members.

Other important updates
The following amendments have been made to the UniSuper Regulations and Trust Deed, which govern how the Fund operates.

The Trust Deed has been amended with effect from 25 November 2017 to:

→ clarify the definition of ‘service fraction’ to ensure that the effect of temporary allowances on the service fraction of full-time members is no longer in doubt, and

→ correct a typo in the definition of ‘taxation amount’.

The Regulations were updated on 1 October 2017 to reflect the categories of people eligible to open a Personal Account:

→ former UniSuper members

→ family members of current UniSuper members

→ family members of a person who died while a UniSuper member

→ individuals who hold (or previously held) non-remunerated or honorary positions with a participating employer, or are on the governing body of a participating employer or higher education or research sector affiliate.
AWARD-WINNING FUND

With a string of awards and high ratings from Australia's top ratings and research agencies, SuperRatings and Chant West, we're one of Australia's most award-winning super funds.

SuperRatings, a superannuation research company, has awarded UniSuper a Platinum Choice rating for its accumulation products, something only the 'best value for money' funds receive. Our accumulation products have also achieved a 10-year Platinum Performance rating. Go to www.superratings.com.au for details of its rating criteria. SuperRatings does not issue, sell, guarantee or underwrite this product.

Chant West awarded UniSuper ‘Super Fund of the Year’ in both 2015 and 2016, and ‘Pension Fund of the Year’ in 2017. UniSuper was also awarded ‘Best Fund: Advice Services’ in 2017. UniSuper’s Accumulation 1 and 2 products have received a 5 Apples rating. For information about the methodology used, see www.chantwest.com.au.

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