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UniSuper member and Assistant Professor of Particle Physics Dr Paul Jackson talks to us about his part in the Nobel Prize-winning discovery of the ‘Higgs Boson’.

Low financial literacy a global concern

DIY super: the costs of control. Find out more on page 6
Despite my smartphone, opening a new diary and hanging a fresh calendar are always poignant moments for me. The satisfaction of goals achieved and fulfilled dreams of another year gone by mingle with the anticipation of the year ahead.

Message from the CEO

Despite my smartphone, opening a new diary and hanging a fresh calendar are always poignant moments for me. The satisfaction of goals achieved and fulfilled dreams of another year gone by mingle with the anticipation of the year ahead.

After an incredibly busy 2013—which included the launch of our MySuper offering, enhancements to our administration systems to accommodate Stronger Super changes, and improvements to the insurance provided through the fund—I’m expecting that 2014 will be just as busy, but with a greater focus on non-compliance enhancements.

Evolving to meet your needs

As a fund created specifically for those working in higher education and research, we strive to keep the fund relevant for you, our members in this sector. We want to be relevant for our members’ unique employment and retirement patterns, expectations and preferences. This means going above and beyond, keeping on top of the latest legislative requirements and driving changes that deliver real, tangible value for you.

One of the ways we do this is through regular research and planning. Along with several members of the UniSuper team, I will be meeting with the Board this month to explore several product and service enhancements, such as assisting members as they move into the retirement phase, and expanding our online capabilities. Online development is expected to further streamline our administration, meaning more efficient services for you. You will experience a more useful and user-friendly MemberOnline—the secure section of the website where you can manage your account—and have more control over your investment and interactions with us.

Improving your insurance

Another important area of focus in 2014 will be the insurance available to you through the fund. We are exploring a number of options to make your insurance options with us more competitive and meet a broader range of members’ needs. I am enthusiastic about the changes, but also feel we are enhancing an already-solid offering. Our Defined Benefit Division and Accumulation 2 members have generous cover through inbuilt benefits plus access to additional insurance cover available through our Insurer1. This is encouraging in light of recent information2 showing that the median level of life insurance cover across Australia’s working population only covers 64% of basic needs. If you are an Accumulation 1 or Spouse Account member and not sure whether your cover is adequate, I encourage you to take a few minutes to check using our new online Insurance needs calculator which provides a helpful guide.

Government spotlight on super

Late last year the Coalition government released its Better regulation and governance, enhanced transparency and improved completion in superannuation discussion paper. Reflecting the government’s goals for a “stable and efficient” superannuation system, this initiative is expected to draw submissions from a range of organisations, including UniSuper. We participate in superannuation policy debate through our involvement with peak industry bodies and through direct submissions to inquiries and public consultations to advocate for our members’ needs. You can read more about our advocacy activities in this edition of Super Informed. You can also check out our response to this latest discussion paper on our ‘Policy and Advocacy’ web page.

In closing

I hope that you enjoy this edition of Super Informed—perhaps during a break from watching the cricket, or if you’re a winter sport enthusiast like me, maybe a few ice hockey matches from the Sochi 2014 Winter Olympics! On page 6 of this edition we look at the DIY super trend, and on page 4 you’ll meet Dr Paul Jackson, part of the University of Adelaide’s team that helped score a Nobel Prize. Although we haven’t won a Nobel Prize, I’ll finish by saying how pleased I was to learn that our members voted UniSuper the 2013 consumer’s choice favourite at the SelectingSuper awards late last year.

Bring on the fresh new year!

1TAL Life Limited
2Life insurance gap reducing—industry must evolve to meet changing customer needs, Rice Warner media release, November 2013
Life, the universe and a Nobel Prize

UniSuper member and Assistant Professor of Particle Physics at the University of Adelaide Dr Paul Jackson was involved in the discovery of the Higgs Boson— or ‘God particle’—that set the scientific community ablaze and won the professors who theorised its existence a Nobel Prize in Physics. Paul recently took us through a little of his journey from budding science student to Nobel Prize collaborator.

I had great high school teachers who piqued my interest in physics. They made all science interesting and spent time explaining things. My mother was also an excellent scientist in her own right and a great inspiration.

That interest bubbled over and I got hooked on particle physics and cosmology (the very small and very big in the universe!) during the final two years of my undergraduate degree. I got an offer to move countries for a PhD (from the UK to Canada) and decided to give it a try. My research has developed from there and now I spend my days studying data from the highest energy particle collisions ever made.

My role in discovering the Higgs Boson involved constructing the innermost detector of the ATLAS experiment at CERN, which is also known as The European Organization for Nuclear Research. CERN is located in Switzerland and operates the ‘Large Hadron Collider’, the world’s largest particle physics laboratory. I built the pieces responsible for detector readout and wrote software for the experiment.

The Higgs Boson is considered important because the discovery completes our picture of the ‘Standard Model of Particle Physics’ and gives us considerable insight into the details of particle physics. By knowing the mechanism by which every particle acquires its mass, we can begin to more confidently work towards our long-term goal of finding never-before-seen processes involving elementary particles and the fundamental constituents of the universe.

Collaboration on this project was fundamental to our success and a real privilege and honour. Nothing is more inspirational than working with some of the best minds from around the globe.

Aside from physics I have a love of travel and exploration in many areas. Keeping busy and trying new things is important. And I’m a great singer! I often record vocals for friends who have a variety of music projects.

My ideal retirement would be living by the beach with a good glass of wine, while still thinking about challenging problems in physics.

The Higgs Boson is responsible for giving mass to all fundamental particles. A boson is a force-carrying particle and as any particle passes through the Higgs field, a Higgs Boson interacts with the particle and tells it how much mass it has.

“During the Nobel Prize acceptance for the Higgs Boson discovery (in October 2013) Professor Francois Englert earmarked the discovery of dark matter as the next key challenge for particle physics. I’m working on methods to measure properties of new physics from ‘Supersymmetric decays’, a favourite potential scenario that could give rise to a natural candidate for dark matter. Essentially, Supersymmetry postulates that for every particle in the standard model there is a partner. Dark matter is a weakly interacting massive particle that makes up around 25% of the mass of the universe and, as yet, we have no clue to its particle nature.”
DIY super: the costs of control

An interesting trend in superannuation is do-it-yourself (DIY) super through self-managed super funds, known as ‘SMSFs’. Some people seeking more control over the way their super is invested may be attracted to the DIY approach. Others may perceive that SMSFs have lower fees, or be influenced to consider DIY super by a financial adviser or accountant specialising in this area.

SMSFs – THE BASICS

The basic requirements for an SMSF include having fewer than five members, and each member holding the role of a trustee or director of the SMSF’s ‘corporate trustee’. SMSFs may be started by a few connected individuals (e.g. a family or business associates) and all SMSFs are regulated by the Australian Taxation Office. As such, they must comply with relevant governing rules and current legislation.

This means all members of an SMSF are personally liable for:
→ preparing a ‘trust deed’, the legal document setting out the rules for setting up and operating an SMSF. Together with super laws, the trust deed forms an SMSF’s governing rules
→ choosing and managing the fund’s investments, ensuring that those investments meet the ‘sole purpose’ test
→ completing all of the fund’s administration
→ managing the fund’s compliance obligations, including lodging annual returns, accounting and regular audits as well as a range of other responsibilities, detailed on the Government’s MoneySmart website, www.moneysmart.gov.au.

Although this level of control may appeal to some, SMSFs require a considerable time commitment as well as a certain level of investment and financial knowledge. As a result, many people with SMSFs outsource their fund management to a specialised provider. It’s worth bearing in mind that even after outsourcing most of the work, the ongoing time commitment required for an SMSF is generally still higher than for a former super provider.

Some people may also be unaware that by moving to DIY super, they lose any insurance they have through their former super provider. Although individuals can purchase their own cover for death, disablement and income protection, cover provided through large super funds such as UniSuper can often be much more cost-effective due to our bulk buying power. The range of cover available through us and flexibility to dial up and down to suit your needs is also worth considering.

Another less tangible—but no less important—feature DIYers forget is the skills and experience they can access through their former fund. As well as administration support, UniSuper also has expert staff specialising in super law, investing, taxation and claims support. As well as administration support, UniSuper also has expert staff specialising in super law, investing, taxation and claims support. DIYers also lose access to some important government-funded super resources, such as the Superannuation Complaints Tribunal.

IF YOU'RE LOOKING FOR MORE CONTROL

Through your UniSuper membership, you can be a hands-on, highly involved investor, or sit back and leave it to us. Our portfolio includes six pre-mixed options with a range of growth and defensive assets, and nine sector-specific options, including Australian Shares, Listed Property and Global Environmental Opportunities.

We continuously review our portfolio holdings—at the moment, through a combination of these options, you can gain exposure to blue-chip companies such as Wesfarmers, CBA, ANZ and Microsoft. Each option’s holdings is detailed online.

As your needs change, you can tailor your strategy to suit. For example, you may choose to invest 50% in our Balanced option, and 50% in Listed Property, and later switch 10% to Australian Shares. The beauty of having us behind you is that if you change your mind or your strategy needs a tweak, you can switch online—rather than face the hassle of selling assets, dealing with brokers and all the associated paperwork.

To find out more, call 1300 331 685, see www.unisuper.com.au/investments, or the SMSF section of www.moneysmart.gov.au. A qualified UniSuper adviser can also help you weigh up super solutions that best suit your circumstances and long-term goals.

SOME SMSF DRAWBACKS YOU MAY NOT KNOW ABOUT

The opportunity to choose their own path is so appealing to some that they might take the leap into self-managed super without being fully aware of the ongoing commitment and costs—or what they may be giving up by leaving their former super fund.

A report commissioned by the Australian Securities and Investments Commission (ASIC) last year found that the annual cost of running a self-managed fund with a balance of $150,000 can range from $1,212 (for someone performing most of the administration themselves) to $7,612 (if the DIYer outsources the running costs to an external provider). Annual fees and costs for the same amount held in a UniSuper Accumulation 1 account and invested in the Balanced option would be approximately $1,120. The report goes on to point out that annual running costs become more comparable between SMSFs and industry or retail funds with higher balances (i.e. over $200,000), particularly where members of an SMSF perform much of the administration.

1 Costs of operating SMSFs – ASIC, May 2013, Rice Warmer Actuaries. Available for download at bit.ly/1heMJ0w
2 Based on an Accumulation 1 account balance of $150,000 with 100% invested in the Balanced option
3 This is not an endorsement of particular stocks to be included in personal portfolios

EXCLUSIVELY FOR YOU, FOR NOW — AND FOR LATER

As the industry fund for the higher education and research sector, we’re run exclusively for you. We’ve had a number of former members unwinding their SMSFs and asking to re-join UniSuper, but unfortunately that’s not always an option, unless you’re working for a participating employer. Remember too, that when you retire, our competitive pension products are only available to members.
Five minutes with Senior Manager, Equities, Mark Himpoo

What’s a typical day like when you manage billions of dollars of investments?

There’s no such thing, Senior Manager, Equities, Mark Himpoo told us when we took advantage of a rare break in his hectic day for a behind-the-scenes glimpse into the intriguing world of investments.

IS THERE SUCH THING AS A ‘TYPICAL’ DAY FOR YOU AND YOUR TEAM?

Yes and no. Professional investing is both an ‘art and science’, so while there’s a consistent approach or ‘investment process’ that repeats itself over and over, the issues to analyse—and actions taken—differ in nearly every case. As most people would be well aware, the market is very dynamic and so analysis and decision-making time frames can vary enormously. One thing which could be described as ‘typical’ is the large number of meetings we have with company CEOs and industry analysts. This is an important part of our investment process in terms of monitoring our investments, and identifying potential new ones.

WHAT’S NORMALLY ON YOUR ‘TO-DO LIST’?

The must-do items that form the foundation of our investment process are stock and industry research, macro-economic analysis, portfolio construction and risk management. As mentioned, the time frames over which we repeatedly monitor and sometimes alter our strategies is dictated by the economic cycle and company news. This makes our jobs dynamic and difficult to break down into a daily, weekly or monthly routine.

HOW MUCH IS THE PORTFOLIO/SECTOR YOU MANAGE WORTH?

UniSuper has approximately $18 billion invested in Australian equities. About half of these funds are managed in-house across various investment strategies, such as the Australian Equity Income option.

HOW LONG HAVE YOU BEEN IN INVESTMENT MANAGEMENT?

I’ve been working in investment markets and funds management for 23 years (including four years at Citigroup, and 17 years at BlackRock). I can honestly say I’m still learning new things every day—investment markets have a habit of humbling even the most experienced and successful investors.

WHAT GIVES YOU SATISFACTION IN YOUR JOB?

Meeting the risk and return objectives of our members is the most satisfying aspect. I know if I do my job well, I can make a difference (for the better!) to our members’ retirement. I’m obviously a member too, so “my money is where my mouth is”. Some people think investing is easy, and you hear plenty of them boast about their fantastic returns. But what sort of risk are they taking? We’re managing people’s life savings—balancing risk and return to consistently achieve retirement outcomes that our members expect (and rely on) is a completely different proposition.

On a personal front, mentoring some of my younger colleagues is hugely satisfying. A real benefit of UniSuper’s standing in the marketplace is that we’re able to attract and retain terrific young investment talent.

WHAT ARE SOME HIGHLIGHTS THROUGHOUT THE PAST YEAR OR TWO?

A real highlight over the last two years has been the successful evolution of ‘internalising’ a significant proportion of our investment funds. Many industry participants and market commentators didn’t think a super fund could do this successfully, and while we’re still in our early days, we believe the benefits to members have been substantial.

Find out more

You can read more about our in-house management strategy, investment options, performance and the latest investment news at www.unisuper.com.au/investments. To see how your investment options are performing, take a look at your Benefit statement.
Advocating on behalf of our members

With around $39 billion in funds under management*, we use our size and strength as one of Australia’s largest super funds to influence the government, community and opinion leaders on matters affecting your super.

UniSuper has also been a key player in many policy debates, including the Cooper Review, as well as the government’s response, known as the Stronger Super reforms.

We take part in active discussions through direct representation on key advisory panels of organisations such as the Association of Superannuation Funds of Australia (ASFA). These activities ensure our members’ needs are considered at the highest level and, importantly, help secure the best possible retirement outcomes for our membership.

Chief Executive Officer Kevin O’Sullivan said that as the dedicated fund for the higher education and research sector, it’s important for UniSuper to advocate on behalf of members.

“Our advocacy activities demonstrate that we keep our members’ interests at heart in future policy decisions that may affect their retirement savings.”

Some of our submissions have been on topics including:

→ the Tax Laws Amendment (Sustaining the Superannuation Contribution Concession) Bill 2013, focusing on the impact on defined benefit superannuation schemes

→ the consequences arising from the Australian Bureau of Statistics’ decision to change the frequency for calculating and publishing average weekly ordinary times earnings (AWOTE)

→ whether Age Pension estimates should be included in superannuation forecasts

→ the implications of the government’s excess concessional contributions tax regime on members.

Unisuper regularly provides submissions and papers to public enquiries and to parliament on matters relating to the industry and prepares statements and papers to public enquiries and to parliament on matters relating to the higher education and research sector.

Kevin O’Sullivan

* as at 30 November 2013

Could your account be closed and transferred to the ATO?

Did you know that under law, all super funds are required to close superannuation accounts of ‘lost’ members with balances of less than $2,000 and transfer this money to the Australian Taxation Office (ATO)?

Your accumulation account might be closed and transferred if your UniSuper balance is under $2,000, and:

→ you have been a member for more than two years, and we have not received any contributions or rollovers within the last five years, or

→ we don’t have a valid mailing address for you, or

→ we’ve written to your last known address twice and the letters have been returned ‘unclaimed’, and we haven’t received a contribution or rollover from you within the last 12 months.

What happens if your account is closed and transferred to the ATO?

It’s important to be aware that if your account is closed and transferred to the ATO:

→ Your account will attract returns in line with the Consumer Price Index rather than your current investment strategy with us.

→ Any insurance you have with us will cease.

→ You may be ineligible to re-join UniSuper unless you’re still working for a participating employer¹, or you’re the spouse of a current UniSuper member.

WHAT YOU CAN DO IF THE RULES APPLY TO YOU

If your account balance is less than $2,000 and you are concerned it may be closed and transferred to the ATO, you can either:

→ call us on 1800 331 685, or email us at enquiry@unisuper.com.au

→ make a contribution or transfer super from another fund into your account (see www.unisuper.com.au/grow-your-super).

BY STAYING WITH US, YOU CAN:

→ remain a member of UniSuper, which exists exclusively for people who work (or have worked) for the higher education and research sector

→ choose how your super is invested

→ retain your death and disablement insurance cover (if eligible)

→ access a range of products and services, including quality financial advice.

HOW DO WE COMPARE?

See how our fees and investment returns for our Accumulation 1 and 2 accounts stack up against other funds by using the Chant West Apple Check tool at www.unisuper.com.au/new-to-unisuper/compare-unisuper

¹ an employer who has signed a ‘participation agreement’ with UniSuper
Making your UniSuper experience even better

From our regular member research and feedback, we know that flexibility and simplicity are priorities for helping you make the most of your super. We’re pleased to tell you about a number of changes we’ve recently introduced to make it quicker and easier to manage your super and access your account information.

Combine your super without providing certified proof of identity
The rollover process has been significantly improved as of November 2013 with the integration of a new verification service, SuperTICK. Part of the government’s Stronger Super reforms, SuperTICK allows super funds to verify a member’s identity using their tax file number, removing the need for you to supply proof of identity when combining your super from other funds (if you’re eligible). Stronger Super has also seen the introduction of SuperStream processes that streamline transfers between super funds by allowing for the monies and data required to complete the member’s request to be transferred electronically.

For more information and to find out if you’re eligible, see our Your guide to proof of identity fact sheet, available from www.unisuper.com.au or by calling us on 1800 331 685.

Apply for insurance cover or make an insurance claim over the phone
As part of our new insurance offering through TAL Life Limited (TAL), we now offer a convenient way to complete a number of common insurance requests over the phone. To use this service to apply for insurance cover with TAL, or to claim a terminal illness, income protection or total and permanent disablement benefit:

1. Call us on 1800 331 685. We’ll explain the process and email you all the information you’ll need to have on hand when TAL calls you to complete your phone application (known as a Tele Interview).
2. TAL will call you to book in a convenient time for your Tele Interview. Also, if you’ve started an online insurance application and need assistance, you can now complete your application over the phone. Simply click the ‘Complete application by phone’ button in the online application system, nominate a convenient time, and TAL will call you.

Get advice about your super on campus
We realise that super can be confusing, and sometimes it’s just easier to talk to someone face-to-face. That’s why UniSuper is rolling out an on-campus support program to help you with factual information about your UniSuper membership.

A UniSuper on-campus consultant is currently based at Sydney University and the University of Technology Sydney (UTS), and we are committed to rolling this service out across Australia over the coming year.

YOUR UNISUPER ON-CAMPUS CONSULTANT CAN:

→ answer questions about your account information, accessing your details online or using our tools and calculators
→ provide information and general advice about your UniSuper membership

Depending on where you’re located, you may also be able to arrange to meet one-on-one with a qualified financial adviser from UniSuper Advice on site. To find out more, go to www.unisuper.com.au/about-us/universities and select the page dedicated to your university.

INTERESTED IN READING OUR ANNUAL REPORT?
Our annual report to Members details our investment returns, assets, investment managers, financials and Board details for the 2012/13 financial year. If you’d like a copy, go to the ‘Forms and Documents’ section of our website.
If you’re like many people, beyond seeing an accountant to complete your annual tax return, you may be reluctant to talk to an expert regarding your finances. However, with research into adult financial literacy showing that Australia’s rates reflect low levels found across the world, this reluctance may not be in your best interest.

Regardless of an individual’s level of knowledge, with so much information available online and from friends and family, it’s easy to become overwhelmed when making financial decisions or planning for the future.

La Trobe Business School senior lecturer Marc Olynyk has been lecturing in the financial planning discipline at both undergraduate and postgraduate level for a number of years and has a strong passion for the industry.

“The need for timely and effective financial planning advice is becoming more important than ever as the financial environment is becoming increasingly complex and the government is placing greater responsibility upon individuals to become more self-reliant in their retirement. As a result, it’s harder for people to understand what they need to do and what they’re getting into”, he said.

Mr Olynyk places a strong emphasis on students engaging with their learning and attempts to stimulate their interest and motivation through a range of experienced-based integrated learning approaches. The aim is to provide students with exposure to a range of work-based practices and experiences within the classroom.

To help foster the engagement of his students and to develop important linkages within the industry, Mr Olynyk has worked closely with UniSuper to provide a range of work-based learning opportunities for students. As well as running an annual workshop for students, UniSuper also provides regular guest presentations and sponsors a student prize in the financial planning discipline.

“By linking in with UniSuper, I have been able to integrate industry guest presenters and real-life problems into my teaching practices.

“As a result, my students have gained a practical insight into their learning”, Mr Olynyk said.

“The question of how we can improve financial literacy and encourage people to take a greater interest in planning for their future has been a neglected area, and I believe improving financial planning education is a fundamental part of the process.”

At a national level, ASIC leads a nationwide effort—the National Financial Literacy Strategy—to improve the financial literacy of Australians at all life stages. While the government agency recognises that there are many sources of information about money and finances—print media, the internet, family, friends and workmates—some financial decisions require the help of an expert.

According to ASIC’s website, an experienced, well-informed financial adviser “can help you make the most of your money, especially if you are busy or don’t feel confident enough for DIY investing. An adviser can also help you become more financially secure by helping you set and achieve goals. This will give you the confidence that your future plans are achievable.”


La Trobe Business School senior lecturer Marc Olynyk

Low financial literacy a global concern

You probably wouldn’t trust anyone but a medical professional to manage your health. It’s probably also fair to say that the same applies to seeing a mechanic to service your car, and an electrician for your home’s wiring. But why do so many of us jump to DIY mode when it comes to our finances?

If you’re like many people, beyond seeing an accountant to complete your annual tax return, you may be reluctant to talk to an expert regarding your finances. However, with research into adult financial literacy showing that Australia’s rates reflect low levels found across the world, this reluctance may not be in your best interest.

According to a report prepared by the Australian Securities & Investments Commission (ASIC), “… information and choice overload, complexity and uncertainty, time factors and pressures, over (and under) confidence, self-control and framing (i.e. how information is presented)” may all contribute to deterring people from investing time and resources into making the most effective financial decisions.

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UniSuper Advice recently launched an annual review service. Just as you get your car serviced regularly, this service gives your financial plans an annual tune-up to make sure you’re on track. For more information, visit www.unisuper.com.au/advice

If you’re interested in arranging an initial appointment with a qualified adviser from UniSuper Advice, please contact us on 1300 331 685
**Taking a break from work or reducing your hours?**

Parental leave, overseas travel, the desire for a better work/life balance: these are just some of the reasons why continuous full-time employment is not everyone’s reality.

If you’re making a major life change, there’ll be many things to consider. One thing you may not have thought about is how a change in work hours—and subsequent salary reduction—may affect your end retirement benefit and existing insurance cover. Speaking to your employer is a great place to start when navigating the change, but here are some other points to consider.

**Your insurance cover**

When you change your work arrangements or go on leave, if you have enough money in your account to pay premiums, your insurance arrangements can generally remain in place. Of course, depending on the nature and duration of your leave, some conditions of your insurance cover may change. You can find out more about the possible effects on your insurance cover in the PDS for your membership category.

If you choose to reduce your hours by moving from full-time to part-time work, any Death and Total & Permanent Disablement (TPD) cover you have through your account will remain the same—as long as your account balance can cover your premiums.

If you have Income Protection cover, you will also continue to be entitled to cover as long as your account balance can cover your premiums. However, any salary decrease will be likely to reduce your entitlement.

**Your inbuilt benefits**

**DBD AND ACCUMULATION 2 MEMBERS**

If you’re a Defined Benefit Division (DBD) or Accumulation 2 member, any periods of part-time work or leave without pay during your membership will decrease your monthly temporary incapacity or disablement entitlements. If you also choose to reduce your standard member contributions during your break from work, your inbuilt death benefit will also reduce.

**Your retirement benefit**

The contributions your employer makes into your super are based on your salary, so any break from employment or salary reduction will affect your super and likely reduce your end retirement benefit. However, there are strategies you can consider to minimise the effect. These include:

- **after-tax contributions:** contributions you make out of your own pocket that you’ve already paid tax on. They may even attract a government co-contribution if you’re eligible.
- **salary sacrificing:** before-tax contributions that come out of your wage before income tax is withheld. These are generally taxed at 15% if you earn under $300,000, which is likely to be lower than your marginal tax rate.
- **spouse contributions:** your partner may be able to claim a tax offset of up to $540 by making after-tax contributions to your super on your behalf.

DBD and Accumulation 2 members going on leave without pay or facing a lower salary may be entitled to maintain ‘pre-reduction’ defined benefit contributions. This means you preserve your end retirement and inbuilt benefits by making additional contributions for a period of time (either through before or after-tax contributions where possible).

Your employer and UniSuper both need to agree to the arrangement. Speak to your employer if you would like to find out more. You will need to consider contribution limits if you decide on one of these options. Remember, while you may not be able to contribute as much as you’d like to, every little bit helps.

**ADVICE CAN HELP**

If you have time to plan your work break or reduction in hours, UniSuper advisers can help work out a strategy suitable for your individual circumstances. Call 1300 331 685 or email advice@unisuper.com.au to arrange an appointment.
Manage your account online

MemberOnline is a convenient way to manage your super from your home or office at any time, not just during business hours. What’s more, it’ll help reduce the amount of paper you need to keep track of.

Haven’t registered yet? Go to www.unisuper.com.au/mol and follow the links to get started.

WHAT YOU CAN DO
You can use MemberOnline to:
- check your balance and insurance cover
- apply for insurance cover
- update your details
- change your investment strategy and see how your chosen options are performing
- supply your tax file number (TFN)
- update your non-binding beneficiary (see ‘A note about updating beneficiaries’ below).

Go to ‘My account’ to update your details, supply your TFN and update your non-binding beneficiary

Click here to update your details and supply your TFN
Click here to update your non-binding beneficiary

Go to ‘Investments’ to change your investment strategy

Click here to change your investment strategy (i.e. switch your investment options, change your future contributions strategy, and/or your rollover strategy)*

A NOTE ABOUT UPDATING BENEFICIARIES
MemberOnline lets you update your preferred beneficiary nomination. To make a binding death benefit nomination, you’ll need to complete a Binding death benefit nomination form. This is available at www.unisuper.com.au.

To read about the different types of beneficiaries, go to www.unisuper.com.au/grow-your-super/nominating-beneficiaries, or see the product disclosure statement (PDS) for your membership category.

ACCESS OUR MAIN SITE ON YOUR MOBILE
Do you visit our main site on your smartphone? Go to www.unisuper.com.au and you’ll see it’s now much more mobile-friendly, with adaptive formatting for your device. We’ll be transitioning MemberOnline over coming months.

* Depending on the day and time you access your MemberOnline account, it can take up to 48 hours for changes to your investment strategy to display on your MemberOnline transaction summary. Please note that your update is effective from the date your transaction is processed.
Changes to super

Legislative update

CHANGES TO EXCESS CONCESSIONAL CONTRIBUTIONS RULES

The government has abolished the excess concessional contributions tax (ECCT) for concessional contributions from 1 July 2013. Instead, the excess contributions of members who exceed their concessional contributions cap will be included as assessable income in the members’ personal tax assessment notice from the Australian Taxation Office (ATO).

The ECCT will continue to apply for contributions made before 30 June 2013. If you exceed your concessional contributions cap from 2013/14 onwards, along with your assessment notice, you’ll receive a Voluntary release authority form and may be able to release up to 85% of your excess contributions from your superannuation account. Note that if you’re a DBD member, you’ll need to call us for more information if your accumulation component won’t cover the release of excess contributions.

DIVISION 293 TAX

From 1 July 2012, a new 15% tax applies to certain concessional contributions of high-income earners. The new tax, known as Division 293 tax, may apply if your total income plus relevant concessional contributions (i.e. contributions within the concessional contributions cap that applies to you – known as ‘low-tax’ contributions) is more than $300,000.

The ATO will send Division 293 tax assessment notices to affected members who have lodged their 2012/13 tax return.

Proposed changes

SUPERANNUATION CHANGES ARISING OUT OF REPEAL OF ‘MINING TAX’

The government has introduced legislation to repeal the Minerals Resource Rent Tax (MRRT). Although this is not yet law, if passed, the legislation will affect two existing superannuation initiatives that were intended to be funded by the MRRT:

- → the Low Income Superannuation Contribution (LISC)
- → compulsory Superannuation Guarantee (SG) contribution rate increase.

LOW INCOME SUPERANNUATION CONTRIBUTION

The LISC is a government payment of up to $500 for eligible members with an adjusted taxable income below $37,000. If the MRRT is repealed, the LISC will only be payable for the 2012/13 financial year. This means that if you qualify for a payment based on your income for 2012/13 and meet the other eligibility criteria, the ATO will assess your entitlement and pay the LISC directly into your super account.

SUPERANNUATION GUARANTEE CONTRIBUTION RATE

The compulsory rate of Superannuation Guarantee (SG), which increased to 9.25% from 1 July 2013, is currently scheduled to gradually increase to 12% by 1 July 2019. A consequence of repealing the MRRT would be a two-year delay in the increase to 9.5%.

If passed, this means the next increase would take effect from 1 July 2016.

At the time of writing, neither of these measures is law.

Additional legislative changes

HECS HELP

The government has proposed to amend the Higher Education Support Act 2003 to remove the HECS-HELP upfront discount and the voluntary HELP repayment bonus.

Currently, eligible students who make an upfront payment of $500 or more to their higher education provider receive a HECS-HELP discount of 10%, while students who make a voluntary repayment of $500 or more towards their debt receive a bonus credit of 5% against their outstanding debt.

SELF-EDUCATION EXPENSES

The government has decided not to go ahead with the previous government’s plan to introduce a $2,000 cap on self-education expenses. This decision has been welcomed by many in the higher education sector.

UniSuper update

INSURANCE

On November 2013, UniSuper’s external insurer changed from Hannover Life Re of Australasia (Hannover) to TAL Life Limited (TAL). The level of your cover remains the same and you can now also:

- → apply for insurance cover over the phone
- → make an insurance claim over the phone
- → complete an insurance application that was started online over the phone.

You can read about these changes on page 13.

If you’re an Accumulation 1 or Spouse Account member, you also have access to an online insurance needs calculator. This calculator provides a guide to how much insurance cover you or your family may need to maintain current lifestyles in the event of your death or disablement.

MYSUPER

MySuper was introduced at UniSuper on 30 November 2013 in response to the government’s Stronger Super reforms. Our existing default investment option, the Balanced option, is our MySuper offering. If you’re an Accumulation 1, Accumulation 2 or Spouse Account member who had all or part of your account invested in the Balanced option as at 30 November 2013, you automatically became part of MySuper. You can see the amount attributed to our MySuper offering in your Benefit statement enclosed with this edition of Super Informed.

CHANGES TO UNISUPER FEE NAMES

Effective 30 November 2013, we changed the name of some of our fees due to new product disclosure requirements. The description of each fee remains the same.

<table>
<thead>
<tr>
<th>NEW NAME</th>
<th>PREVIOUS NAME</th>
<th>FEE DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switching fee</td>
<td>Investment switching fee</td>
<td>The fee for changing investment options</td>
</tr>
<tr>
<td>Advice fee</td>
<td>Financial Advice fee</td>
<td>The fee charged for personal financial advice</td>
</tr>
</tbody>
</table>
Important updates
The following amendments have been made to the UniSuper Trust Deed and Regulations, which together govern how the Fund operates.

CLARIFY THE RULES REGARDING MYSUPER – EFFECTIVE 30 NOVEMBER 2013
As explained on the previous page, MySuper was introduced at UniSuper on 30 November 2013. MySuper is part of the Government’s Stronger Super reforms requiring superannuation funds which accept default SG contributions to satisfy a set of minimum standards.

Our existing default investment option, the Balanced option, is our MySuper offering for Accumulation 1, Accumulation 2 and Spouse Account members (MySuper does not apply to Defined Benefit Division or pension members).

The amendments to the UniSuper Trust Deed and Regulations have been made to give effect to our MySuper offering and to comply with MySuper legislation that requires, among other things, that members within UniSuper’s MySuper offering have access to the same “options, benefits and facilities”.

Specifically, the amendments have been made to:
→ confirm that UniSuper may, but is not required to, accept transfers from foreign superannuation funds. This does not include UK pension transfers into UniSuper, which is still registered as a Qualifying Recognised Overseas Pension Scheme (QROPS);
→ confer UniSuper with express power to distribute amounts from a reserve maintained for transferred members of the former Walter and Eliza Hall Institute of Medical Research Superannuation Fund
→ where an Accumulation 2 member dies in service, provide for the crediting rate of the Cash investment option to be applied to the inbuilt component of the death benefit, from the date after the member’s date of death to the date of processing the payment
→ insert provisions setting out the debits and credits that may be made to Spouse Accounts
→ insert new definitions relevant to the MySuper offering
→ align the rules regarding:
  - the attribution of investment returns to Accumulation 1, Accumulation 2 and Spouse Account members
  - the timing of debits and credits to Accumulation 1, Accumulation 2 and Spouse Accounts
  - the cashing, rollover and payment of benefit provisions to Accumulation 1, Accumulation 2 and Spouse Accounts.
→ amend the Accumulation 1, Accumulation 2 and Spouse Account provisions to ensure that debits and credits relevant to the MySuper offering can be made
→ insert a new compliance clause that overrides the Trust Deed and Regulations and requires the Trustee to comply with the ‘MySuper Requirements’ and empowers the Trustee to establish ‘MySuper Rules’.

REFLECT THE REMOVAL OF THE WITHDRAWAL FEE – EFFECTIVE 30 NOVEMBER 2013
In addition, the Regulations were amended to reflect the Trustee’s decision to remove the withdrawal fee.

This is a positive and welcome change for members making regular or one-off withdrawals from their account.

1 To find out more about transferring UK pensions to Australia, see the Transferring your pension benefit from a UK scheme to UniSuper fact sheet, which is available at www.unisuper.com.au or by calling us on 1300 331 685.
SuperRatings, a superannuation research company, has awarded UniSuper a Platinum rating for its Accumulation products. For details of the rating criteria go to www.superratings.com.au. SuperRatings does not issue, sell, guarantee or underwrite this product.

Chant West has awarded UniSuper a 5 Apples rating for its Accumulation products. For further information about the methodology used by Chant West, see www.chantwest.com.au.

Prepared by UniSuper Management Pty Ltd (ABN 91 006 961 799; AFSL No. 235907) on behalf of UniSuper Limited, ABN 54 006 027 121, the trustee of UniSuper (ABN 91 385 943 850). UniSuper Management Pty Ltd is the Administrator of the Fund and is licensed to provide financial advice, which is provided under the name of UniSuper Advice.

This information is of a general nature only and includes general advice. It has been prepared without taking into account your individual objectives, financial situation or needs. Before making any decision in relation to your UniSuper membership, you should consider your personal circumstances, the relevant product disclosure statement for your membership category and whether to consult a licensed financial adviser. To obtain a copy of the PDS relevant to your membership category, visit the UniSuper website at www.unisuper.com.au or contact the UniSuper Helpline on 1800 331 685.

UniSuper Advice is a service dedicated to UniSuper members and their spouses which is provided by UniSuper Management Pty Ltd, the entity licensed to provide financial advice. For further information about UniSuper Advice, please visit the UniSuper website at www.unisuper.com.au, access the Financial Services Guide and, for any further enquiries, please contact the UniSuper Helpline on 1800 331 685.

UniSuper is referred to as UniSuper or the Fund. UniSuper Ltd is referred to as UniSuper or the Trustee.