Rob Hurn tells us how the University of Western Australia was able to help the Hockeyroos.

Inside this issue:
- Meet our Governance and Sustainable Investment team
- Financial advice you can trust
- Riding the sea change wave
- Changes to super

What’s it like to manage some of the most significant issues around the assets UniSuper invests in?

Find out on page 13

UniSuper Advice’s review service

Read about UWA’s ‘Cycle Study’
I’m not sure about you, but for me the first weeks of a new year are a treasured time to regroup, take stock and recharge.

During my summer break I enjoyed some time out at my farm with my wife, dogs and friends. That’s the perfect downtime for me. I hope that you too have enjoyed your semester break—if you’ve been fortunate to have one—and are moving into 2015 with renewed energy and zest for whatever lies ahead.

While enjoying the warmth and sense of community that Summer brings, at UniSuper we’re also ramping up for another year of building on an excellent fund for those in higher education and research. Some of the key projects we’ll be focusing on over coming months include:

**REFINING OUR ONLINE SOLUTIONS FOR BOTH MEMBERS AND EMPLOYERS**
This means delivering new functionality for members to manage their accounts through MemberOnline, and a more streamlined, integrated online portal for our 40 participating employers.

**ENHANCING OUR PRODUCTS TO MEET THE SECTOR’S UNIQUE NEEDS**
We’ll soon be offering non-lapsing binding death benefit nominations, further insurance enhancements, and changes to our fee structure that aim to provide members with low balances or intermittent employment patterns (some unique to higher education) improved value from their accounts. We’re also exploring potential new products, including an innovative approach to defined benefits.

**LOOKING TO THE FUTURE, TO HELP YOU ENJOY YOURS**
Some of our Accumulation 1 and 2 members will receive personalised *Retirement income projections* within this month’s benefit statement. Based on current savings patterns, these projections are designed to show the member’s estimated super lump sum at retirement and how much annual income it’s likely to provide. For many people, knowing how much super is enough is a mystery, and we’re confident that this project will go a long way to answering this question and empowering members to make more informed choices.
That’s just a taste of what’s on our horizon for the year. In case you’ve just joined us—or missed the news—I’d also encourage you to enjoy some of the new features we introduced in 2014. You can now access six interactive calculators to help you explore and manage your account and project your income in retirement. Access them at unisuper.com.au/calculators.

I hope you enjoy this edition of Super Informed, and wish you an excellent new year.

Kevin O’Sullivan

A tune up for your pension

The feeling of a just-serviced car is like no other. UniSuper Advice’s annual review service is designed to provide your pension with a similar kind of annual tune up. Our annual review service provides you with ongoing support from a dedicated adviser, including an annual appointment during which your adviser will discuss your situation, goals, investment strategy, drawdown options and so on. To find out more, see ‘Why your finances might also need a check up’ on page 10.

1 selectingsuper.com.au/awards
Cycling towards health

Nicole Crisp and MJ Ong are part of a large team of researchers from the School of Sports Science, Exercise and Health; and Women and Infants Research Foundation at the University of Western Australia. They tell us about a large-scale study that is looking at improving the health outcomes of pregnant women.

Nicole: I was quite academic throughout high school and loved sport so I put the two together and applied for Sport Science! I also have a keen interest in healthy living through diet and exercise, and studying life science enables me to gain more knowledge in both of these areas.

MJ: My Honours research was very much related to The Cycle Study. In that time, I worked closely with overweight or obese pregnant women, investigating the effects of a 10-week exercise program during pregnancy on glucose tolerance, aerobic fitness and psychology of women.

MJ: I was always very involved in sport at school and had a strong interest in science. When it came time to choose a degree, I thought it would be great to combine my love of sport and science and learn about how our amazing body works in movement.

Nicole: My PhD focused on identifying the optimal type of exercise for maximising the energy expenditure and enjoyment of exercise in overweight boys—there’s no point prescribing exercise for weight loss if the participant won’t adhere to the program!

I had wonderfully supportive supervisors throughout my Honours and PhD. One of them offered me a full-time position to work on the Cycle Study upon completing my PhD—I was pretty much in the right place at the right time!

Interestingly, when I started my PhD in 2011, I was also pregnant with my son. After setting up the logistical requirements and protocols for The Cycle Study and seeing it through the first eight months, Nicole came on board to ‘captain the ship’ while I went on maternity leave.

The Cycle Study—which my doctoral thesis will be based on—is looking at the effects of a 14-week, home-based supervised exercise program on the recurrence of gestational diabetes, maternal aerobic fitness, physical and psychological health in pregnancy.

Women are either randomised into the exercise group (who receive the home-based exercise program) or the control group (who maintain their usual activities) and we assess them before and after the exercise intervention.
Nicole: Before the women start their training, they come in for a health and fitness assessment where we measure height and weight, skinfolds and girths, blood pressure, resting heart rate and aerobic fitness.

MJ: Our hypothesis is that the exercise program will reduce the occurrence of gestational diabetes from about 50% to 30% in the women who exercise. We also hypothesise that women in the exercise group will have better aerobic fitness, and mental and physical wellbeing at the end of the intervention than the control group.

Nicole: I get bored easily so the benefit of working on a large scale study is that I’m always doing different things, from entering data in the office to heading out on the road, dropping bikes at women’s houses and training them whilst keeping their children happy and occupied. I’m a big kid at heart so playing with children of all ages comes very naturally to me!

MJ: Interacting with all the subjects in the field teaches you about people, and that everyone is different. From full-time working mums to stay-at-home mums, every single one of them has had many experiences. They allow us into their homes and we get to know them and their children so well. That in itself is an amazing journey.

Nicole: It’s so rewarding when you get pregnant women telling you how great they feel during their current pregnancy compared with their last pregnancies, which can be attributed to the exercise sessions you carry out with them.

MJ: Nicole and I have strengths in different areas and our abilities marry well. I know Nicole is very productive and produces high quality work, and it motivates me to do the same, or at least try to reach her standard!

We are part of a large team which includes research midwives, statisticians and professors from different schools, not forgetting the undergraduate students seeking professional development. Everyone has a part to play, which contributes to the smooth running and success of a study of this scale.

MJ Ong and Nicole Crisp’s study is supported by the National Health and Medical Research Council, The Women and Infants Research Foundation, and Telethon.
Financial advice you can trust—here’s why

In recent months, we’ve seen a lot of media coverage of scandals involving financial advisers linked to the CBA, Macquarie Bank and now the Westpac Group.

We wanted to take this opportunity to explain how UniSuper Advice’s private client advisers (advisers who provide comprehensive financial advice) work, and how UniSuper Advice’s underpinning operating model sets us apart from many of these retail providers.

FINANCIAL ADVICE: WHAT THE EXPERTS RECOMMEND

The quality of financial advice has again come under the microscope with the release of the final policy recommendations of the ‘Financial System Inquiry’ (FSI – fsi.gov.au). While the FSI is a broad-ranging inquiry, it follows in the steps of the Ripoll (2009) Inquiry into financial products and services in Australia, and the ‘Future of Financial Advice’ legislation (the former government’s response to Ripoll’s recommendations). The Inquiry’s final report was released last December¹, and among its 44 recommendations relating to Australia’s financial system are measures aimed to “improve standards of financial advice, by lifting competency and increasing transparency regarding financial advice”.²

“The benefits of improving the quality of advice are significant”, it says. “To achieve this, the Inquiry believes that minimum competency standards should be increased and the current Government process to review these standards should be prioritised.”³

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¹ fsi.gov.au/publications/final-report/
STRATEGIC ADVICE: WHERE UNISUPER STANDS

All of UniSuper Advice’s advisers are paid a salary, with the opportunity to earn a bonus depending on the quality of their advice, activity levels and their level of customer service. Our advisers have no incentive to advise members to invest in any particular institution or product. They do not receive any rewards for recommending UniSuper over another fund, nor for encouraging rollovers into UniSuper.

Our private client advisers provide services exclusively to members and their partners, and are required to provide strategic advice focused on greater retirement outcomes for members, and their partners if applicable, who use our advice service. They firstly meet on a complimentary basis with all potential clients to find out the client’s objectives and determine whether they can help.

How our advisers compare to the minimum requirement

**ADVISER WITH MINIMUM REQUIREMENTS**

- R6146 compliant: To provide general and personal advice in superannuation, advisers must comply with ASIC’s Regulatory Guide (RG) 146.
- No minimum requirement for experience

**UNISUPER ADVICE PRIVATE CLIENT ADVISER**

- R6146 compliant
- At least seven years’ experience as an adviser
- 90% of our private client advisers are CFP® professionals. This includes:
  - satisfying requirements in respect of the four ‘Es’: ethics, education, experience and examination
  - a minimum of 40 hours of relevant ongoing education per year.

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* CFP®, CERTIFIED FINANCIAL PLANNER® are certification marks owned outside the U.S. by Financial Planning Standards Board Ltd. Financial Planning Association of Australia Limited is the marks licensing authority for the CFP Marks in Australia, through agreement with FPSB.
They won’t proceed with advice unless they can be sure their advice will deliver benefits or savings in excess of the advice fee.

We do find that often, given UniSuper’s competitive pricing and top-quartile returns¹, UniSuper is the best option for the client. For our Defined Benefit Division (DBD) members, the complexities are often best understood by our advisers, who are experts on strategies that work with the DBD.

That said, our advisers do sometimes recommend that clients invest outside of UniSuper. If a recommended external super, investment or insurance product generates a commission for the adviser, that commission will be returned to the member in full.

EDUCATION AND EXPERIENCE
UniSuper Advice requires its advisers to achieve a high standard of relevant education. Most of our advisers have tertiary qualifications, many in financial planning or related disciplines, and as at 1 February 2015, 90% of our private client advisers have the internationally recognised certification of CFP® professionals. To obtain this certification, advisers must satisfy requirements in respect of four ‘E’s: ethics, education, experience and examination. To maintain the certification, advisers must participate in a minimum of 40 hours per annum of relevant ongoing education.

UniSuper Advice also seeks to employ advisers with a minimum of seven years’ advising experience and requires membership of a professional association such as the Financial Planning Association.

QUALITY ASSURANCE
Every ‘Statement of Advice’ is reviewed before it is presented to a client. We believe it is important to check the advice for technical accuracy, comprehensiveness and clarity of communication before a client receives it. This process ensures that advice is as useful and accessible as possible.

UniSuper Advice: A Financial Planning Association (FPA) Professional Partner

By recognising us as a FPA Professional Partner, the FPA recognises that UniSuper Advice is committed to upholding its full suite of professional regulations, which incorporate a set of ethical principles, practice standards and range of professional conduct rules.

To read the FPA Code of Professional Practice and Code of Ethics that their members adhere to, go to fpa.asn.au/standards/.

MORE INFORMATION
As well as comprehensive advice, we offer limited, over-the-phone personal advice on up to two issues related directly to your UniSuper account. If you have any questions about our advice services, please contact UniSuper Advice on 1300 331 685 or via email at advice@unisuper.com.au.

¹ Past performance is not an indicator of future performance.
Here’s what some of UniSuper Advice’s clients have said ...

‘The advice provided by Adam McCarthy was detailed and most helpful as it has been in previous meetings with Adam. I would recommend his assistance to any prospective client.’
*UniSuper member Jim D’Arcy*

‘I was happy with the financial advice, I was confident in the advice I received and found the adviser helpful and professional.’
*UniSuper member Greg Robinson*

‘I dealt with Stephen Henshall at UniSuper in the Perth office. From the moment I met with him, my experiences have been overwhelmingly positive. He has guided both my husband and I through a consolidation of our portfolios, and at all times was there to assist. In fact, he provided assistance in gathering all the forms and seeing the process through to its conclusion. He answered emails and telephone calls promptly and everything was attended to efficiently. I am most grateful of the service provided to me and it was worth every cent. I am only sorry that I did not seek this advice before.’
*UniSuper member Lynne Cohen*

‘A positive experience attending regularly to receive specific advice targeted to individual financial circumstances. I valued the one-on-one interaction that spoke directly to my needs. Overall, a targeted and enlightening service.’
*UniSuper member Bruce Davey*

‘The adviser provided a very comprehensive and informative service. He put a lot of effort into preparing and explaining anything I was unclear about. I was very satisfied with the financial advice experience.’
*UniSuper member Jan Wright*
Many of you will be aware of our UniSuper Advice service, which gives members and their spouses exclusive access to our in-house team of financial advisers. But what if you’ve already met with one of our advisers—what happens now?

We recently asked NSW-based Jade Khao, a financial adviser with UniSuper Advice, to explain UniSuper Advice’s annual review service and what it can offer Pension members.

**CAN YOU TELL US ABOUT UNISUPER ADVICE’S REVIEW SERVICE?**

Our review service is a cost-effective way to check the health of your financial position. We meet with our member clients (who have previously received advice with us) once a year to see how things have progressed and whether they’re still...
on track to meet the goals and objectives they initially set when their personal financial plan was drawn up. It’s a very good opportunity to adjust the plan to allow for any changes that may have occurred since we last met.

We also use the service to keep our members informed about the latest product, industry and legislative changes relevant to them, and to help them make the most of their circumstances.

**AT WHICH TIMES MIGHT A PENSION MEMBER BENEFIT FROM REVIEWING THEIR RETIREMENT PLAN?**

At any point when there are changes that affect them. Changes can be from external sources—such as Government changes to super, investment market conditions and Centrelink changes to name a few—or from internal (personal) sources—such as wanting to return to work, changes to health, receiving an inheritance, new additions to the family, more travel plans than initially catered for, and so on. We also encourage members using transition to retirement strategies in particular to regularly review their plan and be well-versed in government changes to concessional contribution limits.

**WHAT ARE SOME OF THE ONGOING TASKS OR ISSUES THAT PENSION MEMBERS NEED TO KEEP ON TOP OF?**

There are a number of common issues we help our Pension members navigate:

- If members are receiving the Age Pension or are close to qualifying, they need to regularly inform Centrelink of any changes to their pension, including their account balance and income.
- Also, it’s important for Flexi Pension members to regularly monitor their pension payments to ensure they’re drawing down enough to cover expenses. But on the other hand, how fast is the pension balance depleting? Is it sustainable?
- Are their investment choices still in line with their risk tolerance and goals? Which investment options are they drawing their payments from?
- Do they have sufficient funds in cash to meet pension payments?
- How might selling growth assets at times when market conditions are less favourable affect them?
- What are the impacts of negative returns in the pension phase and what does this mean for them?

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**Meet Jade Khao**

Jade Khao is a CFP® with over 12 years’ experience in the financial service industry. Over the years, she has developed expertise in retirement planning strategies, Centrelink considerations, portfolio construction, debt management, cash flow planning, wealth creation, and personal and business protection strategies. Jade is passionate about helping clients to create and implement financial strategies to achieve their personal lifestyle goals and objectives.

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What type of things would you recommend to someone who’s thinking about changing their annual drawdown limit or drawdown method for their flexi pension?

I would recommend they consider writing down their expenditure and matching their drawdown with their cashflow needs, including their preferred frequency of payments. Ideally, a member should consider their annual drawdown amount as part of formulating an investment strategy, so this may also be an appropriate time to review investment option(s). Do they need more cash for anticipated large expenses in the year ahead? Is it liquid enough to not impact investment earnings? What does this mean for the longevity of their retirement funds?

What about commercial rate and defined benefit indexed pension members who may have less flexibility—is it just a case of ‘set and forget’?

There are still many things that indexed pension members need to monitor. For example, they would need to consider the impacts of their indexed pension on other areas of their financial situation. Some of these impacts may include:

› how to invest other assets they have
› the effect on their aged care needs
› structuring their other assets from a tax or Centrelink point of view
› sale of the family home
› receiving an inheritance
› whether other investments they’ve built up have reached a point where their Age Pension entitlements may be affected.

More information

For information on the services that UniSuper Advice can provide, and the fees charged, please call 1300 331 685 or refer to the Financial Services Guide, which is available on our website or by calling us.
Meet our Governance and Sustainable Investment team

What’s it like to manage some of the most significant issues around the assets UniSuper invests in? Very satisfying, according to Talieh Williams and Sarah Angliss, who oversee environmental, social and governance (ESG) issues for UniSuper’s investment options. They were also responsible for helping drive the World Bank’s first issue of green bonds into the Australian market and led the recent changes we made to our sustainable investment options. Read on for a glimpse into their world.

WHAT DO YOU DO AS PART OF UNISUPER’S INVESTMENT TEAM? We are primarily environmental, social and governance (ESG) specialists and provide technical support to the broader investment team. We make sure ESG issues are considered as part of UniSuper’s investment process across all our options. We also help manage UniSuper’s three sustainable options (Sustainable Balanced, Sustainable High Growth and Global Environmental Opportunities).
UniSuper takes its duty as a responsible investor and good corporate citizen very seriously, and an important part of this is analysing ESG issues across our investments. From our experience, we know that companies which consistently manage their ESG issues well (and are constantly trying to improve), generally perform well over the long term. This can mean a better total return outcome for our members, which is why it’s such an important focus for us.

**WHAT DOES A TYPICAL DAY LOOK LIKE FOR YOU?**
A typical day generally involves considerable research analysis and engagement. Many ESG issues can be highly emotional for various stakeholders, such as coal seam gas and fossil fuels in general. Thus, conducting analysis and meeting with many different action groups and stakeholders can assist in deciphering much of the misinformation around these issues. As fiduciaries we have to be balanced in our assessments.

The ‘engagement’ part of our day can include meeting with directors or chairmen of companies (where UniSuper is a shareholder) on various issues including occupational health and safety performance, executive remuneration and stakeholder engagement.

We also work closely with UniSuper’s Member Services teams to respond to member queries about why UniSuper invests in a particular company. Members are becoming more engaged with this aspect of their super, and we’re getting more and more queries on this topic. We also meet with civil society groups directly to discuss topical issues such as climate change. We regularly engage with our portfolio managers (internal and external) on their views on ESG risks, and collaborate with our superannuation peers—we know our voice can sometimes make a difference; a united voice even more so.

**WHAT DRIVES YOU AT WORK?**
First and foremost, our members. Our goal is to ensure the ongoing sustainability of member returns by making sure ESG issues are identified and managed appropriately. This can involve significant risk management because if managed poorly, ESG issues can negatively impact investment performance and subsequently, member returns.

We are in the privileged position of working to understand how ESG issues impact the investment portfolio and seeking to drive change within companies and the broader market when we identify issues. We get to work behind the scenes on live issues that people read about in the newspaper and matter to the community. We also get to learn on a daily basis—from the people we work with or the many individuals we meet in doing our jobs—and then apply that knowledge in practice.

We feel very privileged to be part of UniSuper’s strong investment team. The team is very collegiate, highly motivated and deals daily with interesting issues and challenges on behalf of our members. It’s immensely satisfying to be able to take part in the debate and thought leadership essential to remain abreast of all the issues (e.g. ESG) that go with being a large allocator of capital and a fiduciary responsible for our members’ life savings.
Everyone really enjoys their job and believes in what they do—the first question we always ask is: “Is this in our members’ best interests?”.

**WHAT HAS BEEN THE MOST SATISFYING THING YOU HAVE WORKED ON?**

It’s been particularly rewarding this year to introduce refinements to our sustainable investment options. These options are now positioned as industry leaders and respond directly to the expectations and wishes of a number of our members. To be able to offer our members options that contribute positively to society such as through investment in World Bank green bonds (which fund projects that focus on climate solutions as well as alleviating poverty and improving local economies in developing countries) is very rewarding. It demonstrates the commitment of the entire investment team at UniSuper to challenging the status quo and delivering innovative investment solutions to our members.

**Talieh Williams, Manager, Governance and Sustainable Investment**

I’ve worked in the legal and sustainability field for about 15 years and have been at UniSuper in the investment team for the past seven years. My experience in working for a corporate in the energy industry in a similar context was really useful as I’m now looking in as an investor.

**Sarah Angliss, Senior Investment Analyst**

I’ve worked in the funds management and superannuation industry for 14 years and also joined UniSuper’s investment team seven years ago. I’ve been fortunate enough to have worked across many asset classes which helps when analysing investment return risks of various ESG issues.
As the School Manager of the School of Sport Science, Exercise and Health at the University of Western Australia, no two days are ever the same for UniSuper member Rob Hurn.

My main roles as School Manager are to manage the financial/budgeting issues for my school and Human Resources, managing admin and technical staff and providing advice to my school members. We receive funds for research grants, school operations, outreach programs and other special projects. I consider the financial aspect an important part of my job because if you’re not managing that properly, things can go downhill very quickly.

Sport Science (UWA) gets involved with a lot of interesting projects and has recently been involved with the Hockeyroos [Australia’s women’s field hockey team]. A lot of people in the team were getting knee reconstructions. Although playing hockey is a non-contact sport, it’s a bit like football—you’re taking evasive action to get away from your opponent, twisting your knee, twisting your leg in the wrong direction. Our researchers were able to devise training and techniques to reduce the risk of injury and to analyse the various players’ actions.

We are also very heavily involved in outreach programs. We have quite a lot of disabled kids that come through various exercise and swimming programs. We’ve also taken on children that have had cancer and helped them with exercises and rehabilitation.

As the School Manager, you have to be prepared for anything because there is always something coming out of left field. We are always looking for better ways to do things and new strategies to solve problems. I transferred from another UWA school to come to a school with three swimming
pools. We used to have a dividing fence between our water polo pool and the rest of the pool areas and there was this old brick wall with rusty metal structures above it which made it look like Alcatraz. I was able to arrange funding to pull down the wall, retile our six-lane pool, fix up the surrounding brick paving and refurbish our change rooms. When the brick wall came down, it was like the Berlin Wall coming down; it made a huge difference and I got a lot of satisfaction from those improvements.

Being a financial-oriented person, I am quite interested in my super. I like to decide on the mix of portfolios my super (accumulation fund) is invested in. I have done my share of travelling and I’ve seen most of the places I want to see. I don’t really have the desire to hop in a car (with a caravan) and drive all around Australia.

I’m looking forward to a slow transition to retirement while continuing to work for some time to come. I have been at UWA for 38 years in total and I really enjoy the challenge of coming to work and helping other people.

We are heavily involved in outreach programs. For example, we’ve taken on children that have had cancer and helped them with exercises and rehabilitation.
The question foremost in the minds of people leading up to retirement is, “Will I have enough to retire in comfort?”. At UniSuper, helping members answer this question is integral to what we do. However, as, Paul McKeon, author of the retirement planning book *The rest of your life: How to make it as good as you want*, discovered after retiring, financial planning is only one part of the picture.

UniSuper sat down with Paul to talk about the retirement journey, and what he’s learned along the way.

**WHAT INSPIRED YOU TO WRITE THE BOOK?**
I found it very inefficient that we spend all these years gaining experiences and knowledge and then dying before passing any of it onto the next generation. I thought if I could gather a lot of the wisdom and life skills of some people who knew what life was really like after we leave our careers, it would be a very useful book. We all think about the financial side of retirement—but no one talks about all the other lifestyle challenges we need to prepare for. However I was caring for a sick wife at the time and didn’t do much about it.

My wife and I had a sea change before the term even existed, moving to Coffs Harbour for work. When, my wife passed away it really brought it home to me that this time of our lives is a period of great change and I got motivated to write a book which would help some people to navigate their 50s and 60s without having to figure out everything for themselves.

**WHAT RESEARCH DID YOU DO ON THESE ISSUES?**
Working with a few people with knowledge of what it’s like to be retired, I compiled a list of the major issues that most people are likely to be challenged by.

I received a lot of support and encouragement. I went looking for experts on the issues and those people I approached were very happy to talk to me and contribute information.

It grew from there. I found experts on all of the key issues I wanted to cover, and all were happy to help as they realised the importance of people being better prepared for their lives in some form of retirement.

**WHAT ARE SOME OF THE OTHER THINGS BESIDES FINANCIAL PLANNING PEOPLE NEED TO CONSIDER WHEN THEY’RE LOOKING AT RETIREMENT?**
You need to realise just how much your life will change. Please take the time to think about and plan for your health, relationships, mental health and happiness. Also, use the information and resources that are available to you.
FROM YOUR RESEARCH, WHAT IS THE ONE THING RETIREES STRUGGLE WITH THE MOST? OR WHAT IS THE ONE THING THEY DON’T THINK ABOUT?

We’re all different and there’s no simple answer. I really do think that people are surprised when they find that fishing, playing bridge or golf all the time is not what they imagined. We all need purpose in our lives and that requires more than passive leisure. The change from working full-time to retirement is much bigger than people often think it will be. But it can be a very rewarding and satisfying time of our lives if we get the balance right. It’s a time when we can do all the things we want to do—not what we have to do.

MANY OF OUR YOUNGER MEMBERS WOULD SEE THIS BOOK ON RETIREMENT PLANNING AND THINK IT’S NOT RELEVANT TO THEM. WHAT ARE YOUR THOUGHTS ON THIS?

It’s never too early to think about these issues. When I was in my 20s I thought I knew everything! Now I realise how much I don’t know! But the sooner you start to have these holistic issues on your radar, the more seamless your move from paid work to retirement can be. We also have books on healthy living and relationships and these are of value to younger people.

About Paul McKeon

After a career in advertising, marketing, tourism and publishing, Paul McKeon has campaigned for the idea that a successful retirement is about more than just good money management for over 10 years. Under the banner MyLifeChange, he has produced a range of online and print resources to help people make the transition from full-time work to a satisfying and balanced retirement.
Changes to super

Legislative update

REGISTER OF FINANCIAL ADVISERS
The Government has announced that it will establish an enhanced, industry-wide public register of financial advisers that will include details such as:

- name, registration number, status, and experience
- qualifications
- licensee, previous licensees/authorised representatives and business name
- the product areas the adviser can provide advice on
- any bans, disqualifications or enforceable undertakings
- details around ownership of the financial services licensee and, where applicable, disclosure of the ultimate parent company.

At this time, the register is expected to be up and running by March 2015.

CHANGES TO EXCESS CONCESSIONAL CONTRIBUTIONS CAP
The Australian Tax Office (ATO) began sending excess concessional contributions assessment notices in November 2014 to affected members.

As advised in previous editions of Super Informed, from 1 July 2013, those who exceed their concessional contributions cap will have the excess amount included in their assessable income, and taxed at their marginal tax rate, plus an interest charge.

If you are affected by this change, you can choose to release up to 85% of your excess contributions from your accumulation account/component. If you choose to release an amount, the ATO will issue your nominated super fund with an excess concessional contributions release authority. We will then process the request and pay the amount to be released to the ATO.

UniSuper update

FEE CHANGES EFFECTIVE 1 JANUARY 2015
Following an annual review of our fees and costs, the following fee and cost changes apply from 1 January 2015.

<table>
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<tr>
<th>FLEXI PENSION MEMBERS</th>
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<tbody>
<tr>
<td>SWITCHING FEE</td>
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<tr>
<td>Fee prior to 1 January 2015</td>
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<tr>
<td>The first investment switch per account in each financial year is free of charge. All subsequent switches are charged a fee of $20 per switch.</td>
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<tr>
<th>DEFINED BENEFIT AND COMMERCIAL RATE INDEXED PENSION MEMBERS</th>
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<tbody>
<tr>
<td>ADMINISTRATION FEE*</td>
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<tr>
<td>Fee prior to 1 January 2015</td>
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<td>$289 p.a.</td>
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* This change does not reduce your current level of pension payments. This is because administration fees are allowed for in the formula used to calculate your pension payments at commencement.
For information on others fees and costs that apply to your product type, please see the relevant product disclosure statement, which is available at unisuper.com.au/pds or by calling 1800 331 685.

ENHANCING DIVERSIFICATION FOR OUR SUSTAINABLE OPTIONS

In the August 2014 edition of Super Informed, we announced coming changes to our Sustainable Balanced and Sustainable High Growth investment options. Among other changes announced, we’ve started using a customised Dow Jones Sustainability World Index (DJSI) and Dow Jones Sustainability Australia Index (DJSI Australia) to exclude companies with material exposure to tobacco, alcohol, gambling, weapons and fossil fuel exploration and production (as assessed by a third party).

As a result of customising the DJSI Australia for UniSuper, the number of Australian companies in which the sustainable options may invest is reduced.

To enhance diversification within the Australian Shares allocation for the portfolio, UniSuper may choose to include additional companies from the S&P/ASX 200 Index in the sustainable options, provided such companies rank highly according to a sustainability assessment. At all times, the majority of the Australian portfolio in which the sustainable options invest will be comprised of companies included in the DJSI Australia.

DEFAULT DRAWDOWN ORDER

When we introduced our Diversified Credit Income investment option on 1 September 2014, we also changed the default drawdown order of our options. If you are a pension member and are receiving regular payments or lump-sum withdrawals, please be aware that the default drawdown order that has applied since 1 September 2014 for members who haven’t made a choice about which options their payments or withdrawals are made from is:

1. Cash
2. Australian Bond
3. Capital Stable
4. Conservative Balanced
5. Diversified Credit Income
6. Balanced
7. Sustainable Balanced
8. Growth
9. High Growth
10. Sustainable High Growth
11. Listed Property
12. Australian Shares
13. International Shares
14. Global Environmental Opportunities
15. Australian Equity Income, and

Effective 1 September 2014, we also re-named the Socially Responsible Balanced and Socially Responsible High Growth investment options as Sustainable Balanced and Sustainable High Growth respectively.

Amendments to the UniSuper Regulations were made to give effect to the introduction of the Diversified Credit Income option and changes to the names of our sustainable investment options.
Important updates

The following other amendments have been made to the UniSuper Trust Deed and Regulations, which together govern how the fund operates.

CLARIFY THE PROVISIONS FOR THE PAYMENT OF DISABLED CHILD PENSIONS ARISING FROM THE DEATH OF PARTICULAR DBD MEMBERS – EFFECTIVE 3 JANUARY 2015

UniSuper’s Trust Deed provides for the payment of disabled child pensions through the DBD where the DBD member was still working for a UniSuper participating employer at the time of their death. Previously, the pension payable to the disabled child was calculated as a percentage of the pension that the member would have been entitled to receive at age 65.

To allow for the possibility that the member may work beyond age 65, the provision was amended to ensure that, where the member dies after age 65, the disabled child pension will be calculated as a percentage of the pension the member would have been entitled to at that age.

REFLECT THE REMOVAL OF INBUILT DEATH, TERMINAL MEDICAL CONDITION, DISABLEMENT AND TEMPORARY INCAPACITY BENEFITS (‘INBUILT BENEFITS’) FOR ACCUMULATION 2 MEMBERS – EFFECTIVE 3 JANUARY 2015

In October 2014, we wrote to Accumulation 2 members to notify them of the transition of their inbuilt death, terminal medical condition, disablement and temporary incapacity benefits—which are self-insured by UniSuper—to an externally insured arrangement with TAL Life Limited (TAL) from 3 January 2015.

This transition occurred as a result of the Government’s Stronger Super reforms that mean super funds can no longer self-insure inbuilt benefits for Accumulation 2 members. As a result, the inbuilt benefits of Accumulation 2 members ceased on 3 January 2015 and transitioned to Death, Total and Permanent Disablement (TPD) and Income Protection cover through our external insurer, TAL.

To reflect this transition, UniSuper’s Trust Deed and Regulations have been amended to delete references to the inbuilt death, terminal medical condition, disablement and temporary incapacity benefits (collectively referred to as inbuilt benefits) for Accumulation 2 members.

To find out more about these and other related changes, see unisuper.com.au/insurance/my-insurance, or the relevant product disclosure statement (PDS) available at unisuper.com.au/pds.

CLARIFY THE DEFINITION OF SALARY FOR DBD AND ACCUMULATION 2 MEMBERS – EFFECTIVE 3 JANUARY 2015

Contributions payable regarding DBD and Accumulation 2 members are paid as a percentage of the member’s ‘salary’, and components of the DBD formula are also based on the definition of ‘salary’. The definition of ‘salary’ in the Trust Deed has been re-formatted to make it clearer, while retaining the original meaning.

A number of other housekeeping type amendments were made to the Trust Deed to:

- remove redundant provisions
- correct typographical errors
- insert missing headings
- correct out-of-date legislative cross-references.
TO INCORPORATE THE ‘CLAUSE 34’ DECISION TO CHANGE THE DEFINITION OF ‘BENEFIT SALARY’ IN RESPECT OF THE BENEFIT PROVISIONS OF AFFECTED DBD MEMBERS – EFFECTIVE DATE 1 JANUARY 2015

Under Clause 34 of the Trust Deed, on 25 July 2013 the Board made a decision to reduce the rate at which DBD benefits accrue on and after 1 January 2015. These changes were explained in a letter from the Trustee dated 1 August 2013. Amendments have been made to the UniSuper Regulations to reflect these changes.

CLARIFY THE GOVERNING RULES THAT APPLY TO THE PAYMENT OF TEMPORARY ALLOWANCES TO DBD AND ACCUMULATION 2 MEMBERS – EFFECTIVE 18 APRIL 2015

Under the UniSuper Trust Deed, temporary allowances are treated differently to other salary in the formula used to calculate the benefits of DBD members—while the allowance is excluded from the member’s benefit salary, it increases the member’s service fraction. This is to ensure that members get fair but not disproportionate benefit from allowances paid over relatively short periods within their membership.

The Trust Deed empowers the Trustee to determine whether allowances are temporary in nature, and provides that allowances to be paid for periods of less than five years are generally temporary allowances. The UniSuper Regulations have been amended to clarify how the Trustee will apply these rules.

The amendments clarify that the nature of an allowance is to be assessed at the commencement of the allowance, and is considered a temporary allowance where:

→ it is stated to be payable for a fixed term of less than five years, or
→ no fixed term of payment is stated but it is expected to be payable for a period of less than five years (e.g. because it is linked to the performance of a temporary task or temporary relocation to a particular area, which are expected to last for less than 5 years).

Allowances which have been reasonably assessed by the Trustee to be temporary allowances at commencement will not be re-assessed retrospectively with the benefit of hindsight if it transpires that the allowance is paid for longer than five years.

Allowances which are to be paid for the duration of a member’s employment will not be treated as temporary allowances just because the term of employment is less than five years.

These changes do not affect the rules applying to pre-retirement contracts.

MAKE REGULATION CHANGES OF A HOUSEKEEPING NATURE – EFFECTIVE 1 SEPTEMBER 2014

These changes include:

→ updating the description of the interest rate charged on late employer contributions
→ clarifying the Regulation that applies to the commutation of pensions
→ correcting outdated reference to legislative provisions.
SuperRatings, a superannuation research company, has awarded UniSuper a Platinum rating for its Flexi Pension product. 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 Flexi Pension product. For further information about the methodology used by Chant West, see www.chantwest.com.au.

Issued by: UniSuper Management Pty Ltd (ABN 91 006 961 799), Australian Financial Services Licence No. 235907 on behalf of UniSuper Limited, ABN 54 006 027 121, the Trustee of UniSuper, Level 35, 385 Bourke St, Melbourne Vic 3000.
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Date: February, 2015

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