

**30 November 2020**

## **Significant Event Notice for Successor Fund Transfer**

### **Background**

The Australian Prudential Regulation Authority (APRA) is actively encouraging mergers between superannuation funds, where the merger is considered to be in the best interests of members. Mergers result in larger funds which promote greater efficiencies for their members and ultimately lead to improved member outcomes.

In October 2020 we advised you that the trustee of your superannuation fund, Tidswell Financial Services Limited (**TFSL or the Trustee**), was considering the transfer of max Super ABN 22 508 720 840 RSE R1004953 into OneSuper (formerly Smartsave 'Member's Choice' Superannuation Plan) ABN 43 905 581 638 RSE R1001341 (**Fund or OneSuper**), by way of a Successor Fund Transfer (**SFT**). Diversa Trustees Limited, ABN 49 006 421 638, RSE License L0000635, AFS Licence 235153 (**Diversa**) is the trustee of OneSuper. The Trustee has now determined the SFT is in the best interests of members of max Super and that each member being transferred is being provided with equivalent rights in respect of their benefits.

### **What does this mean for me?**

No action is required from you to complete the transfer. Your member account will be transferred into OneSuper and held in a sub plan of OneSuper from 1 January 2021. There will be some changes to the MySuper fee structure and investment options, details of which are provided later in this notice. You will also have some additional product features to choose from, including a diverse investment menu and the option to convert your accumulation account to a pension once you meet certain criteria.

Once the transfer has taken place you will receive an Exit Statement from max Super and a Welcome Letter from OneSuper confirming the transfer. Your Welcome Letter will provide you with your new account number, along with other important account details including login details to the new Secure Online Portal.

### **How am I impacted during the SFT process?**

While the transfer is in progress, there will be some limitations on what you can do with your account. Please take the time to read the following information carefully to determine if you need to take any action now.

**There will be a 'blackout period' between 24 December 2020 and 15 January 2021.** The transfer of your account to OneSuper will require certain activities to be undertaken, including the transfer of your account information and a reconciliation of this information in OneSuper to ensure that your records are accurate, before going live. This period is referred to as a blackout period and results in some limitations on transacting on your account. These include:

- No contributions, rollovers in and out or withdrawals (including any early release of super withdrawals due to COVID-19) will be able to be processed. These transactions will be held and completed as quickly as possible after the blackout period,
- You will not be able to change your investments options,

- The buying and selling of investment options will be put on hold,
- Any requests to open new accounts will not be processed, and
- Family Law enquiries of superannuation balances will be processed using the latest available data. Please note that any Orders or Agreement will need to be in the correct name of the Trustee entity and superannuation fund at the time of processing. We recommend that if the Order or Agreement is likely to be submitted on or after **21 December 2020**, it should state the trustee name as Diversa, not TFSL, and the Fund name as OneSuper, not max Super. If you wish to submit draft Orders or Agreements or require a split of your superannuation balance under Family Law during the blackout period, please contact us for further information.

It is anticipated that the processing of all the above transactions will commence on 18 January 2021.

If you are considering requesting any of the above transactions except COVID-19 early release of super, please do so **prior to 21 December 2020**, otherwise you will need to wait until 18 January 2021 or later before these transactions can be processed.

For COVID-19 early release of super withdrawals, please request a withdrawal on MyGov no later than **14 December 2020** in order to allow for additional time for the ATO to process.

If your request during the blackout period is critical and delays in payment may affect your wellbeing, please contact us to determine if we can assist.

#### **What won't change?**

- You will still be a member of max Super; however, it will now be a sub-plan of OneSuper. The disclosure documents and correspondence to you will still state the name max Super,
- If you have insurance cover, your premiums, and the insurer will stay the same, and
- All death benefit nominations will be transferred on the same basis as your original instructions, unless you instruct us otherwise.

#### **What will change?**

- A new bank account will be available for contributions to max Super,
- There will be a new Secure Online Portal and Fund website whereby you can access information relevant your account, max Super and OneSuper,
- There will be a change to the investment option in which you're invested,
- There will be some changes to administration and investment fees,
- There will be a new Unique Superannuation Identifier (USI) details for employer contributions,
- New disclosure documents for max Super will be made available on the new Fund website and Secure Online Portal, and
- Any direct debit arrangements that are in place for you or your employer to make contributions will expire. However, you will have the option to make contributions via BPAY® and Electronic Funds Transfer (EFT). Your employer can make contributions through Superstream and EFT.

#### **How will the administration fees compare to what I pay now?**

Members of max Super MySuper with an account balance higher than \$4,740 will experience a decrease in administration fees once max Super becomes a sub-plan of OneSuper. Members with an account balance lower than \$4,740 will experience an increase in administration fees, but this increase will be no more than \$20 per annum.

For details on how the administration fees compare with those that you currently pay, please review the following table:

Change in Administration fees (p.a.) *			
Current	From 1 January 2021	Fee reduction on a balance of \$50,000	Fee reduction on a balance of \$15,000
1.022% p.a.	0.60% p.a. Plus \$20 p.a.	\$191.00	\$43.30

\* Fee examples can be reviewed on pages 4-5 of this notice and in the Product Disclosure Statement and Guides (available upon finalisation of the SFT).

### How does my new investment option compare to what I have now?

Your investment option will be changing from your existing max Super MySuper option to the Passive Growth MySuper Pooled Investment Option. The Passive Growth MySuper Pooled Investment Option is similar to your existing investment option, being designed for members who seek exposure to mainly growth assets and can tolerate a high level of risk over five years. The investment return objective is the same as your existing strategy, being CPI +2.5%.

The most notable difference between the investment allocations is the mix between Australian and international equities. Compared to your existing investment option, the Passive Growth MySuper Pooled Investment Option Strategic Asset Allocation has a 12% higher allocation to international equities and 12.5% lower allocation to Australian equities. This provides exposure to a greater number of economic regions and sectors as the the global market is much broader than that of Australia.

Investment fees will be higher than they are currently, however the investment will be managed by a leading investment consulting company in Mercer Investments (Australia) Limited. For details on how this investment option compares to your current one, please review the following tables:

Comparison Table					
Existing Investment Option			New Passive Growth Investment Option		
Asset classes	Strategic asset allocation	Asset allocation range	Asset classes	Strategic asset allocation	Asset allocation range
Defensive Assets	25.0%		Defensive Assets	30.0%	
Cash	4.0%	2.0%-6.0%	Cash	6.0%	2.0%-15.0%
Australian Fixed Income	14.0%	12.0%-16.0%	Australian Fixed Income	11.0%	5.0%-20.0%
Global Fixed Income	7.0%	5.0%-9.0%	Global Fixed Income	13.0%	8.0%-25.0%
Growth Assets	75.0%		Growth Assets	70.0%	
Australian Equities	42.0%	40.0%-44.0%	Australian Equities	29.5%	17.5%-45.0%
International Equities	21.0%	19.0%-23.0%	International Equities	33.0%	22.5%-50.0%
Property & Infrastructure	12.0%	10.0%-14.0%	Global Listed Property & Infrastructure	7.5%	0.0%-15.0%

Increase in Investment fees (p.a.)				
Current	From 1 January 2021*	Change	Fee increase on a balance of \$50,000*	Fee increase on a balance of \$15,000*
0.103% p.a.	0.33% p.a.	<b>+0.227% p.a.</b>	\$113.50	\$34.05

\* This Investment fee is not directly charged to your account; it is deducted from the assets of the underlying investments and reflected in the daily unit price. It is recorded as an 'Indirect cost' in the fee table of the Product Disclosure Statement and Guides (available upon finalisation of the SFT).

Increase in Buy-Sell Spread*				
Current	From approx. 1 January 2021	Change	Fee increase on a transaction of \$10,000	Fee increase on a transaction of \$1,000
0.073%/0.086%	0.13%/0.27%	<b>+0.057%/0.184%</b>	\$5.79/\$18.40	\$0.58/\$1.84

\* This is deducted from the assets for each transaction on your account. This applies when you make a contribution, rollover, exit or investment switch.

### Fee table examples - Passive Growth MySuper Investment Option

#### \$50,000 Balance Example

Example - Existing fees - pre 1 January 2021		Balance of \$50,000	Example - fees from 1 January 2021	Balance of \$50,000
Investment fees	0.103% p.a	For every \$50,000 you have in the superannuation product you will be charged \$51.50 each year.	0.00% p.a.	For every \$50,000 you have in the superannuation product you will be charged \$0 each year.
<b>PLUS</b> Administration fees	1.022% p.a.	<b>And</b> , you will be charged \$511.00 in administration fees each year.	0.60% p.a. PLUS \$20	<b>And</b> , you will be charged \$320.00 in administration fees each year.
<b>PLUS</b> Indirect Costs	0.00% p.a.	<b>And</b> , indirect costs of \$0.00 each year will be deducted from your investment.	0.33% p.a.	<b>And</b> , indirect costs of \$165 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product	If your balance was \$50,000, then for that year you will be charged fees of <b>\$562.50</b> for the superannuation product. What it costs will depend on the investment option you choose.		If your balance was \$50,000, then for that year you will be charged fees of <b>\$485.00</b> for the superannuation product. What it costs will depend on the investment option you choose.	

### \$15,000 Balance Example

EXAMPLE - EXISTING fees - pre 1 January 2021		Balance of \$15,000	EXAMPLE - fees from 1 January 2021	Balance of \$15,000
Investment fees	0.103% p.a.	For every 15,000 you have in the superannuation product you will be charged \$15.45 each year.	0.00% p.a.	For every \$15,000 you have in the superannuation product you will be charged \$0 each year.
<b>PLUS</b> Administration fees	1.022% p.a.	<b>And</b> , you will be charged \$153.30 in administration fees each year.	0.60% p.a. PLUS \$20	<b>And</b> , you will be charged \$110.00 in administration fees each year.
<b>PLUS</b> Indirect Costs	0.00% p.a.	<b>And</b> , indirect costs of \$0.00 each year will be deducted from your investment.	0.33% p.a.	<b>And</b> , indirect costs of \$49.50 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product	If your balance was \$15,000, then for that year you will be charged fees of <b>\$168.75</b> for the superannuation product. What it costs will depend on the investment option you choose.		If your balance was \$15,000, then for that year you will be charged fees of <b>\$159.50</b> for the superannuation product. What it costs will depend on the investment option you choose.	

#### Will I still have access to other investment options?

Following the transfer, you will have access to a greater range of investment options. A summary of these will be available in the max Super Product Disclosure Statement and Guides upon completion of the SFT.

#### Do I need to do anything now?

To ensure that standard service times can be met for some transactions it is recommended that you complete the following tasks **before 10 December 2020**:

- Submit any Notice of intent to claim or vary a deduction for personal super contributions, and
- Make any application for contributions splitting.

#### When will the transfer take place?

The SFT process is anticipated to begin on 31 December 2020 and complete on 15 January 2021. A timeline for key events in relation to the SFT is as follows:

Key events	Date
Initial letter of intent to SFT	21 October 2020
Significant Event Notice (this notice)	30 November 2020
Last day to submit a Notice of intent to claim or vary a deduction for personal super contributions or make an application for contributions splitting	10 December 2020
Last day to deposit money into max Super or provide instructions prior to the blackout period	23 December 2020
Blackout period starts and the SFT pause in processing	24 December 2020
New bank account effective	1 January 2021
Blackout period for processing and transacting on your account ends	15 January 2021
SFT is completed	15 January 2021
Catch up on transaction processing and unit prices completion	20 January 2021
Exit and Welcome Letters sent	20 January 2021

These timings may be subject to change, however if there are any delays, you will be informed of the new timings.

### **Important items to consider and complete after the transfer**

This process will require you to take certain actions from the list below as they apply to you.

#### **1. Notify your employer of the new max Super Unique Superannuation Identifier (USI) for payment of contributions**

If your employer is making contributions to max Super on your behalf, you will need to provide your employer with the new USI for max Super. The new USI for max Super is 43 905 581 638 017. We recommend that you do this as soon as possible from 1 January 2021.

#### **2. Making contributions**

Contributions to max Super from 1 January 2021 will require the use of new banking details. You will also have the option to make contributions via BPAY®. Details of this will be provided to you with the Welcome Letter.

#### **What do I need to do if I do not want to participate in the transfer?**

If you do not wish to participate in the transfer, you can either:

- Request the transfer of your entire account balance to another superannuation fund, or
- Request a full withdrawal of your account (subject to meeting a condition of release).

If you wish to do this, please complete the withdrawal form available here:

<https://www.maxsuper.com.au/wp-content/uploads/sites/4/2016/02/max-Super-Benefit-Request-Form.pdf>. **We must receive this by 18<sup>th</sup> December in order to process your instructions**

**before the blackout period commences.**

#### **Disclosure documents**

A Product Disclosure Statement (PDS), Additional Information Guide and Insurance Guide will be made available on the new Fund website after the transfer.

#### **We are here to help**

If you have any questions or would like further information, please contact us at the following:

**Phone:** 1300 629 787

**Email:** [info@maxsuper.com.au](mailto:info@maxsuper.com.au)

**Write:** PO Box 3528, Tingalpa QLD 4173

Kind regards

#### **For and on behalf of Tidswell Financial Services Limited as Trustee of max Super**

Issued by Tidswell Financial Services Limited (ABN 55 010 810 607, AFSL 237628, RSE L0000888) as Trustee of the max Super Fund (ABN 22 508 720 840, RSE R1067897). The information in this document has been prepared by the Trustee and is intended to provide you with general information only and does not take into account your personal objectives, financial situation or needs. Before making any financial decisions about max Super Fund, it is important that you read the current product disclosure statement (PDS) and consider your particular circumstances and whether the particular financial product is right for you. The current PDS for the product is available at <https://www.maxsuper.com.au/members/forms-docs/>. You should consult a financial adviser if you require personal advice.

## **Frequently Asked Questions (FAQs)**

### **Q. What is an SFT?**

A. An SFT is essentially the transfer of your superannuation benefits from one Super Fund to another. When considering an SFT, both the successor and transferring trustees have a duty to ensure the equivalence of 'rights in respect of the benefits' for every transferring member and that the transfer is in the best interests of the members of the transferring fund as a whole and the members of the receiving fund as a whole.

### **Q. Why is max Super SFTing?**

A. Regulatory change has been introduced by the federal government and regulatory bodies such as APRA over the last few years at a significant pace. These changes have increased the complexity and costs of administering superannuation funds resulting in mergers being actively encouraged between superannuation funds. A merger results in a larger fund, which typically achieves a range of efficiencies that ease the pressure of rising costs upon members. The Trustee of max Super has considered that to provide sufficient scale (in terms of members and the amount of assets) in the medium to long-term, that it is in the best interests of members to complete a SFT.

### **Q. Will I need to pay any exit fees?**

A. There will be no exit fees applied to you as a result of the transfer.

### **Q. Will there be any transaction costs associated with the transition of investments?**

A. Your investment options will be transferred into a different investment option. As part of the transition, the estimated investment transaction costs for sale and purchase of the new Passive Growth MySuper Pooled Investment Option will equal approximately 0.10% of total assets. This investment transaction fee will be deducted from the Fund and will be reflected in the unit price of the Passive Growth MySuper Pooled Investment Option.

As an example, on a balance of \$50,000, this will result in a \$50.00 reduction in your initial account balance in OneSuper.

### **Q. What if my employer makes contributions using max Super's existing USI details?**

A. We will continue to accept employer contributions using max Super's existing USI details until 28 February 2021. Any superannuation contributions made by your employer after 5pm on 28 February 2021 (AEDT) using max Super's existing (old) USI will not be processed and will be refunded to your employer. You should provide the new USI to your employer as soon as possible to avoid delays in receiving your contributions.

### **Q. Can I make contributions to my new account?**

A. Subject to eligibility, of course you can. Your super is not only one of the most important investments you can make in your lifetime, it is also one of the most tax effective ways to invest for your retirement. Making regular contributions to your super will go a long way towards realising your dreams of financial independence. max Super accepts contributions of all types including employer SG, employer additional, member personal, and government contributions. You will also be able to make contributions via BPAY® and EFT, however any direct debits you have in place will expire.

### **Q. Will my account balance or details change?**

A. As part of the transfer, all of your relevant member information and your account balance will be transferred by 1 January 2021, with unit pricing on your new investment option to be updated as quickly as possible during January 2021.

Your member number and online account details will change. You will receive a new member Welcome Letter with your personal member information including new Secure Online Portal login details.

### **Q. What is happening with my insurance?**

A. If you hold insurance cover through max Super, you will retain your existing insurance cover. Your premium rates, exclusions and loadings (if any) will remain the same.

If you do not currently have insurance cover in max Super, you will not be provided with any insurance cover as a result of this transfer. You can apply for insurance cover online via the Secure Online Portal.

**Q. Will my investments be taxed because of the SFT?**

A. No, there will not be an additional tax liability incurred by you due to the SFT.

**Q. Can I provide a notice of intent or request for splitting contributions after the SFT?**

A. Yes, you can, even for the Financial Year 2019/2020. Note that if you do wait until after the SFT, that the processing times will be slower.

**Q. What should I do if I have any questions or need assistance with the actions required?**

A. Please contact us (refer to contact details on page 6 of this Notice) if you have any questions or require any assistance.