

PPS MUTUAL SUPER FUND

Annual Report 2023

Fund

PPS MUTUAL SUPER FUND ("PPSM" or "Fund"), a division of the Tidswell Master Superannuation Plan ("Plan")
ABN 34 300 938 877 RSE R1004953

PPS Mutual

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Trustee and Issuer

Diversa Trustees Limited
ABN 49 006 421 638
AFS Licence No 235153 RSE Licence No L0000635

Registered Office

Diversa Trustees Limited
Level 17, IBM Tower, 60 City Road
Southbank VIC 3006

Administrator

DDH Graham Limited
ABN 28 010 639 219
AFS Licence No 226319

Insurer

NobleOak Life Limited
ABN 85 087 648 708
AFS Licence No 247302

This Annual Report comprises part of your periodic statement for the 2022-2023 Financial Year, and should be read in conjunction with the annual member statement recently provided to you, which shows your member entitlements at 30 June 2023.

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FROM THE TRUSTEE

We are pleased to present our Annual Report for the year ended 30 June 2023.

The report is issued by Diversa Trustees Limited ABN 49 006 421 638 AFSL 235153 RSE L0000635 (the Trustee) as trustee of the PPS Mutual Super Fund ("PPSM", the "Fund"), a life insurance only sub-division of the Tidswell Master Superannuation Plan ABN 34 300 938 877

The information provided in this report is in accordance with the requirements of the *Corporations Act 2001* and *Corporations Regulations 2001*. The information is of a general nature only and has been prepared without taking into account your investment objectives, financial situation and needs. Before making any decisions in relation to the PPSM you should consider obtaining professional financial advice from a Licenced or authorised financial advisor.

The Directors of the Trustee during the year ended 30 June 2023 were:

Current as at 30 June 2023	
Name	Date Appointed
Susan Thomas	15 August 2022
Fiona Margaret McNabb	28 June 2019
Mark Walter	15 August 2022
Andrew John Peterson	28 June 2019
Ronald Peter Beard	18 February 2021
Vincent Plant (Chairperson)	4 May 2017

Trustee Committees

The Board has established Committees and appoints all members. The members of Trustee's Audit and Compliance committee are:

Current as at 30 June 2023	
Audit and Compliance Committee	
Name	Role
Fiona Margaret McNabb	Chair
Mark Walter	Committee Member
Ronald Peter Beard	Committee Member

Trust Deed

The governing rules of the Fund are set out in the Tidswell Master Superannuation Plan Trust Deed. The Board has some powers to alter the Trust Deed. During the year, the Trustee amended the Trust Deed. This change has no impact upon you or your benefits within the Tidswell Master Superannuation Plan. A copy of the Fund Trust Deed can be found Trustee's website: <https://diversa.com.au/funds/>

Compliance

The Trustee believes that the Plan has satisfied the requirements of the Superannuation Industry (Supervision) Act (SIS) for the year ended 30 June 2023, and that the Australian Prudential Regulation Authority (APRA) will be satisfied that the Plan is operating in accordance with SIS.

Audit

BDO Australia is the auditor of the Plan and has completed the annual audit for the Plan. The audited abridged financial information for the Fund is provided on page 5 of this Annual Report. A full copy of the audited accounts and auditor's report will be available for inspection on the Trustee's website at <https://diversa.com.au/funds/>

Whilst all due care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors or omissions. The terms of your membership in the Fund are set out in PPSM's Trust Deed and any applicable insurance policy. Should there be any inconsistency between this report and PPSM's Trust Deed, the terms of PPSM's Trust Deed will prevail.

The Trustee holds professional indemnity insurance to protect the Trustee, its directors and PPSM against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant insurance policy.

ABOUT THE PPSM

The PPS Mutual Super Fund is a risk-only division of the Tidswell Master Superannuation Plan (TMSP). The Trustee of the PPSM is Diversa Trustees Limited (the Trustee). PPSM members have access to death and disablement insurance cover within superannuation on the terms and conditions summarised in the PDS.

The PPSM Fund does not provide accumulation style superannuation account balances, nor investment returns to members.

- The Trustee accepts rollovers to pay the premiums for death and/or disablement insurance cover on your life as a member of PPSM (**Core Insurance Plan**). The Core Insurance Plan is issued to the Trustee by the Insurer.
- The Insurer will also issue a 'Profit-Share Plan' on your life to the Trustee. The Profit-Share Plan comprises a 'Profit-Share Account' and a complimentary 'Accidental Death Benefit'. No premiums are payable for the Profit-Share Plan.
- A benefit amount will only be payable from PPSM if the Insurer pays a benefit under the Core Insurance Plan. If a benefit is payable under the Core Insurance Plan, the balance of the Profit-Share Account (and Accidental Death Benefit, if applicable) under the Profit-Share Plan may also be payable. The Trustee will pay the amount received from the Insurer, less any tax that must be withheld. All amounts are paid as superannuation benefits in accordance with the governing rules of the TMSP and superannuation law.
- You can request that some or all of the balance of the Profit-Share Account be withdrawn and rolled over to a complying superannuation fund in certain circumstances set out in the PPS Mutual Professionals Choice PDS issued by the Insurer. The Trustee will not action a withdrawal request unless it is accompanied by a valid rollover direction to a complying superannuation fund. When received, the withdrawn amount is immediately rolled over by the Trustee in accordance with your direction. PPSM does not offer a superannuation savings facility to receive the withdrawal amount.
- Membership of PPSM is subject to the Rules of PPSM and the governing rules of TMSP. Benefits are only payable under the terms and conditions of the Core Insurance Plan and Profit-Share Plan.

FEATURES

The insurance cover options available through the PPSM Fund are:

Core Insurance

- Life insurance – providing cover for death and terminal illness
- TPD insurance – providing cover for total and permanent disablement or 'permanent incapacity'
- Income protection insurance – providing cover for 'temporary incapacity' where you are unable to work to earn income due to sickness or injury.

Profit-Share Plan

When a Core Insurance Plan is issued in respect of you, the Insurer will also establish a Profit-Share Plan on your life providing:

- Accidental Death Benefit – providing cover for 'accidental death'.
- Profit-Share Account – providing a means to share in the profits of the PPS Mutual Professionals Choice insurance products.

Each year profits of the products you buy are assigned to your Profit-Share Account. The amount of money in the Profit-Share Account continues to accumulate as long as a PPS Mutual Insurance Plan on your life is in force

The terms and conditions applying to these cover options

(including definitions, limitations and exclusions) are detailed in the PPS Mutual Professionals Choice PDS issued by the Insurer, which is current as at the date when you apply for the cover.

EMPLOYER'S CONTRIBUTIONS

As benefits within PPSM relate to insurance only, members are not able to make any contributions or rollovers for accumulation purposes within PPSM.

SUPERANNUATION THRESHOLDS

The superannuation contributions caps and various other superannuation thresholds that apply for the 2023 and 2022 financial years are as follows:

Caps for the financial year	2023	2022
Super Guarantee (SG) contributions	10.5%	10.0%
Concessional contributions cap	\$27,500	\$27,500
Non-concessional contribution cap	\$110,000	\$110,000
Super co-contributions (lower Income Threshold \$37,000, Higher Income Threshold \$56,112)	Max. \$500	Max. \$500
Low income super tax offset (LISTO) Adjusted taxable income up to \$37,000 (based on Concessional contributions made to the Fund)	Max. \$500	Max. \$500
Transfer Balance Cap	\$1,700,000	\$1,700,000
CGT cap	\$1,650,000	\$1,615,000
Low rate cap	\$230,000	\$225,000

Details of the cap for later years will be available by calling Member Services on 1300 401 436. The contributions paid by participating employers for the cover provided under the PPSM are classified as concessional contributions and are included in the concessional contribution cap. Contact the Australian Taxation Office on 13 10 20 or visit www.ato.gov.au/super for further information.

NEWS IN SUPERANNUATION

There were several changes to the superannuation regulatory landscape during the 2022-2023 financial year. Some of the most significant changes were announced in the 2023 Federal Budget. The information below was compiled as at November 2023, and is subject to change. For up-to-date information relating to taxation of superannuation, go to ato.gov.au or contact the Fund.

There were several changes in superannuation during the 2022-2023 financial year. Key changes are detailed below.

Annual Performance Test

Each year the Australian Prudential Regulatory Authority (APRA) conducts a performance test to assess the performance of superannuation products against industry benchmarks. The performance test looks at both investment returns and fees. The first performance test for MySuper products was performed in 2021. For Choice Products, which members actively choose to invest their superannuation saving in, the first performance test was performed in 2023. Any superannuation products that failed the performance test were required to write to their members to notify them.

Retirement Income Covenant

On 1 July 2022, legislation came into effect to amend the Superannuation Industry (Supervision Act) 1993 (SIS Act), requiring all APRA -regulated trustees to comply with the Retirement Income Covenant ('the covenant'). As part of this covenant all superannuation funds are required formulate a retirement income strategy and make it available on their website. The retirement income strategy outlines how the superannuation fund intend to assist their members who are either retired or are approaching retirement achieve the below objectives:

- maximise expected retirement income over the period of retirement
- manage expected risks to the sustainability and stability of retirement income over the period of retirement
- have flexible access to expected funds over the period of retirement.

Changes to fees and costs disclosure in the PDS and member statements

In an effort to make fees transparent and easier to understand for members, from changes have been made to how fees and costs are disclosed in your annual statement and the Product Disclosure Statement (PDS) for all superannuation products. Key changes include:

- re-grouping values in the re-named 'Fees and costs summary' to more clearly show fees and costs that are ongoing and those that are member-activity based
- simplification of ongoing fees and costs into three groups – Administration, Investment and Transaction
- inclusion of a single 'Cost of Product' figure in a PDS, and
- simplification of how fees and costs are presented in periodic statements.

Please refer to the fees and costs section of the PDS and annual member statement for more information.

Superannuation Guarantee Percentage

The Superannuation Guarantee rate (SG rate), which is the minimum amount of super your employer legally must pay to your super, increased from 10.5% to 11%.

Period	General Super Guarantee (%)
1 July 2022 – 30 June 2023	10.5
1 July 2023 – 30 June 2024	11.0
1 July 2024 – 30 June 2025	11.5
1 July 2025 – 30 June 2026 and onwards	12.0

2023 Budget Changes

Downsizer Contributions – Eligibility Age

Subject to eligibility requirements, an individual member can contribute up to \$300,000 from the proceeds of the sale (or part sale) of their home into their superannuation fund, providing them with a one-off way to contribute additional funds to their superannuation. On 1 July 2022 the eligibility age for making a downsizer contribution changed from 65 years or older, to 60 years or older. The eligibility age changed again on 1 January 2023 from 60 years or older, to 55 years or older. These changes allow more Australians to make use of this superannuation scheme if they consider it suitable for their situation, and they meet all the eligibility requirements. For more information on superannuation downsizer contributions and eligibility requirements please visit the ATO website at www.ato.gov.au.

Transfer Balance Cap

The general transfer balance cap (TBC), being the amount of money that you can transfer into a tax-free retirement account, increased from \$1.7 million to \$1.9 million. If an individual's transfer balance account (TBA) reached \$1.7m or more at any point before 1 July 2023, their TBC after 1 July 2023 would remain at \$1.7m. If the highest amount in their account was less than \$1.7m, then their cap is proportionally indexed based on the highest ever balance their TBA reached.

Pension Minimum Drawdown Rates

During the COVID-19 pandemic the Federal Government temporarily reduced the minimum pension drawdown rates for pension members to allow for greater flexibility. This was first put in place for the 2019/20 financial year and was later extended to the end of 2022/23. From 1 July 2023, the reduction to minimum drawdowns came to an end, and the standard default minimum drawdown rates applied.

Age	2019–20 to 2022–23 income years (inclusive)	2023–24 income years and onwards
Preservation Age to 64	2%	4%
65 to 74	2.5%	5%
75 to 79	3%	6%
80 to 84	3.5%	7%
85 to 89	4.5%	9%
90 to 94	5.5%	11%
95 and over	7%	14%

2022 Budget Changes

Repealing the Work Test for Voluntary Super Contributions

Prior to 1 July 2022, if a member was aged 67 to 74 years old you could only make or receive voluntary contributions (both concessional and non-concessional) if you met the 'work test'. That is, you must have worked at least 40 hours over a 30-day period in the relevant financial year. From 1 July 2022, this requirement has been removed.

Note: members may still need to meet the work test to claim a personal superannuation contribution deduction.

Eligibility changes to the bring forward Arrangements

From 1 July 2022, if a member is under 75 years of age at any time in a financial year (previously 67 years of age before 1 July 2022) you may be able to make non-concessional contributions of up to three times the annual non-concessional cap in that financial year.

Note: Eligibility for the bring-forward arrangement depends on

your:

- age, and
- total super balance on 30 June of the previous financial year.

Further eligibility criteria may apply, go to ato.gov.au or contact the Fund.

Increasing the First Home Super Saver Maximum

The First Home Super Saver (FHSS) allows people to save money for their first home inside their super fund. Members can do this by making voluntary concessional (before-tax) and voluntary non concessional (after-tax) contributions into their super. This can help first home buyers save faster with the concessional (lower) tax treatment of superannuation.

You can then apply to release these voluntary contributions, along with associated earnings, to help purchase your first home.

From 1 July 2022, the amount of eligible contributions that count towards the maximum releasable amount changed from \$30,000 to \$50,000.

Note: Eligibility criteria for the First Home Super Saver Scheme include:

- You need to occupy the premises you buy or intend to as soon as practicable.
- You intend to occupy the property for at least six months within the first 12 months you own it, after it is practical to move in.

Further eligibility criteria may apply, go to ato.gov.au or contact the Fund.

Removing the \$450 per month threshold for super guarantee eligibility

From 1 July 2022, employers are required to make super guarantee contributions to their eligible employee's super fund regardless of how much the employee is paid, removing the longstanding \$450 threshold (i.e. removal of the \$450 per month threshold). Employees must still satisfy other super guarantee eligibility requirements to be eligible for employer superannuation contributions. For further information go to ato.gov.au or contact the Fund.

Caps and Thresholds 2023-2024

Caps for the 2023-2024 financial year		
Super Guarantee (SG) contributions	11%	
Concessional contributions cap	\$27,500	
Non-concessional contribution cap	\$110,000	
Super co-contributions (Lower Income Threshold \$43,445, Higher Income Threshold \$58,445)	Max. \$500	
Low-income super tax offset (LISTO) Adjusted taxable income up to \$37,000 (based on Concessional Contributions made to the Fund)	Max. \$500	
Transfer Balance Cap	\$1,900,000	
CGT cap	\$1,705,000	
Low-rate cap	\$235,000	
Minimum annual pension amount	4%	Under 65
	5%	Age 65 – 74
	6%	Age 75 – 79
	7%	Age 80 – 84
	9%	Age 85 – 89
	11%	Age 90 – 94
	14%	Age 95 or over

For more information on superannuation caps and thresholds please visit the ATO website at www.ato.gov.au.

More Information: For more information on the APRA performance test please visit the APRA website at www.apra.gov.au. For more information on superannuation guarantee percentages, downsizer contributions and eligibility requirements, transfer balance caps, and minimum drawdown rates for pensions superannuation please visit the ATO website at www.ato.gov.au or contact the Fund.

Important Information: The information provided here is general in nature and has been prepared without taking into account your own objectives, financial situation, and needs. Before making decisions based on the information provided, you should consider how appropriate this information is for your individual circumstances, consider doing your own research, and consider seeking independent professional advice

OPERATION OF PPSM'S RESERVE

We are required under legislation to keep a financial reserve to cover any losses that members incur due to a breakdown in operations. This is referred to as the Operational Risk Financial Requirement (ORFR).

The ORFR may be funded from the financial resources of the Trustee, the Plan assets or a combination of both. The Trustee has determined it will address this requirement from its own resources. The ORFR is invested in the Trustee's cash account.

MANAGING THE PPSM

PPSM is set up as a division of a trust and is governed by a legal document called a Trust Deed. The Trustee responsible for running the PPSM in accordance with the Trust Deed, is Diversa Trustees Limited (ABN 49 006 421 638 AFS Licence No 235153, RSE Licence No L0000635), which is a professional independent trustee. No penalties were imposed on the Trustee and/or any of its directors during the reporting period.

PRIVACY POLICY

We are committed to ensuring the confidentiality and security of your personal information. We will only collect, use and disclose this information for the purposes of processing and administering your accounts and providing services to you, unless otherwise required by law. We are bound by the Privacy Act and the National Privacy Principles, as regulated by the Federal Privacy Commissioner, to protect such information from misuse and loss, unauthorised access, modification and disclosure.

You can obtain a copy of the Trustee's Privacy Policy at <https://www.diversa.com.au/privacy>, from the Privacy Officer by contacting the Fund on the details found at the back of this report.

MORE INFORMATION

Your benefit statement and the PPSM PDS contain important information about your personal benefits and about the PPSM Fund. You are also entitled to request further information including the Trust Deed and rules, the latest audited accounts and auditor's report and the Trustee's Privacy Policy.

The Trustee is required to disclose certain information and documentation on a website. Accordingly, the Trustee's website (www.diversa.com.au/governance) contains the Trust Deed and further details relating to the Trustee of the Tidswell Master Superannuation Plan, of which PPSM. The Promoter's website (<https://www.ppsmutual.com.au>) contains the Product Disclosure Statement, most recent annual report, and any Significant Event Notices issued recently.

For copies of these documents, or if you want more information

about your benefits, please feel free to contact the Fund's member services officers as follows:

PPS Mutual Super Fund Member Services

PO Box H337

Australia Square

SYDNEY NSW 1215

Phone: 1300 401 436

Email: memberservices@ppsmutual.com.au

ENQUIRIES AND COMPLAINTS

Superannuation law requires the Trustee to take all reasonable steps to ensure that complaints are properly considered and dealt with within 45 days, or another timeframe imposed by legislation. If you have a complaint:

- contact PPS Mutual on 1300 401 436, or
- contact the Dispute Resolution Officer of PPS Mutual at haveyoursay@ppsmutual.com.au

We will ordinarily respond to your complaint as soon as possible but within 45 days of receipt. If you are still not satisfied with our response, or we do not respond within 45 days (or within 90 days in relation to superannuation death benefit), you may wish to refer the matter to the Australian Financial Complaints Authority (AFCA), an independent body set up by the Federal Government to review trustee decisions relating to individual members.

You can contact the AFCA at:

Australian Financial Complaints Authority

GPO Box 3, Melbourne, VIC 3001

P 1800 931 678

W www.afca.org.au

This is an abridged summary of the PPSM's audited accounts for the year ended 30 June 2023. The full audited accounts, including the audit report are now available. If you would like a copy please visit Trustee's website <https://diversa.com.au/funds/>.

ABRIDGED FINANCIAL INFORMATION		
Statement of Financial Position	2023	2022
	\$'000	\$'000
Assets		
Cash	82	195
Receivable	2	-
Current Tax Assets	30	88
Total assets	114	283
Liabilities		
Other payables	112	283
Total liabilities	112	283
Net assets available for member benefits	2	-
Members' benefits	-	-
Total net assets (liabilities)	2	-
Equity		
Reserves	2	-
Unallocated surplus (deficit)	-	-
Total reserves	2	-

Income/Operating Statement	2023	2022
	\$'000	\$'000
Superannuation activities		
Total net income	3	-
Total expenses	-	-
Operating result	3	-
Income tax (expense) benefit	(1)	-
Operating result after income tax	2	-
Less net benefits allocated to members	-	-
Operating result after income tax	2	-

Statement of Change in Benefits	2023	2022
	\$'000	\$'000
Opening balance of members' benefits	-	-
Transfers from other superannuation plans	5,985	2,229
After tax contributions	5,985	2,229
Benefits and Transfers Paid	(128)	(40)
Insurance premiums charged to members	(6,924)	(4,930)
Death and disability benefits credited to members	25	14
Tax benefit on premiums	1,039	740
Net benefits allocated to members' accounts	-	-
Closing balance of members benefits	-	-

The full audited Accounts of Tidswell Master Superannuation Plan which includes PPSM together with Directors' remuneration and attendance record, and the auditor's report, are available for inspection on the Trustee's website at <https://diversa.com.au/funds/> and <https://diversa.com.au/governance/>