

# AIA Group Risk Super Plan

## Annual Report 2023

### **Fund**

AIA Group Risk Super Plan (AROSS2 Fund), a division of the OneSuper  
ABN 43 905 581 638 RSE R1001341

### **Promoter**

AIA Australia Limited  
ABN 79 004 421 638  
AFS Licence No 230043  
509 St Kilda Road  
Melbourne, VIC 3004

### **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**

Insurance & Superannuation Administration Services Pty Ltd  
PO Box 1305  
South Melbourne, VIC 3205  
Phone: 1800 844 992  
Email: [enquiries@iasas.com.au](mailto:enquiries@iasas.com.au)

### **Insurer**

AIA Australia Limited  
ABN 79 004 421 638  
AFS Licence No 230043

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## FROM THE TRUSTEE

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

The Annual Report is issued by Diversa Trustees Limited ABN 49 006 421 638 AFSL 235153 RSE L0000635 (the Trustee) as trustee of the AIA Group Risk Super Plan (**AROSS2 Fund, the Fund**), a life insurance only sub-division of OneSuper ABN 43 905 581 638

This Annual Report forms Part 2 of the annual periodic information. Your Annual Member Statement forms Part 1 of the annual periodic information and should be read in conjunction with this Annual Report.

The information in this document is intended to provide you with general information only and does not take into account one or more of your personal objectives, financial situation and needs. Before making any financial decisions about AROSS2 Fund, it is important that you consider the current product disclosure statement (PDS) and Target Market Determination (TMD) relevant to your membership and consider your particular circumstances and whether the particular financial product is right for you. The current PDS and TMD for the product is available by calling 1800 844 992. You should consult a financial adviser if you require personal advice.

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 AROSS2 Fund you should consider obtaining professional financial advice from a Licenced or Authorised Financial Advisor.

The Trustee of the Fund is Diversa Trustees Limited (Diversa Trustees, Trustee) and is responsible for the ongoing management of the Fund. As Trustee, Diversa Trustees employ specialist providers to help look after the Fund and its investments which are outlined at the start of this Annual Report.

As Trustee, Diversa Trustees aims to ensure that all legal and compliance obligations are properly met. It is responsible for compliance with the Trust Deed of the Fund, including ongoing satisfaction of legislative requirements, and monitoring of risk controls as specified in its' risk management framework.

In summary, the Trustee's role generally incorporates:

- fund registration,
- issue of disclosure documents,
- compliance monitoring against legislative and regulatory requirements, and
- risk management.

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

Name	Date Appointed
Michael John Terlet AO, Chair from 1 July through to 28 June 2023	18 February 2021, resigned 30 June 2023
Vincent Plant, Independent Director, appointed Chair 28 June 2023	May 2017
Andrew Peterson, Executive Director, Chief Executive Officer	28 June 2019
Fiona McNabb, Independent Director	28 June 2019
Ron Beard, Independent Director	18 February 2021
Sue Thomas, Independent Director	15 August 2022
Mark Walter, Independent Director	26 June 2023

The Directors of the Board did not receive and are not due any remuneration from the Fund in connection with the management of the Fund. Director's fees are paid by Diversa Trustees Limited.

The Board of the Trustee is committed to strong principles of corporate governance, including continuous improvement of its performance and processes. The following committees assist the Board, which in some cases involves engagement of external experts:

- Audit and Compliance Committee,
- Investment Committee,
- Member Best Interests Committee,
- Risk Committee, and
- Remuneration and Nominations Committee.

No penalties were imposed this year on any responsible person under Section 38A of the Superannuation Industry (Supervision) Act 1993.

The Trustee Executive Officers are:

- Rachel Griffith, Company Secretary and General Manager Investment Oversight
- Johanna Hartnett, General Manager, Office of the Superannuation Trustee
- Joshua Haymes, General Manager, Strategy
- Daniel Strachan, General Manager, Insurance and Oversight

The Trustee holds professional indemnity insurance to protect the Trustee, its directors and the AROSS2 Fund against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant insurance policy and is subject to the terms and conditions of the relevant policy and complies with the requirements of Section 912B of the Corporations Act 2001.

The governing rules of the Fund are set out in the OneSuper Trust Deed. The Board has some powers to alter the Trust Deed. A copy of the Fund Trust Deed can be found at [www.diversa.com.au/funds](http://www.diversa.com.au/funds).

AROSS2 Fund is regulated and complies with the Superannuation Industry (Supervision) Act 1993 (SIS Act). The Fund lodges a return with APRA every year and has not received a notice of non-compliance from APRA. No penalties have been imposed in respect of the Fund under the relevant superannuation legislation.

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 OneSuper's Trust Deed and any applicable insurance policy. Should there be any inconsistency between this report and OneSuper's Trust Deed, the terms of OneSuper's Trust Deed will prevail.

## ABOUT THE AROSS2 FUND

The AIA Group Risk Super Plan is a risk-only division of OneSuper. The Trustee of the AROSS2 Fund is Diversa Trustees Limited (the Trustee). AROSS2 Fund members have access to death and disablement insurance cover within superannuation on the terms and conditions summarised in the Product Disclosure Statement (PDS).

The AROSS2 Fund does not provide accumulation style superannuation account balances, nor investment returns to members.

- The Trustee accepts contributions to pay the premiums for death and/or disablement insurance cover on your life as a member of the AROSS2 Fund (**Core Insurance Plan**). The Core Insurance Plan is issued to the Trustee by the Insurer.
- A benefit amount will only be payable from the AROSS2 Fund if the Insurer pays a benefit under the Core Insurance Plan. 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 OneSuper and superannuation law.
- Membership of the AROSS2 Fund is subject to the Rules of the AROSS2 Fund and the governing rules of OneSuper. Benefits are only payable under the terms and conditions of the Core Insurance Plan.

## FEATURES

The insurance cover options available through the AROSS2 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'

## EMPLOYER'S CONTRIBUTIONS

As benefits within the AROSS2 Fund relate to insurance only, members are not able to make any contributions or rollovers for accumulation purposes within the AROSS2 Fund.

## OPERATION OF AROSS2 FUND'S RESERVE

Trustees of superannuation funds are required to establish and maintain an Operational Risk Financial Reserve (ORFR) which complies with prudential requirements to ensure that the Trustee has sufficient financial resources to provide for member and/ or beneficiary losses arising from an operational risk event such as incorrect benefit payments due to human or system error, unit pricing errors and loss of data. The reserve is funded from fees and other costs. Expense recovery fees may include a transfer to the ORFR to meet this regulatory requirement. Please refer to the current PDS and Guides for more information.

ORFR (as at 30 June)	2023 \$'000	2022 \$'000	2021 \$'000
Balance	41	11	11

## MANAGING THE AROSS2 FUND

The AROSS2 Fund 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 AROSS2 Fund 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.

## 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 [www.ato.gov.au](http://www.ato.gov.au) or contact the Fund.

### 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.

### 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](http://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](http://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](http://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](http://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 age 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 more

Details of the cap for later years will be available by calling Member Services on 1800 844 992. The contributions paid by participating employers for the cover provided under the AROSS2 Fund 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](http://www.ato.gov.au/super) for further information.

**More Information:** For more information on the APRA performance test please visit the APRA website at [www.apra.gov.au](http://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](http://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.

## MEMBER STATEMENTS

Your Annual Member Statement is forwarded to you annually. Additionally, we also publish product updates and communications online.

## CONFLICTS

The Trustee's approach to conflicts management is governed by its Conflicts Management Policy, which sets out the principles and the minimum requirements of the Trustee. Conflicts are identified, recorded and managed on an ongoing basis via the Trustee's registers of relevant duties and interests and via other related Trustee policies, systems and processes. Training and awareness with respect to the Trustee's Conflicts Management Framework is undertaken annually. Further information can be found at: [www.diversa.com.au/trustee/governance](http://www.diversa.com.au/trustee/governance)

## INFORMATION ON REQUEST

The following information is available on the Fund website, Insurer, or the Trustee and and/or by contacting the Administrator on the details at the beginning of this report:

- the Fund's various Product Disclosure Statements and
- Additional Information Guide which are incorporated by reference, (where applicable),
- recent member newsletters,
- the Fund's Trust Deed and Rules,
- all forms, e.g. the Nomination of Beneficiaries Form, and
- information about your benefit entitlements.

## 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 the AROSS2 Fund on 1800 844 992, or
- contact the Dispute Resolution Officer of the AROSS2 Fund at [enquiries@iasas.com.au](mailto:enquiries@iasas.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 (Death Benefit distribution complaints within 90 days), 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 3011**

P 1800 931 678

E [info@afca.org.au](mailto:info@afca.org.au)

W [www.afca.org.au](http://www.afca.org.au)

## MORE INFORMATION

Your benefit statement and the AROSS2 Fund PDS contain important information about your personal benefits and about the AROSS2 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](http://www.diversa.com.au/governance)) contains the Trust Deed and further details relating to the Trustee of OneSuper, of which the

AROSS2 Fund is a sub plan. The Trustee's website (<https://diversa.com.au/funds/>) 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:

### **AIA Group Risk Super Plan**

PO Box 1305

South Melbourne VIC 3205

Phone: 1800 844 992

Email: [enquiries@iasas.com.au](mailto:enquiries@iasas.com.au)

## DISCLAIMER

Reasonable care is taken to ensure that information is correct, however neither the Trustee nor its service providers accept responsibility for any errors, misprints or for anyone acting on this information. The Trustee reserves its right to correct any errors or omissions.

The terms of your membership in the Fund are set out in the Fund's Trust Deed and any applicable insurance policy. Should there be any inconsistency between the Annual Report and the Fund's Trust Deed, the terms of the Fund's Trust Deed will prevail.

The Trustee reserves the right to amend the terms and conditions of the Fund in accordance with the provisions of the Trust Deed and superannuation law. The Trustee may also withdraw the PDS and close the Fund.

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## ABRIDGED FINANCIAL INFORMATION

### Statement of Financial Position

This is an abridged summary of the AROSS2 Fund 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 contact the Fund's Administrator

	2023 \$'000	2022 \$'000
<b>Assets</b>		
Cash	5,969	4,405
Other Receivables	-	5
<b>Total assets</b>	<b>5,969</b>	<b>4,410</b>
<b>Liabilities</b>		
Group Life Premium payable	3,955	2,314
Other payables	1,973	2,085
<b>Total liabilities</b>	<b>5,928</b>	<b>4,399</b>
Net assets available for member benefits	-	-
Members' benefits	-	-
<b>Total net assets (liabilities)</b>	<b>41</b>	<b>11</b>
<b>Equity</b>		
Reserves	41	11
Unallocated surplus (deficit)	-	-
<b>Total reserves</b>	<b>41</b>	<b>11</b>

### Operating Statement

	2023 \$'000	2022 \$'000
<b>Superannuation activities</b>		
Total net income	41	-
Total expenses	-	-
<b>Operating result</b>	<b>41</b>	<b>-</b>
Income tax (expense) benefit	-	-
<b>Operating result after income tax</b>	<b>41</b>	<b>-</b>
Less net benefits allocated to members	-	-
<b>Operating result after income tax</b>	<b>41</b>	<b>-</b>

### Statement of Change in Benefits

	2022 \$'000	2022 \$'000
<b>Opening balance of members' benefits</b>	<b>-</b>	<b>-</b>
Contributions	14,889	16,020
<b>After tax contributions</b>	<b>14,889</b>	<b>16,020</b>
Benefits and Transfers Paid	(7,394)	(5,809)
Insurance premiums charged to members	(14,884)	(16,020)
Death and disability benefits credited to members	7,348	5,809
Net benefits allocated to members' accounts	-	-
<b>Closing balance of members benefits</b>	<b>(41)</b>	<b>-</b>

The full audited Accounts of OneSuper which includes the AROSS2 Fund 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/>.