

Living Super Product Update

Preparation date: 12 January 2021

1. Website make-over

We've given the superannuation section of our visitor site ing.com.au a new look.

All Exchange Traded Funds (ETFs) are now grouped by theme to make it easier for you to find information about those you might be interested in.

The 'Overview' tab has a link to the full list of ETFs.

Overview Technology Sustainability Healthcare Emerging Markets

Take control of where your super is invested with our range of options¹

ASX-listed securities

- ✓ Individual securities within the S&P/ASX 300 index (examples include Telstra, CSL, Qantas, Ramsay Healthcare, etc.)
- ✓ 14 listed investment companies
- ✓ 140+ Exchange Traded Funds

If you want to know more about some categories of ETFs, please refer to the Technology, Sustainability, Healthcare and Emerging Markets tabs above. For a full list of ETFs offered [click here](#)

Managed Investments

Living Super offers 11 managed investment options:

High Growth	International shares (hedged)
Growth	Australian shares
Moderate	Australian listed property
Conservative	International fixed interest (hedged)
Cash Option	Australian fixed interest
International Shares	

For full historical investment performance [click here](#)

Term Deposits

Living Super also provides you access to 3 month, 6 month, 1 year and 2 year term deposits (2 year term deposits available for super accounts only) for more information on Term deposits [click here](#)

1. Any advice on this webpage does not take into account your objectives, financial situation or needs and you should consider whether it is appropriate for you. Before making any decision in relation to ING Living Super you should read the Product Disclosure Statement and the Financial Services Guide

[Learn more about your investment options](#)

2. Breaking your Term Deposit

During 2020, the Government allowed early access to superannuation for Australians experiencing financial difficulties as a result of COVID-19. To accommodate this, the 31-day notice period did not apply for members who wanted to take their money out of a Term Deposit early (i.e. before the maturity date) in order to make an application with the ATO to access their super.

From 21 April 2020 to 31 December 2020, we waived the break costs (interest rate reduction) for all members that ended a Term Deposit held within Living Super before its maturity date.

On 1 January 2021, the 31-day notice period and break costs (interest rate reduction) were reinstated. This means that, if you want to close your Term Deposit early:

- you need to give us 31 days' notice, and
- Term Deposit break costs apply if you break your Term Deposit before its maturity date. You will receive a lower interest rate (as a result of the relevant interest rate reduction being applied) than if you had kept the Term Deposit until its maturity date.

Interest will be calculated from the date the Term Deposit was opened to the date the Term Deposit is closed (inclusive of the 31-day notice period), less the interest rate reduction.

What does this mean for me?

If you want to take your money out of your Term Deposit before its maturity date, you need to give us 31 days' notice and your interest rate will reduce as shown in the tables below.

'Break Cost' rules applied to Term Deposits opened on or after 1 January 2021:

Table 1

Time elapsed by the time you withdraw	Percentage of the interest rate you lose
0% to less than 20%	90%
20% to less than 40%	80%
40% to less than 60%	60%
60% to less than 80%	40%
80% to less than 100%	20%

Example: If you buy a 2-year Term Deposit on 1 April 2021 at an agreed interest rate of 1.20% p.a., you need to keep your money in it until 31 March 2023 to receive that interest rate. If you break the Term Deposit on 31 March 2022 (which is at the 1-year mark, so you've only had it for 50% of its total term), the interest rate you would have received at full term (1.20% p.a.) will be reduced by 60%. You will receive 0.48% p.a.

'Break Cost' rules applied to Term Deposits opened on or before 31 December 2020:

Table 2

Term of the Deposit	Interest rate reduction
3 months	0.50% p.a.
6 months	0.75% p.a.
1 year	1.00% p.a.
2 years	2.00% p.a.

Example: If you bought a 2-year Term Deposit on 1 December 2020 at an agreed interest rate of 1.20% p.a., you need to keep your money in it until 1 December 2022 to receive that interest rate. If you break the Term Deposit on 1 December 2021, because it was a 2-year Term Deposit (regardless how long you've held it) the interest rate will be reduced by 2.00% p.a. (but can't go below 0.00%).

Note: If you bought a Term Deposit on or before 31 December 2020 but the rules to newer Term Deposits (Table 1) give you a higher interest rate, we will apply the more favourable rate to you.

So, let's apply the rules in Table 1 to the Term Deposit you bought on 1 December 2020. You've held the Term Deposit for 50% of its total term, so your interest rate will be reduced by 60%. This means instead of 1.20% p.a., you receive 0.48% p.a. This is a better outcome than the 0.00% p.a. if we apply the rules from Table 2. We'll give you an interest rate of 0.48%.

3. Buy-sell spread changes

A buy-sell spread is a fee to recover transaction costs incurred by the Trustee when buying or selling units in managed investments. In simple terms, it's the difference between the entry and exit price for an investment option.

Transaction costs vary between Living Super investment options. This is because different asset classes have different costs associated with them (such as brokerage and stamp duty).

From 1 January 2021, many of our buy-sell spreads have reduced.

The following table shows the previous and new spreads.

Investment option	Buy spreads		Sell spread	
	Previous	From 1 Jan 2021	Previous	From 1 Jan 2021
Australian Fixed Interest	0.04%	0.04%	0.05%	0.04%
Australian Listed Property	0.10%	0.08%	0.10%	0.08%
Australian Shares	0.10%	0.08%	0.10%	0.08%
Balanced (Closed to new members)	0.08%	0.07%	0.08%	0.07%
Cash option	0.00%	0.00%	0.00%	0.00%
Conservative	0.06%	0.06%	0.08%	0.06%
Growth	0.09%	0.08%	0.08%	0.07%
High Growth	0.10%	0.09%	0.08%	0.07%
International Fixed Interest (Hedged)	0.08%	0.08%	0.15%	0.08%
International Shares	0.10%	0.08%	0.05%	0.05%
International Shares (Hedged)	0.13%	0.10%	0.08%	0.07%
Moderate	0.07%	0.07%	0.08%	0.06%

Changes from 8 January 2021

1. Three-year limit on exclusions for pre-existing medical conditions

From 8 January 2021, exclusions due to pre-existing medical conditions on your Automatic Death and/or Total and Permanent Disablement (TPD) Cover with Living Super are automatically removed after three years from the start of your cover (or date of reinstatement).

What does this mean for me?

If you had an existing illness, injury or medical condition in the three years before your Automatic Cover with Living Super started (or was reinstated), you will have a Pre-Existing Conditions Exclusion on your Automatic Cover with us. This means that you won't receive an insurance benefit or payout (or refund of premium) for any claim that arises directly or indirectly as a result of that condition.

Up until 8 January 2021, exclusions for Pre-Existing Medical Conditions on your Automatic Cover in Living Super were applied for the duration of your cover in the event of a claim.

However, from 8 January 2021, Pre-Existing Conditions Exclusions will be removed after three years from the start of your Automatic Cover (or date of reinstatement).

For more information about pre-existing conditions and how they apply to you, review the insurance section of the [Living Super Product Guide](#), which you can find at ing.com.au; click on Superannuation, Living Super, Tools and Calculators, Key documents and forms.

2. Increase in Income Protection cover premiums

On 8 January 2021, premiums for Income Protection cover with a benefit period to age 67 increased by 23%. We've communicated this change via email to all members who hold this type of Income Protection benefit in December 2020 via a [Significant Event Notice](#).

We work closely with our insurer, MetLife, to ensure any price increases are as reasonable as possible, and we try hard to keep increases to a minimum. This is the first increase in premiums for Income Protection cover in Living Super since 2015. The rise in this case is due to various external factors impacting the insurance industry, such as the low interest rate environment and the coronavirus disease (COVID-19). Premiums on Death and Total and Permanent Disablement insurance, as well as for Income Protection with a 2-year benefit period, have remained unchanged.

You can choose to change or cancel your Income Protection cover or apply for Income Protection cover at any time. There is a 2-year benefit period available, as well as a choice of waiting periods. The options you choose will impact the premiums you pay. Please refer to our [Living Super Product Guide](#) for details.

To review your current premiums and the status of your insurance, log into your account at ing.com.au; click on My Accounts, Superannuation, Insurance, Review Insurance.

If you have any questions, we're here for you on 133 464, Monday to Friday, 8am–8pm (AEST/AEDT). Alternatively, you can speak with your financial adviser.

For the curious: Diversa Trustees Limited ABN 49 006 421 638, AFSL 235153, RSE L0000635 is the Trustee of the ING Superannuation Fund ABN 13 355 603 448 (Fund) and the issuer of interests in the Fund. ING Living Super is a product issued out of the Fund. ING, a business name of ING Bank (Australia) Limited ABN 24 000 893 292, AFSL 229823, is the Promoter of the Fund and issuer of this document. Insurance cover is issued by MetLife Insurance Limited ABN 75 004 274 882 AFSL 238096 to the Trustee. For further details about insurance cover, please refer to the Product Disclosure Statement and the associated Product Guide.

Any advice on this notice does not take into account your objectives, financial situation or needs and you should consider whether it is appropriate for you.

You should consider the relevant Product Disclosure Statement, Product Guide and the Financial Services Guide available at ing.com.au and the product's appropriateness when deciding whether to acquire, or to continue to hold, a product.

Living Super is not available for U.S. Persons (i.e. persons with U.S. residential, postal or fiscal address, phone number, citizenship, Green Card or any U.S. related proxy).

When choosing your investment options, you should consider the likely investment return, risk and how long you will be investing your super and remember that past performance is not a reliable indicator of future performance. For more information about Shares, ETFs and LICs please see the ING Living Super Product Disclosure Statement and Product Guide available at ing.com.au. Before you invest in Shares, ETFs and LICs you may wish to consult your financial adviser before deciding if these options meet your objectives, financial situation and needs