

Product Update – changes from 1 July 2019

Starting from 1 July 2019, ING is introducing changes to Living Super, in line with *Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019 (Cth)*, to help protect customers' retirement savings.

1. Insurance cover for inactive accounts

Insurance can be an important benefit for Australians and having it in your superannuation can be a tax and cost effective way of protecting you and your family. However, insurance premiums can reduce superannuation balances, especially when no contributions are being made in an account.

To minimise the impact of this, from 1 July 2019, new measures will be introduced to cancel insurance for customers who have not made a contribution or rollover into their account for a continuous period of 16 months. If your account has been inactive for some time and would reach the 16 month inactive period by 1 July 2019, we wrote to you in May to notify you that we would be cancelling your insurance in your Living Super and you cease to have insurance cover from that point in time. We explained that if you wished to keep your insurance cover, you could do so by either making a contribution or a rollover to your Living Super account; or instructing us in writing to keep your cover before the 16 month inactive period is reached.

Ongoing, we will notify customers whose accounts have been inactive for 9, 12 and 15 months to alert them to the impending cancellation of insurance once the inactivity period reaches 16 months.

What does this mean for me?

We wrote to customers in May to let them know if they were impacted by this change from 1 July 2019. If you are not sure whether you are impacted by this, you can speak to your financial adviser or contact us urgently on 133 464, 8am-8pm Monday to Friday (AEST/AEDT) for any questions.

2. Fee cap introduced for low balance accounts

From 1 July 2019, we will introduce a cap to the fees charged for low balance accounts in Living Super. This means that if you have a balance of \$6,000 or less on the last day of the financial year or at the time of closing your account, the maximum that can be charged in fees will be capped at 3% or pro-rated if you open or close your account in the middle of a financial year (i.e. income year). If your balance falls below \$6,000 and the total fees charged for the year exceeds 3%, a refund will be provided to your account within 3 months from the end of the financial year/income year. As the cap on fees will commence from 1 July 2019, the first year that a customer could expect to receive a refund would be between 1 July 2020 and 30 September 2020.

What does this mean for me?

If you are a customer with a balance of \$6,000 or less, new measures will be introduced to minimise the amount you pay in fees at the end of the financial year, or at the time you close your account.

3. Inactive low balance accounts transferred to the Australian Tax Office (ATO)

From 1 October 2019, the ATO will introduce new measures to help protect inactive accounts with low balances by attempting to match these inactive account/s with a superannuation account a person may have which is active.

Generally, your account will be classified as an inactive low balance account when the balance is below \$6,000 and has been inactive for the past 16 months. "Inactive" in respect to inactive low balance accounts means, over the past 16 months:

- There have been no rollovers, contributions or other amounts made to your Living Super account;
- You have not changed investment options;
- You have not made or amended a binding beneficiary nomination;
- You have not given notice to the Commissioner of Taxation that the account is not an inactive low balance account; and
- The superannuation provider was not owed money.

What does this mean for me?

If you meet the above criteria at 1 October 2019 and onwards, your account may be classified as an inactive low balance account and may be transferred to the ATO who will try to match it to an active superannuation account. If you are impacted by this, we will write to you beforehand to notify you.

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