

# Super eUpdate

FOR ANZ SUPER ADVANTAGE EMPLOYERS | FEBRUARY 2011



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To find out more about OnePath, visit [onepath.com.au](http://onepath.com.au) > About OnePath.

**ANZ Super Advantage is highly rated\***



## OnePath is the new name and brand for ING Australia

From May 2002 until late 2009, ING Australia operated as a joint venture between ANZ and the global ING Group.

After seven years in the partnership ANZ acquired 100% ownership of ING Australia in late 2009. Following the acquisition it was decided we should operate this business with its own distinct name and brand identity.

On 15 November 2010 we launched OnePath™ as the new name and brand for ING Australia. OnePath is a specialist wealth management and protection business and is a key part of the ANZ Wealth Division.

### A distinctive new brand

The new OnePath name and brand recognises that people take different paths in life and reflects the role we will play in helping people shape and protect the quality of their lives.

### OnePath products

OnePath has a comprehensive range of wealth and insurance products available through financial advisers or direct to customers, making it easier to find the best solutions to suit the needs of you and your employees.

# Super Specialists – making it easy for your employees to get their super sorted!

## Super Specialists are here to help

In addition to helping members consolidate their super, our Super Specialists can also help members nominate beneficiaries, provide their Tax File Number, find lost super and make additional contributions.

## We're making it easy

Super Specialists can help your employees sort out their super and save towards a comfortable retirement by taking them through five simple steps:

- 1. Consolidate super accounts** – To help your employees avoid paying unnecessary fees through having multiple accounts, the Super Specialist will help them fill out the form and certify their ID.
- 2. Nominate beneficiaries** – Whilst no one likes to think about what will happen when they pass away, it is important members keep their beneficiaries up to date to help ensure their super is distributed according to their wishes. The Super Specialist will help your employees to correctly fill out the Nomination of Beneficiary Form.
- 3. Provide their Tax File Number (TFN)** – If your employees haven't provided their TFN they may be paying an extra 31.5% tax on their super or missing out on the Government Co-contribution. The Super Specialist will help them complete the TFN form.
- 4. Make contributions** – Contributing a little bit more super now can make a big difference to your employees' retirement

savings. It's easy to make regular or one-off after-tax contributions by BPAY® or Internet banking and our Super Specialist can help your employees find the correct codes to use, such as the right reference number.

- 5. Choose investments** – Your employees can choose their own investments and our Super Specialist can show your employees how.

## Help your employees by arranging assistance today.

To help your employees make the most of their super, arrange for a Super Specialist to visit your workplace today by contacting your financial adviser, Relationship Manager or Business Development Manager.

Your employees should always ensure that they seek financial advice before making any investment decisions.

\* Registered to BPAY Pty Ltd ABN 69 079 137 518.





## Have your employees protected their most valuable asset?

### Facing the facts about underinsurance

Most people insure their house, contents and cars, but many fail to ensure that they have adequate cover for their own future and that of their family, in spite of some scary statistics:

- An estimated 106,000 new cases of cancer are diagnosed every year.<sup>§</sup>
- 6 out of 10 people with dependent children don't have enough life insurance cover to look after their families for one year if they die.<sup>†</sup>
- Each year, around 4,400 parents with dependent children die.<sup>‡</sup>

We all want to protect what's important to us – whether it be our family, home or income. Many members of super funds receive an automatic basic level of life insurance cover as part of their super. While a basic level of cover will provide some support, it may not be enough to cover them and their family in the case of a serious accident or illness, which leaves them unable to work.

It is important that members keep up to date with the life insurance offerings available, so they can choose the most appropriate cover and adjust it according to their, and their family's, changing needs.

Please contact your Relationship Manager, Business Development Manager or financial adviser about the insurance options available to your employees.

### Product enhancements

To assist your employees with their insurance needs we have enhanced our insurance offering in super:

#### Overseas Cover

Whilst in the Employer Division and seconded overseas by the participating employer, cover for Australian residents will continue for up to five years. In all other cases, cover for Australian residents overseas will continue for up to two years.

Cover for non-Australian residents will cease 30 days after they depart Australia for trips of three months or more. To extend cover beyond these limits, an application in writing is required.

Group Salary Continuance payments will cease after a maximum of six months while an employee is overseas and resume on return to Australia, assuming all other payment requirements continue to be met.

#### Life Events Cover

Life Events Cover is designed to help members adjust their level of cover as their circumstances change. Within 30 days of the specific life event occurring, the member may apply for an increase in their existing insurance cover. This application may occur once in any 12-month period, without underwriting, on the occurrence of the following events:

- marriage (limited to once throughout the term of the member's superannuation plan membership)
- birth or adoption of a child, by the member or their spouse
- a child of the member starting secondary school
- taking out a mortgage for the purchase of their first home
- when their salary package increases by 20% or more.

#### ANZ Super Advantage Additional Basic Cover

To help members ensure they have cover appropriate to their circumstances, we have made it quicker and easier for them to apply for additional cover. ANZ Super Advantage members may apply within the first 60 days of their membership for an additional one unit of Basic Cover, simply by answering three questions in the Additional Basic Cover Application Form found in their Welcome Kit. This is subject to them meeting any eligibility requirements.

<sup>§</sup> Cancer Council Australia.

<sup>†</sup> Rice Walker Actuaries, Analysis of Insurance Needs, 2005.

<sup>‡</sup> Australian Bureau of Statistics.

## The important role of the Policy Committee

**The Policy Committee provides a forum for both members and employers to raise matters about their employer super plan's operation, performance and investment strategy.**

The Policy Committee plays a very important role in ensuring that the Trustee is provided with information and its views are taken into account and considered by the Trustee.

### When is a Policy Committee required?

An important requirement of the Superannuation Industry (Supervision) Act and Regulations (SIS) is that employer super plans with 50 or more members are required to establish a Policy Committee. Employer super plans with 5–49 members may establish a Policy Committee, but are not obliged to do so unless five members request so in writing.

### The role of a Policy Committee

Although the Trustee takes the ultimate responsibility for administering the employer super plan, it is the Policy Committee that advises and informs the Trustee about any matters of concern. Matters that are raised by members or employer representatives can then be monitored and addressed.

Some of the key functions of the Policy Committee are to:

- provide a way for members to inquire about the investment strategy, performance and operation of the employer super plan
- provide an opportunity for the Trustee to obtain members' views on the investment strategy, performance and operation of the employer super plan and any additional needs the members may have
- assist the Trustee in handling enquiries or complaints about the operation or the management of the employer super plan.

### How to form a Policy Committee

The employer will appoint the employer representatives and generally, member representatives will be elected by members of the employer super plan. There must be equal numbers of employer and member representatives.

In most cases, a nomination process will be the most convenient and efficient way to elect member representatives and a general election needs to be held every three years, with retiring representatives eligible for re-election. This is done by circulating a Nomination Form. If more nominations are received than the number of vacancies, an election must be conducted using a ballot paper.

Once all representatives are nominated, the first meeting can be held. Once established, members and employers can regularly voice their views and opinions on their employer superannuation plan via the Policy Committee. This should help resolve any issues and enable all parties to provide input and direction regarding the plan.

**To find out more about setting up a Policy Committee, please visit [anz.com](http://anz.com) or contact your financial adviser, Relationship Manager or Business Development Manager.**

**The 2010 election result of a hung parliament, along with the recommendations of the Henry and Cooper Reviews, have created a level of uncertainty surrounding super. Whatever happens, change seems inevitable. Below we outline some observations so far and what this could mean for the superannuation industry and members.**

How Australia's superannuation system will be reformed and regulated often depends on the policy makers and legislators based in Canberra at the particular time. Whoever is in charge federally often influences the direction that super policy takes.

It may be telling then, that Australia's Federal Election on 21 August 2010 delivered no clear majority to either the Australian Labor Party or the Liberal Party/National Coalition. Labor has subsequently managed to form a minority government with 72 seats in Parliament through the support of two country independents in New South Wales, a Tasmanian independent and a Green MP. With 76 seats, Labor only has a two seat majority over the Coalition's 74, comprising 73 seats held by them plus the additional support of a Queensland independent.

Australians have not experienced a hung parliament since 1941, though there have been a couple of examples at state level.

It seems clear that a Government with control of neither the lower, nor the upper house, might need to more frequently negotiate policy and legislative outcomes. They can do this with either the independents, minor parties or the main opposition parties.

## How will this impact Australia's super system?

Given the large number of inquiries and reforms related to superannuation that were mooted during the preceding three years, the changing dynamics of Canberra could mean that superannuation will need to be better understood by a greater number of political stakeholders. This presents greater opportunity for more extensive consultation to achieve favourable outcomes for members.

Moreover, both Labor and the Coalition have announced their respective Minister and Shadow for superannuation. Bill Shorten MP is the new Minister for Superannuation, succeeding Chris Bowen MP, and Senator Mathias Cormann is the Shadow. Both are seemingly new to the Superannuation Portfolio, although Bill Shorten was formerly a Director of a large super fund.

The election result will have at least some impact on superannuation policy, this much seems assured. Below are a few observations based on the facts so far.

## The Cooper Review

The Cooper Review is a comprehensive review of our super system completed under the previous Labor administration. The final report with its 177 recommendations was released just prior to the Federal Election.

On 16 December 2010, our new Government responded to all of Cooper's recommendations. Key recommendations that are

supported include adding a new basic simple superannuation product called MySuper, and making our super system more efficient, e-commerce friendly, and less prone to errors and lost accounts. Against the backdrop of our current political environment, however, recommendations that are most likely to succeed will also be the ones that are supported by both sides of politics.

## The Henry Tax Review

The Rudd Government completed a review of Australia's taxation system called the Henry Tax Review. There are 138 recommendations in its final report including proposals regarding superannuation.

Following the release of the Henry Tax Review's recommendations, the Rudd Government announced that it planned to:

- progressively raise the superannuation guarantee to 12%
- increase the age limit so that people can contribute to super up to age 75
- retain the concessional contributions cap for those aged 50 or over at \$50,000, provided their super balance is less than \$500,000.

None of the above announcements have been legislated and thus have not taken effect as yet. The path of relevant legislation could attract greater scrutiny given the current hung parliament, and the possibility that many tax related matters may be referred to a recently proposed Tax Summit. The 2011 summit, proposed by two independents and agreed to by Labor, would progress the ideas raised in the Henry Tax Review and would offer Australians a constructive, open and positive discussion about tax reform.

## The road ahead

There will be challenges and opportunities ahead. For instance, Parliament will be keen to consult. The country independents and the Greens will need to be brought up to speed on issues relating to financial services.

At ANZ, we are making every effort to track the progress of many super and investment related issues and to communicate their progress to ensure that our customers can make decisions with a greater degree of certainty.

One thing seems certain, the election has given rise to what will no doubt be an interesting period in Australia's political history. For better or worse, the superannuation industry, as well as other policy areas, is likely to face greater political scrutiny and negotiation which should result in well considered outcomes for members.

# ANZ Super Advantage is now open to family members

**Members of ANZ Super Advantage can now invite their husband, wife, de-facto, partner (same or opposite sex), son, daughter, stepchild, step-parent, brother, sister, mother or father to join ANZ Super Advantage Personal. There is no limit to the number of family members who can join.**

## How will it work?

Family members will be subject to the fees applicable under the Entry Fee option. The Administration Fee will be calculated in accordance with their individual account balance. Family members can refer to the Member Benefits Schedule for the specific fees that apply. This will be provided to the family member upon joining ANZ Super Advantage Personal.

## What insurance cover will apply to family members?

Family members in ANZ Super Advantage Personal may apply for Death Only Cover or Death and Total and Permanent Disablement (TPD) Cover (TPD Only Cover is not available) with OnePath Life Limited. Premiums will be calculated in accordance with the Personal premium rates. Members will need to complete a Full Personal Health Statement, available by calling Customer Services on 13 38 63 or from [anz.com/wealth/super](http://anz.com/wealth/super)

## What investment strategy will apply to family members?

The Trustee's default investment strategy will apply until the family member nominates their own personal investment strategy. The Trustee's default investment strategy invests contributions in equal proportions in the ING Capital Stable, ING Managed Growth and OptiMix Balanced funds.

## How can your employees' family members join ANZ Super Advantage?

To join, the family member will need to complete the Family Member Application – ANZ Super Advantage Personal, available in the forms section of the ANZ Super Advantage Product Disclosure Statement Member Guide, dated 30 November 2010, by downloading a copy from [anz.com/wealth/super](http://anz.com/wealth/super)

Please be aware that members won't be able to introduce a family member to ANZ Super Advantage once they have left your employer superannuation plan.



## Make the most of [anz.com](http://anz.com)

Have you visited [anz.com](http://anz.com) lately? Here you'll find a great deal of information available at your fingertips, which can be reached in just a few clicks.

All forms and Product Disclosure Statements are uploaded to [anz.com](http://anz.com), allowing you to refer to them instantly without having to wait for us to send you a hard copy in the post. There are also copies of communications that have been sent to both you and your employees, including Super eUpdate and The Super Advantage magazine.

Make the most of our online SuperChoice system with an array of user guides, and a registration form if you are not already taking advantage of it. You can also get help setting up a Policy Committee, featured on page 4 of this update.

Additionally, you can regularly keep track of the performance of funds within your Employer Superannuation Plan.

Best of all, this information is available in one, easy to reach location. Find out more now by visiting [anz.com](http://anz.com) > Investments & advice > Products & services > Employer super > ANZ Super Advantage and then save it to your favourites.

## For further information



13 38 63



customer@onepath.com.au



anz.com/wealth/super

### OnePath Custodians Pty Limited

ABN 12 008 508 496

AFSL 238346

RSE L0000673

347 Kent Street

Sydney NSW 2000

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