



Things you should know

MLC Wrap Super (including Series 2)
MLC Navigator Retirement Plan (including Series 2)
As at 30 June 2019

Every year brings change. You may have changed jobs or retired. Perhaps you've taken a sea-change, a tree-change, or simply a well-deserved holiday. You've celebrated, experienced life, adjusted and got on with the everyday.

Your super has changed too. In your annual statement you'll see the impact of market changes on your investments and the difference your ongoing contributions have made since this time last year.

We're committed to keeping you further updated with news of the changes we've made - and are making - across the product range you're in. Some will impact you personally now and some you may want to know more about for the future. We're getting on with it too.

New laws to protect your super

Fees and insurance premiums (if you have insurance cover through your super) are generally deducted from your super savings. For people with low balances and who no longer contribute to their super, their savings will reduce over time by these ongoing deductions.

The new Protecting Your Superannuation laws are designed to protect super savings, particularly for people with low balances. If you have a super balance of less than \$6,000, or have insurance attached to your super, it's worthwhile understanding these changes to assess how you might be impacted.

These changes were **effective 1 July 2019**.

Insurance in Super

If there are no contributions or rollovers made to your super account for 16 months, we're required to cancel any insurance cover attached to your account – unless:

- you tell us otherwise by filling out and returning the form **Choose to Keep My Insurance Cover** available online.

- a contribution (whether personal, spouse, employer or government mandated) or rollover is made to your account, or
- your employer is paying your insurance premiums separately.

This measure is designed to protect your super savings from diminishing with the ongoing deduction of your insurance premiums.

We'll send regular notifications to let you know that your account is inactive and your insurance in super is at risk of being cancelled. These letters will provide you with easy options to take if you'd like to keep your insurance. If you decide not to do anything and your super account reaches the 16 month inactive deadline, we'll send you a letter confirming your insurance cover has been cancelled.

If you think this change may impact you in the future and you're concerned about losing your insurance cover, or want to cancel or change your cover at any other time, contact us or see your financial adviser to discuss your options. You can also find out more about the insurance in super changes at mlc.com.au/superinsurance.

Note, if your insurance cover changed or was cancelled on or after 1 July 2019, your annual statement will still reflect your previous insurance details as your annual statement is for the previous financial year ending 30 June 2019.

ATO consolidation of inactive low balance accounts

If your super balance is less than \$6,000 and remains inactive for a period of 16 months or more, we'll be required to transfer it to the Australian Taxation Office (ATO). An inactive account is one where you haven't made any additional contributions or certain changes to it over that time.

To ensure your account remains active over any 16 month period and avoid the automatic transfer to the ATO, you must have either:

- had contributions or rollovers from other super funds paid into your account
- changed your investment options
- changed or elected to cancel your insurance cover (where your insurance is held within your super account), or
- made or amended a binding beneficiary nomination.

Pension and defined benefit accounts, and accounts with insurance cover attached are excluded from the new transfer rules.

We're currently working with the ATO to develop a process that will allow you to provide us with a written instruction to keep your account with us, if that's what you prefer.

Account transfers to the ATO will occur in April and October each year. If your account is impacted by this change, we'll contact you with more information.

If your super balance is transferred as part of this process, the ATO will consolidate your inactive account with one of your active super accounts or hold it for you until you claim it from them. For more information, go to ato.gov.au.

A 3% cap of fees and costs

The new legislation has also set a cap on the fees charged on accounts with low balances.

From 1 July 2019, if your account balance is below \$6,000, the maximum combined investment and administration fees we charge cannot exceed 3% pa.

We've reduced Series 2 fees

We're pleased to let you know that in **February 2019**, we reduced the administration fees for **MLC Wrap Series 2** and **MLC Navigator Series 2** accounts.

If you don't already have an MLC Wrap Series 2 or MLC Navigator Series 2 account, you may like to consider whether opening one could reduce the fees you pay and we'll make it as simple as possible to transfer your existing account balance/s. Before making a decision, we recommend that you discuss your situation with your financial adviser. You should also obtain and consider the Product Disclosure Statement available from mlc.com.au

Rule change for Transition to Retirement pensions

Previously, for your Transition to Retirement (TTR) pension to be paid to your reversionary beneficiary after you die, your beneficiary had to have satisfied a 'condition of release' such as being over 65, permanently incapacitated, or having a terminal illness.

This requirement has been changed following further government legislation. Now, TTR pensions can continue and be paid to your reversionary beneficiary irrespective of whether they have satisfied a condition of release.

Comforting news, and something that brings TTR Pensions in line with other super income streams.

The value of financial advice

Nothing beats specialist financial advice to make sure all aspects of your personal financial situation are considered before making decisions about your super and investments. Your financial adviser can review your investment strategy to make sure it still suits your investment objectives as well as help you understand any tax or other implications in your decision. After all, nobody wants to deal with an unexpected financial problem as a result of being uninformed.

We also recommend you obtain and consider the relevant *Product Disclosure Statement* before making any change to your account.

More support for you

We're always looking for ways to give you more information, at your fingertips.



If you've been wondering if you have enough for retirement or the impact that making a few changes can make, such as additional contributions or setting your income goals, you'll want to look at our **Retirement Forecaster**. It's interactive and simple to use. Just go to mlc.com.au/retirement in the *Am I on track?* link to check it out and take the best of today into the future.

Important information

This is intended to provide general information only and has been prepared by NULIS Nominees (Australia) Limited ABN 80 008 515 633 (AFSL 236465) without taking into account your objectives, financial situation or needs. You should, before acting on this information, consider the appropriateness of this information having regard to your personal objectives, financial situation or needs. We recommend you obtain financial advice specific to your situation before making any financial investment or insurance decision.

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