

Changes impacting Asgard Employee Super Account

10 July 2017

Asgard

On 1 July 2017, we updated the Asgard Employee Super Account Product Disclosure Statement and the Additional Information Booklet:

Part 1 – General

Part 2 – Investment

Part 3 – Insurance

These are available at asgard.com.au > Products & Services > Asgard Employee Super > Brochures & forms > For you

It's important to keep on top of your super to ensure it's working for you.

The important changes in this Update relate to your account.

The changes in this Update will impact some members more than others. Please take the time to review the information carefully to ensure you're aware of the changes and how they may affect you.

The information in this Update does not take into account your personal objectives, financial situation or needs and so you should consider its appropriateness having regard to these factors before acting on it.

This Update is issued by BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 (BTFM), the Trustee of the superannuation fund known as Asgard Independence Plan Division Two ABN 90 194 410 365 (the Fund), and is the issuer of the Asgard Employee Super Account.

Updates at a glance

Changes

Changes to the Asgard MySuper – Standard Risk Measure

Changes to the Asgard MySuper – Strategic Asset Allocation

Changes to the interest paid on your cash account

Super Reforms

- > Contribution caps reduced
- > Claiming a tax deduction for personal contributions
- > \$1.6m transfer balance cap
- > Anti-detriment payments abolished
- > Spouse super contributions tax offset extended

Standard Risk Measure (SRM) changes to Asgard MySuper Lifestage Investment Option

Effective from 1 July 2017, the Standard Risk Measure (SRM) has changed for the following Asgard MySuper Lifestage Investment Option:

- > **1940's:** Change from 3. Low to Medium to 2. Low.

Strategic Asset Allocation (SAA) changes to Asgard MySuper Lifestage Investment Option

Effective from 1 July 2017, the Strategic Asset Allocation (SAA) for particular asset classes has changed.

The asset classes impacted for each Asgard MySuper Lifestage Investment Option is summarised below:

- > **1950's:** Fixed Income – Australia, Fixed Income – International, Commodities – International (Listed).
- > **1960's:** Fixed Income – Australia, Fixed Income – International, Property – Australian (Listed), Property – International (Listed).

There are no changes to the Investment manager fee of the impacted Asgard MySuper Lifestage Investment Option(s). As a result of the changes, the table below has been updated.

Strategic Asset Allocation (SAA) for Asgard MySuper Lifestage Investment Option effective 1 July 2017

Asgard MySuper Lifestage Investment Option							
Asset type %	1940s	1950s	1960s	1970s	1980s	1990s	2000s
Equity							
– Australian (Listed)	11%	15%	26%	37%	37%	37%	37%
Range	(0–26%)	(0–30%)	(12–42%)	(22–52%)	(22–52%)	(22–52%)	(22–52%)
Equity							
– International (Listed)	8%	12%	26%	39%	39%	39%	39%
Range	(0–23%)	(0–28%)	(12–42%)	(24–54%)	(24–54%)	(24–54%)	(24–54%)
Property							
– Australian (Listed)	1%	1%	1%	2%	2%	2%	2%
– International (Listed)	2%	2%	4%	7%	7%	7%	7%
– Australian (Unlisted)	1%	1%	1%	1%	1%	1%	1%
– International (Unlisted)	2%	2%	2%	2%	2%	2%	2%
Range	(0–21%)	(0–21%)	(0–25%)	(0–27%)	(0–27%)	(0–27%)	(0–27%)
Commodities							
– International (Listed)	0%	0%	1%	2%	2%	2%	2%
Range	(0–5%)	(0–6%)	(0–6%)	(0–7%)	(0–7%)	(0–7%)	(0–7%)
Fixed Income							
– Australian	26%	24%	13%	1%	1%	1%	1%
Range	(11–41%)	(8–38%)	(0–26%)	(0–16%)	(0–16%)	(0–16%)	(0–16%)
Fixed Income							
– International	29%	26%	15%	1%	1%	1%	1%
Range	(14–44%)	(10–40%)	(0–28%)	(0–16%)	(0–16%)	(0–16%)	(0–16%)
Other							
– Growth Alternatives	0%	0%	0%	0%	0%	0%	0%
– Defensive Alternatives	4%	4%	5%	5%	5%	5%	5%
Range	(0–9%)	(0–9%)	(0–10%)	(0–10%)	(0–10%)	(0–10%)	(0–10%)
Cash							
– Australian	16%	13%	6%	3%	3%	3%	3%
Range	(0–31%)	(0–28%)	(0–21%)	(0–18%)	(0–18%)	(0–18%)	(0–18%)
Total Defensive Assets	75%	67%	39%	10%	10%	10%	10%
Total Growth Assets	25%	33%	61%	90%	90%	90%	90%

Interest paid on your cash account

From 22 May 2017, the interest rate declared and paid on your cash account was reduced by 0.12% p.a. On 1 July 2017, the Asgard Employee Super Account Product Disclosure Statement was updated to reflect the change.

For the current interest rate declared on your cash account, please speak to your financial adviser or call Customer Relations on 1800 998 185, or email us at client.support@asgard.com.au.

Changes to your super

How could the super reforms affect you?

The government announced super reforms in the 2016 Federal Budget which could impact your super or pension account. To help you understand the changes, here's a guide of the major reforms which took effect on 1 July 2017.

You may be affected if you:

- > Make or plan to make before-tax contributions >\$25,000 per year
- > Make or plan to make after-tax contributions >\$100,000 per year
- > Earn \$250,000 per annum or more and plan to make before-tax super contributions
- > Are under 75 and plan to make a personal super contribution
- > Have a retirement balance >\$1.6 million
- > Have a transition to retirement (TTR) income stream
- > Receive >\$100,000 in pension payments each year
- > Plan to make a super contribution for your spouse

Making before-tax (concessional) contributions

The annual cap on before-tax contributions has reduced to \$25,000 for everyone, regardless of age. These contributions are taxed at 15%.

Also, if your total income is more than \$250,000 a year (compared to the previous \$300,000 threshold), you'll need to pay an additional 15% tax on your concessional contributions (known as Division 293 tax).

Making after-tax (non-concessional) contributions

The annual cap on after-tax contributions has reduced to \$100,000 (from \$180,000). Plus, if you have total super savings of \$1.6 million or more, you may no longer be able to make after-tax contributions.

However, if you're under 65, you can make after-tax contributions of up to three times the annual cap in a single year by bringing forward your cap for a two or three year period. This is known as the 'bring-forward' rule. From 1 July 2017, your ability to use the bring-forward rule is reduced if your total super savings are between \$1.4 million and \$1.6 million as at 30 June of the previous financial year.

Claiming a tax deduction for personal super contributions

If you're under 75, you may now be able to claim a personal tax deduction for personal super contributions. Your eligibility can be affected by your age and any other contributions made, such as Super Guarantee (SG), salary sacrifice or other employer super contributions.

The new \$1.6m transfer balance cap

If you're retired or planning to retire, the total amount you can have invested in a retirement account(s), where there is no tax on investment earnings, is now limited to \$1.6 million. This is called the transfer balance cap. If your balance exceeds the cap, additional tax may apply.

The new cap applies to the combined balance of all your retirement accounts, including those held with other super funds, and will be monitored by the ATO. There are some exclusions that won't count towards your cap, such as personal injury super contributions.

Depending on the type of retirement account you hold, you may need to:

- > move the excess from your retirement account back to an 'accumulation' super account (where earnings are taxed at 15%), or
- > withdraw the excess amount from your retirement account.

If, on 30 June 2017, your balance exceeded the cap by \$100,000 or less, you still have until 31 December 2017 to reduce the balance to below \$1.6 million.

Also, if you're 60 or over and receive more than \$100,000 in pension payments each year from a lifetime, term allocated or life expectancy pension, 50% of your pension payments over \$100,000 are now considered assessable income and will be taxed at the applicable income tax rate. There's no change to the tax on pension payments for members under 60.

Anti-detriment payments abolished

Anti-detriment amounts are now only payable on death benefits where the member died prior to 1 July 2017 and payment is made by 30 June 2019. The amount is only payable where the death benefit is paid as a lump sum to your spouse, former spouse or child, either directly or through your estate.

Spouse super contributions tax offset extended

The spouse contribution tax offset is now available to more couples so they can support each other in saving for retirement. Eligibility has been extended to include spouses earning up to \$40,000, compared to \$13,800 previously. The spouse receiving the contribution must be under 70 and meet a work test if they're aged 65 to 69.

Find out more

The changes are complex and we recommend you speak with your financial or tax adviser to understand what they could mean for you. To find out more about any of these changes, go to www.ato.gov.au/individuals/super/super-changes/.

We're here to help

If you have any questions, please call Customer Relations on 1800 998 185 between 8.30am and 7.00pm (Sydney time) Monday to Friday or email us at client.support@asgard.com.au.

asgard.com.au

Asgard



1800 998 185



PO Box 7490, Cloisters Square, WA 6850



client.support@asgard.com.au

Important Information

This information is issued by BT Funds Management Limited ABN 63 002 916 458, AFSL 233724 (BTFM). BTFM is the trustee of, and the issuer of interests in Asgard Employee Super Account (AESA). AESA is part of the superannuation fund known as the Asgard Independence Plan Division Two, ABN 90 194 410 365, RSE R1055580. Asgard Capital Management Limited ABN 92 009 279 592, AFSL 240695 (ACML) is the administrator and custodian of AESA. This information is factual only and does not constitute financial product advice. It has been prepared without taking account of your personal objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to those matters. You may wish to consult a financial adviser to obtain financial advice or taxation advice tailored to your personal circumstances. Before making any decision to acquire, continue to hold or dispose of interests in AESA, you should read the Product Disclosure Statement (PDS) for AESA. The PDS, and Additional Information Booklets that form part of the PDS, can be obtained by visiting asgard.com.au or by calling us on 1800 998 185. BTFM and ACML are members of the Westpac Banking Corporation ABN 33 007 457 141 AFSL 233714 (Westpac) group of companies. An investment in AESA is not an investment in, deposit with or any other liability of, Westpac or any other company within the Westpac Group. It is subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. Neither Westpac, nor any other company in the Westpac Group in any way stands behind or guarantees the capital value and/or the performance of AESA. © BT Funds Management Limited ABN 63 002 916 458. Information current as at July 2017.

AS17320A-0617ab