

Product and legislation update May 2019

If you have an Income account



This document provides important information about changes to legislation and our products that may impact you.

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Product changes

Standard Income account to be called Retirement Income account

To simplify our naming conventions, QSuper's standard Income account will now be referred to as a Retirement Income account. You may notice this change in communications about our Income account.

Opening an Income account using money from a superannuation death benefit

Currently, you can only open a Retirement Income account or Transition to Retirement Income account if you are a QSuper member, have met a condition of release, and have at least \$30,000 in superannuation.

From 1 October 2019, recipients of a superannuation death benefit may be able to open a Retirement Income account.

This means that if you are an eligible dependant in receipt of a superannuation death benefit of at least \$30,000, regardless of your age, you can choose to receive regular payments from a Retirement Income account.

For more information about opening an Income account, read the *Income Account Guide* on our website at qsuper.qld.gov.au/pds

Minimum account balance

From 1 July 2019, you will need to keep a minimum of \$10,000 in your QSuper account if:

- You are eligible and would like to make a lump sum withdrawal
- You are opening an Income account and want to keep some money in an Accumulation account.

If you are transferring money to another super fund, you will need to keep a minimum of \$6,000 with QSuper.

These minimum balances will apply unless you are withdrawing all of your funds and closing your account.

Legislative changes

Work test exemption

The Australian Government has introduced a one-year exemption from the work test to allow recent retirees to boost their superannuation balances.

Currently, if you are aged 65-74, you must work a minimum of 40 hours in any 30-day period in the financial year to make voluntary contributions to your superannuation account – this is known as the work test.

From 1 July 2019, Australians aged 65-74 with a total superannuation balance below \$300,000 as at the previous 30 June, will be able to make voluntary contributions to their QSuper Accumulation account for 12 months from the end of the financial year in which they last met the work test. This will be known as the work test exemption.

The existing annual non-concessional cap will continue to apply to these contributions made under the work test exemption.

More information about the work test exemption can be found on our website at qsuper.qld.gov.au/news-hub

Downsizer contributions to super

If you are aged 65 or older and meet the eligibility requirements, you can now make a downsizer contribution of up to \$300,000 from the proceeds of selling your home into an Accumulation account.

This incentive applies to home sales where the contract of sale is entered into on or after 1 July 2018. It does not apply to the sale of a caravan, houseboat, or mobile home. You or your spouse will need to have owned your home for 10 years or more prior to the sale to be eligible.

The downsizer contribution must be made within 90 days after your home changes ownership (generally, within 90 days of the date of settlement). It will not count towards your non-concessional contribution cap and can still be made even if you have a total super balance greater than \$1.6 million.

For more information about downsizer contributions, read the *Downsizer contribution* factsheet and form available on our website at qsuper.qld.gov.au/forms

3% fee cap for accounts below \$6,000

Commencing 1 July 2019, the Australian Government has introduced a 3% fee cap on administration and investment fees and costs on account balances that are below \$6,000 at the end of the financial year (30 June), or on exit.

QSuper is a profit-for-members fund, so we work hard to keep our fees low. Our administration fee is 0.16% p.a. and our total investment fees and costs currently range from 0.08% p.a. to 0.89% p.a., depending on the investment option. Investment fees (including performance-based fees) will vary over time reflecting the costs incurred in investing assets.

For more information about QSuper's fees, go to qsuper.qld.gov.au/fees

Investment changes

Socially Responsible investment option asset allocation

The asset allocation ranges for equities and infrastructure in the Socially Responsible investment option have changed, effective 25 October 2018. This option now has an equities allocation range of 30-98% (previously 35-92%) and an infrastructure range of 0-7% (previously infrastructure had a combined limit with real estate assets of 0-10%).

For more information, see the *Investment Choice Guide* available at qsuper.qld.gov.au/pds

When we say 'we', 'us', 'our', 'QSuper', or 'the QSuper Group', we are referring to the QSuper Board, QSuper Limited (ABN 50 125 248 286, AFSL 334546), QInvest Limited (QInvest) (ABN 35 063 511 580, AFSL 238274), and QInsure Limited (QInsure) (ABN 79 607 345 853, AFSL 483057), unless the context we are using it in suggests otherwise. QSuper Limited, QInvest, and QInsure are ultimately owned by the QSuper Board as trustee for QSuper.

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QSuper's Sustainable investment policy

The QSuper Board has determined that QSuper will not directly invest in any companies involved in the manufacture of cluster bombs and landmines from 1 July 2019.

This applies to our entire listed equities portfolio across all investment options. Accordingly, this applies to the following options:

- Lifetime
- Moderate
- Balanced
- Aggressive
- Australian Shares
- International Shares

It has no application within the Cash and Diversified Bonds options.

The only exception is QSuper Self Invest, where you control all socially responsible investment decisions.

Other changes

New dispute resolution service

The way you can pursue the resolution of a superannuation-related complaint has changed. On 1 November 2018, the Australian Financial Complaints Authority (AFCA) replaced the Superannuation Complaints Tribunal (SCT) and other bodies that handle complaints relating to financial services.

If you have raised a complaint with QSuper, and are not satisfied with the outcome, or have not received a response within the required period, you can lodge your complaint with AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Australian Financial Complaints Authority

Phone: 1800 931 678 (free call within Australia)

Mail: Australian Financial Complaints Authority Limited
GPO Box 3 Melbourne VIC 3001



Need help?

If you have any questions about this information, or need any help, please contact us on **1300 360 750** or visit qsuper.qld.gov.au

