

# Important changes to your pension account

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Sunsuper is one of Australia's largest super funds, and we're proud to look after the retirement savings of more than 1 million members. Our profit for members philosophy means our members can take advantage of lower Administration fees and a broad range of services designed purely for their benefit.



## **Transfer guide for Transition to Retirement Income Stream (TRIS) or Allocated Pension (AP) members of IAG & NRMA Super.**

This booklet applies to you if you currently have a transition to retirement income stream or allocated pension account in IAG & NRMA Super.

# Your pension is changing

We're excited to announce that Sunsuper has been selected as the successor fund for the IAG & NRMA Superannuation Plan ('IAG & NRMA Super').

This means that your account balance and current pension arrangements will be transferred to a *Sunsuper for life Income account*, which is planned to occur on **14 November 2020**.

Members with a Transition to Retirement Income Stream (TRIS) in IAG & NRMA Super will move into a *Transition to retirement income account* with Sunsuper. All other Allocated Pension (AP) members will have a *Retirement income account* with Sunsuper.

If you also have another account in IAG & NRMA Super, this will transfer over to Sunsuper too. Please refer to the *Transfer guide* relevant to your other account.

Under superannuation regulations, it's a key requirement that Sunsuper provide you with equivalent or improved benefits to those currently provided to you in IAG & NRMA Super. **Find out more** about the great benefits you'll get as a Sunsuper member.

There are no forms or paperwork required to make this transfer happen and your pension will continue automatically.

## What's in this guide?

In this guide, you'll find out about the main features and benefits that will be available with Sunsuper and important considerations and actions you may need to take as a result of this change, including what to do if you would like your pension managed elsewhere.

### More information

- Check and update your details with IAG & NRMA Super by 4 November 2020. Log in at **IAGNRMASuper.com.au** or call **1300 424 676** 8.30am to 7.00pm (AEST/AEDT) Monday to Friday
- Read the *Sunsuper for life Product Disclosure Statement (PDS)* at **[sunsuper.com.au/pds](https://www.sunsuper.com.au/pds)**
- Keep reading this guide to see what actions you may need to take with your investments and beneficiaries.

## Transfer timeline



Cut-off date for any investment switches in IAG & NRMA Super prior to the transfer date.



Limited service period commences (short period when only limited processing of transactions will occur).



Last regular pension payment from IAG & NRMA Super.



Transfer date for members of IAG & NRMA Super.



Limited processing of transactions re-commences.



Full processing of transactions re-commences (limited service period ends).



You'll receive your *Welcome email* from Sunsuper which contains your new member number and instructions on how to access your account online via *Member Online*.



You'll receive your *Welcome letter* in the mail and a separate letter confirming your final opening balance, which you'll be able to access via your *Member Online* account.



First pension payment from Sunsuper<sup>#</sup>.

<sup>#</sup>The pension payment you receive from Sunsuper in December will reflect the same pension payment that you receive in November from your IAG & NRMA Super. Fortnightly payments commence 2 December and monthly payments on 11 December in Sunsuper.

## What happens to your existing IAG & NRMA Super account?

The transition of your account balance will occur in late November once IAG & NRMA Super have determined the final unit prices and the current administrator has calculated your final balance effective, the close of business on 13 November 2020. Sunsuper will then establish your account based on these final details from the current plan.

In determining the final unit prices in IAG & NRMA Super, the current Trustee will need to make an estimate of the final tax liability for the IAG & NRMA Super Plan.

When they are able to calculate the final tax liability more accurately (expected to be the first quarter of 2021), a decision will be made by Sunsuper following consultation with the IAG & NRMA Super Trustee on whether an additional allocation will be made to members.


Any additional allocation will be based on the amount in each investment option initially transferred to Sunsuper. To be entitled to a portion of this additional allocation, if there is one, you need to still be a Sunsuper member at the time of the additional allocation. If an additional allocation occurs, we'll write to you with details about it.

We'll write to you in late November confirming your final balance and the Trustee of IAG & NRMA Super will provide an Exit Statement with your closing account balance in due course.

# Your fees with Sunsuper

It's important to understand the fees and costs that relate to your account, especially if you are comparing Sunsuper with other funds. Over a number of years lower fees and costs can make a significant difference to your superannuation balance.

The following table compares the fees and costs in IAG & NRMA Super with Sunsuper, based on IAG & NRMA Super's Pension Balanced/TRIS Balanced option, and Sunsuper's Retirement option:

Fee	IAG & NRMA Super <sup>1</sup>	 Sunsuper
Administration fee (charged to your account)	\$150.00 p.a. <b>plus</b> 0.09% p.a. of your account balance.	\$1.50 per week (\$78.00 p.a.); <b>plus</b> 0.10% p.a. of the first \$800,000 of your account balance only.
Investment fees	0.52% p.a.	0.27% p.a. <sup>2</sup>
Indirect Cost Ratio	0.36% p.a.	0.41% p.a. <sup>3</sup>
Buy/Sell spread	Nil	Nil <sup>4</sup>
<b>Total Annual Fees on a \$50,000 Balance</b>	<b>\$635.00 p.a.</b>	<b>\$468.00 p.a.</b>

<sup>1</sup>Source: IAG & NRMA Superannuation Plan Retirement Income Streams Product Disclosure Statement (PDS) dated 1 April 2020 and IAG & NRMA Superannuation Plan RIS - Fees, costs, tax and your income streams - Factsheet B - dated 1 April 2020. These amounts have been calculated based on the investment fee and indirect cost ratio for the 2018-19 financial year.

<sup>2</sup>Investment fees shown are estimated fees and includes both a base and performance-related fee. Actual investment fees can vary each financial year.

<sup>3</sup>The indirect cost ratio is calculated using actual costs and reasonable estimates of actual costs incurred in the previous financial year.

<sup>4</sup>It's important to note that Sunsuper does not currently charge a buy-sell spread but may introduce a buy-sell spread in future. The latest buy-sell spreads for each investment option can be found at [sunsuper.com.au/pds](https://www.sunsuper.com.au/pds)

The investment fees and costs that apply to you depend on the option(s) you're invested in and are calculated as a percentage of your investment balance and reduce your investment return. Other fees and costs may apply. Please refer to the *Sunsuper for life guide* available at [sunsuper.com.au/pds](https://www.sunsuper.com.au/pds) for full details.

# Sunsuper investments


## How your super will be invested

Your account balance in the IAG & NRMA Super will be transferred to the SunsUPER investment option/s that most closely match your existing IAG & NRMA Super investment option/s, as at the close of business on **13 November 2020**.


If you have chosen to invest in more than one of IAG & NRMA Super's investment options, your opening balances in the SunsUPER option/s will be weighted in the same proportion to your IAG & NRMA Super balance. It's important to note that while they may be similar, IAG & NRMA Super and equivalent SunsUPER options are not the same. Your current pension drawdown strategy will be similarly matched to the equivalent SunsUPER option(s).

The following table shows IAG & NRMA Super's investment options, mapped to the equivalent options with SunsUPER:

### Transition to retirement income account

IAG & NRMA Super	 sunsuper
TRIS Growth	Balanced
TRIS Balanced	Retirement
TRIS Conservative	Conservative
TRIS Cash	Cash

### Retirement income account

IAG & NRMA Super	 sunsuper
Pension Growth	Balanced
Pension Balanced	Retirement
Pension Conservative	Conservative
Pension Cash	Cash

## How have investments performed?

The following tables compare the performance of:

- IAG & NRMA Super's Pension Balanced option with the *Sunsuper Retirement Income account* Retirement option, against the SuperRatings SRP25 Conservative Balanced Index - after investment fees, costs and taxes, over 1 year, 3 years, 5 years and 10 years to 30 June 2020.
- IAG & NRMA Super's TRIS Balanced option with the *Sunsuper Transition to retirement income account* Retirement option, against the SuperRatings SR50 Conservative Balanced Index<sup>1</sup> - after investment fees, costs and taxes, over 1 year, 3 years, 5 years and 10 years to 30 June 2020.

<sup>1</sup>All SunsUPER Retirement option (*Transition to retirement income account*) and IAG & NRMA Super TRIS Balanced option returns shown here reflect investment tax of up to 15%. It is important to note that this tax did not apply to these options until 1 July 2017; before this date returns were identical to those for the SunsUPER Retirement option (*Retirement income account*) and IAG & NRMA Super Pension Balanced Investment option respectively.

## Retirement income account

Investment option	Investment returns to 30 June 2020 (net of investment fees and costs)			
	1 year% p.a.	3 year% p.a.	5 year% p.a.	10 year% p.a.
Sunsuper Retirement	-1.30%	5.36%	5.96%	7.21%
IAG & NRMA Super Pension Balanced <sup>1</sup>	0.90%	4.50%	5.10%	7.00%
SuperRatings SRP25 Conservative Balanced Index <sup>2</sup>	0.02%	4.89%	5.37%	7.24%

## Transition to retirement income account

Investment option	Investment returns to 30 June 2020 (net of investment fees and costs)			
	1 year% p.a.	3 year% p.a.	5 year% p.a.	10 year% p.a.
Sunsuper Retirement	-1.24%	4.70%	5.25%	6.32%
IAG & NRMA Super TRIS Balanced <sup>1</sup>	0.70%	4.00%	4.50%	6.30%
SuperRatings SR50 Conservative Balanced Index	-0.05%	4.66%	4.67%	6.29%

**Warning:** Past performance is not a reliable indication of future performance.

<sup>1</sup>Source: IAG & NRMA Super dated 30 June 2020

<sup>2</sup>The SuperRatings Fund Crediting Rate Survey and Pension Fund Crediting Rate Survey provides comprehensive coverage of superannuation investment performance for Australia's major Master Trusts and Not for Profit funds. The SR25 Conservative Balanced Index represent diversified investment options with a growth assets ratio between 41% and 59%.

### More information

- Read the *Sunsuper for life Investment guide*, available at [sunsuper.com.au/pds](https://www.sunsuper.com.au/pds) for full details of Sunsuper's investment options.
- Review the investment performance of all of Sunsuper's investment options and pools at [sunsuper.com.au/performance](https://www.sunsuper.com.au/performance)
- When you receive your *Welcome email*, register for *Member Online* to review and update your investment choice.
- If you need help with choosing an appropriate investment strategy once you become a Sunsuper member, call **13 11 84**.

# Your pension payments

Your regular pension payments will continue to be paid to your nominated bank account.

The amount and frequency of the payment will stay the same, unless we need to change it to ensure the minimum pension payments (as determined by law) are made for the period from 14 November 2020 to 30 June 2021.

If your pension payments are currently taxed because you're under age 60, then this will continue.

Sunsuper reports electronically to Centrelink and the Department of Veterans' Affairs (DVA) on your behalf. However, due to the transfer of IAG & NRMA Super to Sunsuper, the product provider of your account will change, and Sunsuper will issue you with a new income stream schedule in early December, after we've received your final account balance. If you receive Government income support, you should forward this schedule to Centrelink or the Department of Veterans' Affairs, so they can continue to assess you correctly for income support benefits.

## Your pension payments date is changing

Your regular pension payment from Sunsuper will be on the 11th of the month (or the business day before if it falls on a weekend or public holiday), rather than the 15th of the month, as is the case with IAG & NRMA Super.

You may want to check if any of your direct debits are impacted by this change.

Last payments from IAG & NRMA Super will occur by 6 November 2020, and first payments from Sunsuper commence on 11 December 2020.

## Reduced minimum drawdown amounts

The Government is temporarily reducing the standard minimum drawdown levels for Income accounts by 50% for the 2019-20 and 2020-21 financial years. This may help you to better manage your total balance amidst the current market volatility.

### Your 2020-21 financial year payments

- If you've already lowered your payments to the reduced minimum level for 2020-21, you'll continue to be paid at the reduced minimum level.
- All other pensions will continue to be paid at the same amount as in IAG & NRMA Super provided it remains greater than the minimum required payment.

### More information

- Once you're a Sunsuper member, review your pension payments and/or the frequency of your payment (option to change to monthly, quarterly, half-yearly, yearly, or fortnightly)
- Learn more about the reduced minimum drawdown levels at [sunsuper.com.au/COVID19](https://sunsuper.com.au/COVID19)



# What actions you need to take

There are a few important considerations and actions you may need to take as a result of this change.

## Before the transfer

### Want to opt out of the transfer

Following the completion of the transition to Sunsuper, IAG & NRMA Super will close.

If you don't wish to transition to Sunsuper, you can choose another fund before 4 November 2020. You will need to complete a *Request for Full Commutation (withdrawal)* form available at [IAGNRMASuper.com.au](http://IAGNRMASuper.com.au) and return this to IAG & NRMA Super before 4 November 2020.

The decision to join another fund is up to you. However, we encourage you to review the information contained in this guide, so you can make an informed comparison before making a decision.


## After the transfer

### Inform the Department of Human Services

Sunsuper will issue you with a new income stream schedule by early December. If you receive Government income support, you should forward this schedule to the Department of Human Services (Centrelink or the Department of Veterans' Affairs), so they can continue to assess you correctly for income support benefits.

### Review your beneficiaries

Your beneficiaries will be carried across as follows:

IAG & NRMA Super	
Non-lapsing <sup>1</sup>	Preferred <sup>2</sup>
Reversionary <sup>3</sup>	Reversionary
Preferred	Preferred

<sup>1</sup>Sunsuper doesn't offer non-lapsing nominations.

<sup>2</sup>Will only be used as a guide and ultimately the Trustee of Sunsuper will decide how to pay your death benefits.

<sup>3</sup>You can only nominate your spouse or de facto.

### Sunsuper offers Binding<sup>4</sup> beneficiary nominations.

<sup>4</sup>You have control over who the Trustee will pay your death benefits to. Unlike non-lapsing nominations, Binding nominations need to be renewed every three years. This is our way of ensuring you review your nomination regularly and update it appropriately when there's been a change to your circumstances.

After the plan start date, if you would like to change your nomination, you can via *Member Online* or by using the *Change of details* form, or make a Binding beneficiary nomination by completing the *Binding death benefit nomination* form available at [sunsuper.com.au/forms](http://sunsuper.com.au/forms). It's important to note, if you do add a reversionary beneficiary, your nominated spouse or de facto will continue to receive your *Income account* payments if you die. There may be Centrelink impacts and you should consider seeking financial advice.

### Renew your third-party authority

If you have previously authorised another person (e.g. your spouse, financial planner or solicitor) to act on your behalf in relation to your benefits in IAG & NRMA Super, that authority will lapse from the transfer date. To continue this arrangement, you'll need to complete the *Authority to Access Information* form available in *Member Online*, after 14 November 2020.

### Keep your email address up to date

We recommend that you use your personal email (not a work email address), so we can still get in touch with you if you change jobs or retire.

At Sunsuper, we provide most of your important documents digitally, unless you let us know otherwise. You can change your Preferences (to print) and contact details in *Member Online*, and request hardcopies at no additional cost by contacting us.

## We're here to help

If you have any questions, please email [transition\\_requests@sunsuper.com.au](mailto:transition_requests@sunsuper.com.au) or give us a call on 1800 319 489.



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