

Annual Report

2019

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About this Annual Report

Trustee (Diversa Trustees Limited):

ABN: 49 006 421 638

AFSL: 235153

RSEL Number: L0000635

Address:

Level 9, 287 Collins Street

Melbourne VIC 3000

Future Super Fund:

ABN: 45 960 194 277

USI: 45 960 194 277 010

Fund Registration Number: R1072914

Address:

GPO Box 1858

Sydney NSW 2001

ANNUAL REPORT	For the year ended 30 June 2019
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We are pleased to present our Annual Report for the Future Super Fund (the "Fund").

We hope you find the Annual Report interesting and informative. If you have any comments or questions, please contact Future Super on 1300 658 422 or GPO Box 1858, Sydney, NSW 2001 or visit www.myfuturesuper.com.au.

This Annual Report is issued by the trustee of the Fund, Diversa Trustees Limited ("Trustee", "Diversa Trustees", or "we"). Neither the Trustee, any underlying investment manager nor any other service provider to the Fund guarantee your Account or the investment performance of the Fund, specific investments or the repayment of capital. Investments in the Fund are subject to economic conditions and investment risk including loss of income and capital invested. The information is of a general nature only and has been prepared without taking into account your investment objectives, financial situation and needs. Before making any investment or other decisions in relation to the Fund you should consider obtaining professional financial advice from a licensed or authorised financial adviser.

Whilst all reasonable care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors or omissions.

This Annual Report should be read in conjunction with the Annual Member Statement recently provided to you, which shows your member entitlement in the Fund as at 30 June 2019. If you would like a hard copy of this Annual Report sent to you free of charge, please contact Future Super on 1300 658 422.

The information in this Annual Report is intended to provide an understanding of the management, financial condition and investment performance that is applicable to members in the Fund.

The Fund contains more than one division. Information in this report relates to members of the Future Super division ("Future Super") unless otherwise stated as relating to the Fund.

Governance

The Trustee of the Fund is Diversa Trustees. The Trustee is responsible for the ongoing management of the Fund. As trustee, Diversa Trustees employ specialist providers to help look after the Fund and its investments which are outlined in the “Directory” section at the end of this Annual Report.

As Trustee, Diversa Trustees aims to ensure that all legal and compliance obligations are properly met. It is responsible for compliance with the Trust Deed of the Fund, including ongoing satisfaction of legislative requirements, and monitoring of risk controls as specified in its risk management framework. In summary, the Trustee’s role generally incorporates:

- fund registration,
- issue of disclosure documents,
- compliance monitoring against legislative and regulatory requirements, and
- risk management.

The names of the Directors of the Trustee as of 30 June 2019 are as follows:

- Vin Plant (Chair),
- Murray Jones,
- Robyn Fitzroy,
- Andrew Peterson, and
- Fiona McNabb.

Notes:

- Garry Wayling ceased to act as a Director (Diversa Trustees Limited only) on 28 June 2019

- Andrew Peterson and Fiona McNabb commenced as Directors of the Trustee on 28 June 2019

Remuneration

The Directors of the Board did not receive and are not due any remuneration from the Fund in connection with the management of the Fund. Any Directors fees are paid by Diversa Trustees.

Board committees

The Board of the Trustee is committed to strong principles of corporate governance, including continuous improvement of its performance and processes.

The following committees assist the Board, which in some cases involves engagement of external experts:

- Investment Committee, and
- Audit, Compliance and Risk Committee.

No penalties were imposed this year on any responsible person under Section 38A of the Superannuation Industry (Supervision) Act 1993.

Professional indemnity insurance

Diversa Trustees has professional indemnity insurance to protect the Trustee, its directors and the Fund against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant policy and complies with the requirements of Section 912B of the Corporations Act 2001.

The Trust Deed

The governing rules of the Fund are set out in the Future Super Trust Deed. The Board has some powers to alter the Trust Deed. A copy of the Fund Trust Deed can be found online at www.myfuturesuper.com.au.

Compliance

Future Super is regulated and complies with the Superannuation Industry (Supervision) Act (1993). The Fund lodges a return with APRA every year and has not received a notice of non-compliance from APRA. No penalties have been imposed in respect of the Fund under the relevant superannuation legislation.

Investments

The year to 30 June 2019 has delivered good returns for investors.

Asset class returns for the 12 months to 30 June 2019 were as follows:

Asset Class	Return (%)
Cash	1.97
Australian Bonds	9.57
International Bonds (hedged)	11.44
Australian Shares	11.42
Australian Property Securities	19.32
International Shares (hedged)	12.60
International Shares (unhedged)	6.22
Emerging Share Markets (unhedged)	6.56

Actual returns will be determined by the investment strategy adopted and prevailing market conditions. Future Super's monthly investment performance information is also made available within Future Super.

Information on investment performance relating to your Account specifically is provided in your annual Member Statement for the year ended 30 June 2019.

Future Super Values

Future Super is designed to provide investors with a way of building retirement savings without investing in businesses which directly or indirectly support the fossil fuel industry. As well as avoiding fossil fuel investments, Future Super Values are also taken into account in the positive and negative screening of the investments. Please refer to the PDS and Additional Information Guide at the Future Super website for further details at www.myfuturesuper.com.au.

Investment performance

Financial Year as at 30 June 2019

Returns 30 June 2019	1 year	Since inception
Accumulation		
Future Super Balanced Impact Accumulation	8.23%	8.60%*
Future Super Renewables Plus Growth Accumulation	9.24%	8.61%**
Future Super Balanced Index – Accumulation	n/a	17.38%***
Pension		
Future Super Balanced Impact Pension	10.46%	10.41%*

Returns are calculated using changes in the unit price.

One year returns are to 30 June 2019 and are net of all investment fees, administration fees and taxes, excluding member direct fees.

Compound returns since inception are compound annualised averages and are net of all investment fees, administration fees and taxes excluding member direct fees. When the 5 or 10 years compound return is unable to be determined, the since inception return is provided.

*Inception date for Future Super Balanced Impact & the Future Super Balanced Impact – Pension options was 24 June 2017.

**Inception date for Future Super Renewables Plus Growth option was 1 May 2018.

***Inception date for Future Super Balanced Index is 16 November 2018.

Neither past performance nor volatility is a reliable indicator of what may happen in the future. Neither capital nor returns are guaranteed. Past performance is calculated pre-tax and after fees and expenses, assumes distribution reinvestment but does not take into account inflation.

Investment options and strategy

The following contains information regarding the investment options of Future Super for the year ended 30 June 2019. Details of investment options shown are not a guarantee of any particular benefit or return. The investment option objectives are used by the Trustee to measure the performance of Future Super's investments. The investment options available to members of the pension product are the same as the objectives and strategies of those in the accumulation option, however no tax is applicable to pension assets (except effective 1 July 2017 for transition to retirement pensions).

There were three investment options in the Fund for members of Future Super at 30 June 2019:

- Future Super Balanced Index (for accumulation members),
- Future Super Balanced Impact (for accumulation members),
- Future Super Balanced Renewables Plus Growth (for accumulation members), and
- Future Super Balanced Growth Pension (for pension members).

Investment strategy

The investment strategy of the Fund takes into account the following criteria:

- i. the risk involved in making, holding and realising investments, and the likely return from those investments, having regard to the Fund's objectives and its expected cash flow requirements,
- ii. the composition of the Fund's investments as a whole including the extent to which the investments are diverse or involve the option of being exposed to risks from inadequate diversification,
- iii. the liquidity of the Fund's investments having regard to its expected cash flow requirements, and
- iv. the ability of the Fund to discharge its existing and prospective liabilities.

The objective, strategy and asset allocation for each of Future Super's investment options is given below. The objective is not a promise or guarantee of a particular return or benefit but is utilised by the Trustee to measure the performance of the option.

Part of the Fund's assets may be allocated to external fund managers and their products. Asset allocations may vary from time to time for various reasons including asset allocation decisions and market movements.

The upper and lower limits of the benchmark may also vary from year to year, depending on changes to the Investment Strategy made by the Trustee.

Refer to the current Future Super Product Disclosure Statement ("PDS") including related incorporated information for Future Super for more detailed information about the investment strategy and investment risks. The PDS is available online at www.myfuturesuper.com.au or by contacting Future Super on 1300 658 422.

You should consider the likely investment return and the risk and your investment time frame when choosing an investment option.

Investment options - Accumulation members

Future Super Renewables Plus Growth Investment Option				
Suitability	Future Super Renewables Plus Growth investment strategy is suitable for members comfortable with accepting short term market/performance volatility in order to achieve higher returns.			
Investment Strategy	Future Super Renewables Plus Growth aims to invest in a diverse mix of assets with the majority in growth assets such as shares and a modest investment in defensive assets such as cash and fixed interest. Future Super's exposure to these asset classes will be obtained primarily by holding assets directly, including exchange traded funds. This option aims to provide investors with the highest possible returns consistent with a "growth" investment strategy. Specific allocations may vary but Future Super Renewables Plus Growth will retain a broad 75/25 split between growth and income assets, with a bias toward Australian assets. The option is invested using both a negative and positive ethical screening process. Ethical considerations for this investment pool are set out below. The Future Super Renewables Plus Growth investment strategy will target a 20% exposure to renewable energy through a diversified range of assets across all of Australian shares, international shares, private equity, infrastructure and various types of debt including, but not limited to, corporate bonds and secured notes.			
Investment Return Objective	Future Super Growth aims to track or outperform the Consumer Price Index (CPI) + 3.0% per annum over rolling 10-year periods (after fees and taxes).			
Investor Horizon	Minimum 4 - 6 years			
Asset Classes and Benchmark Allocation		Upper Limit	Lower Limit	Benchmark
	Australian shares*	60%	25%	40%
	International shares*	35%	15%	25%
	Alternatives - Other**	15%	0%	10%
	Total Growth			75.0%
	Australian Fixed interest	40%	15%	20%
	International Fixed Interest	15%	0%	0%
	Cash	20%	2.5%	5%
	Total Defensive			25.0%
Risk Level[^]	Risk Band 6: High (4 to less than 6 estimated negative annual returns over any 20-year period).			

* Includes property securities and real estate investment Trusts (REITs).

** Other may include externally managed funds in non-traditional asset such as hedge funds, alternative asset types and absolute return funds

[^] Based on the standard risk measure. Refer to the PDS and PDS Guides for further information.

Future Super Balanced Impact Investment Option

Suitability	Future Super Balanced Impact investment strategy is suitable for members comfortable with accepting short term market/performance volatility in order to achieve higher long term returns. This product is intended for everyday Australians who want to shift their retirement savings away from companies and activities which are harmful to the environment and society and instead want to see their super invested in companies and activities which make a positive impact.			
Investment Strategy	Future Super Balanced Impact aims to invest in a diverse mix of assets with the majority in the growth assets such as shares, and a modest investment in defensive assets such as cash and fixed interest. Future Super’s exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds. * This option aims to provide investors with the highest possible returns consistent with a “balanced growth” investment strategy. through investment in companies and assets and will avoid investment in the companies who provide services or finance to the fossil fuel industry. Specific allocations may vary but the Future Super Balanced Impact will retain a broad 65/35 split between growth and income assets and a bias toward Australian assets.			
Investment Return Objective	Future Super Balanced Impact aims to track or outperform the Consumer Price Index (CPI) + 3.0% per annum over rolling 10-year periods (after fees and taxes).			
Investor Horizon	Minimum 4 - 6 years			
Asset Classes and Benchmark Allocation		Upper Limit	Lower Limit	Benchmark
	Australian shares*	60%	25%	35%
	International shares*	35%	15%	25%
	Other**	15%	0%	5%
	Total Growth			65.0%
	Australian fixed interest	45%	15%	
	International Fixed Interest	15%	0%	30%
	Cash		2.5%	0%
	20%		5%	
Total Defensive			35.0%	
Risk Level/^	Risk Band 6: High (4 to less than 6 estimated negative annual returns over any 20-year period).			

* Includes property securities and Real Estate Investment Trusts (REITs).

** Other investments may include externally managed funds in non-traditional asset such as hedge funds, alternative asset types and absolute return funds.

[^] Based on the Standard Risk Measure. Refer to the PDS and PDS Guides for further information.

Future Super Balanced Index Investment Option

Suitability	Members comfortable with accepting short term market/performance volatility in order to achieve higher returns.			
Investment Strategy	Future Super Balanced Index aims to invest in a diverse mix of assets with the majority in the growth assets such as shares, and a modest investment in defensive assets such as cash and fixed interest. The option’s exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds. Where possible the exposures will be managed based on a series of rules-based models (Indexes). This option aims to provide investors with the highest possible returns consistent with a “balanced” investment strategy. Specific allocations may vary but Future Super will retain a broad 70/30 split between growth and income assets and a bias toward Australian assets. The option is invested using both a negative and positive ethical screening process.			
Investment Return Objective	Future Super Balanced Index aims to track or outperform the Consumer Price Index (CPI) + 2.75% per annum over rolling 10 year periods (after fees and taxes).			
Investor Horizon	Minimum 4 - 6 years			
Asset Classes and Benchmark Allocation		Upper Limit	Lower Limit	Benchmark
	Australian shares*	60%	25%	45%
	International shares*	35%	15%	25%
	Other**	5%	0%	0%
	Total Growth			70.0%
	Australian fixed interest	45%	15%	25%
	International Fixed Interest	15%	0%	0%
	Cash	20%	2.5%	5%
Total Defensive			30.0%	
Risk Level^	Risk Band 6: High (4 to less than 6 estimated negative annual returns over any 20-year period).			

* Includes property securities and Real Estate Investment Trusts (REITs).

** Other investments may include externally managed funds in non-traditional asset such as hedge funds, alternative asset types and absolute return funds.

[^] Based on the Standard Risk Measure. Refer to the PDS and PDS Guides for further information.

Investment options - Pension members

Future Super Balanced Growth Pension Investment Option				
Suitability	Future Super Balanced Growth Pension investment strategy is suitable for members seeking both growth and income from their retirement savings and a balance between risk and return. This product is intended for everyday Australians who want to shift their retirement savings away from companies and activities which are harmful to the environment and society, and instead want to see their super invested in companies and activities which make a positive impact.			
Investment Strategy	Future Super Balanced Growth Pension aims to invest in a diverse mix of assets with the majority in growth assets such as shares, and a modest investment in defensive assets such as fixed interest and cash. Specific allocations may vary but Future Super will retain a broad 70/30 split between growth and income assets, with a bias toward Australian assets. The option aims to invest in a diverse mix of assets with the majority in the growth assets such as shares, and a modest investment in defensive assets such as cash and fixed interest. The option’s exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds. * This option aims to provide investors with the highest possible returns consistent with a “growth” investment strategy, through investment in companies and assets, and will avoid investment in the companies who provide services or finance to the fossil fuel industry.			
Investment Return Objective	Future Super Balanced Growth Pension aims to track or outperform the Consumer Price Index (CPI) + 2.50% per annum over rolling 10-year periods (after fees and taxes).			
Investor Horizon	Minimum 4- 6 years			
Asset Classes and Benchmark Allocation		Upper Limit	Lower Limit	Benchmark
	Australian shares*	65%	25%	50%
	International shares*	30%	10%	20%
	Alternatives - Other **	5%	0%	0%
	Total Growth			70%
	Australian fixed interest	45%		
	International Fixed Interest	15%	15%	25%
	Cash	20%	0%	0%
			2.5%	5%
	Total Defensive			30%
Risk Level	Risk Band 6: High (4 to less than 6 estimated negative annual returns over any 20-year period).			

* Includes property securities and Real Estate Investment Trusts (REITs).

** Other may include externally managed funds in non-traditional asset such as hedge funds, alternative asset types and absolute return funds.

^ Based on the Standard Risk Measure. Refer to the PDS and PDS Guides for further information.

The Balanced Growth Pension investment option is the only investment option available to Pension members. An Account-based pension can provide a flexible, tax-effective way to convert some or all of your superannuation into a regular income stream subject to minimum annual payment limit. Call Future Super on 1300 658 422 for more information about pension eligibility criteria and consider the Pension PDS before making any decision to acquire a pension from Future Super (available by contacting the Future Super on 1300 658 422 or write to Future Super, GPO Box 1858 Sydney NSW 2001).

Socially responsible investments

The Trustee, with the assistance of its service providers, takes the above environmental, social, ethical and labour standards into account, in the selection, retention or realisation of investments. Future Super's Investment Committee draws on internal and external specialists to construct an approved investment list for the Investment Manager, and to ensure Future Super's investments are consistent with these Future Super Values.

Gross assets of the Future Super Fund

The assets of Future Super Fund are invested across a range of asset classes. The value of each asset class and the percentage that it represents of Future Super's assets are set out below:

	30 June 2019	
	% of Assets	Amount \$
Australian shares*	37.87%	169,109,159.60
International shares	25.41%	113,451,697.52
Alternatives / Other	8.89%	39,710,817.99
Fixed Interest	23.79%	106,225,410.61
Cash	4.04%	18,053,267.56
Total Assets	100.0	446,550,353.28

*via an exchange traded fund listed on the ASX

Significant Investments

As at 30 June 2019 assets inside Future Super which individually represent more than five (5) per cent of total assets (or the ten (10) highest percentage assets) were:

Assets	%	\$
Betashares Australian Sustainability Leaders ETF Units - Shares	36.25	155,319,011
Betashares Global Sustainability Leaders ETF Units Fully - Shares	26.48	113,451,698
Infradebt Ethical Infrastructure Debt Fund	5.71	24,487,735
Suncorp – Fixed Interest	2.44	10,461,900
Challenger Life Company Limited - Fixed Interest	1.88	8,075,200
Bendigo & Adelaide Bank – Fixed Interest	1.80	7,711,500
Next DC Limited - Shares	1.73	7,428,383
Bank of QLD – Fixed Interest	1.65	7,051,334
Seek Limited – Fixed Interest	1.62	6,945,295
Members Equity Bank – Fixed Interest	1.58	6,763,905

Allocation of earnings policy

As Future Super is unitised, the value of your Account at any time is the number of units held by you multiplied by the applicable unit price. Earnings from investments are allocated to members through the calculation of unit prices (each business day) for the investment option. The calculation of unit prices takes into account the performance of underlying investments and any fees, costs and taxes as applicable to the investment option.

Refer to the current PDS and Additional Information Guide applicable to your Account for more detailed information about unit pricing, available by contacting Future Super on 1300 658 422.

Sometimes unit pricing errors may occur. In the event that a material unit price error is detected and requires rectification, the Trustee may apply a fixed dollar minimum of \$20 when determining whether exited (former) members affected by the error should be compensated.

Standard Risk Measure

The risk profile of the Fund's investment strategy is based on the Standard Risk Measure. The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The Standard Risk Measure is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be, or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure that they are comfortable with the risks and potential losses associated with their chosen investment option.

Derivatives

The Trustee does not permit any investments directly in any futures, options or other derivative instruments. However, external managers may use derivatives in managing pooled investment vehicles in which the Trustee invests. Derivatives may be used for the purpose of hedging transactions and managing risk.

Reserves (Consolidated for the Future Super Fund)

Operational Risk Reserve:

As part of the Stronger Super reforms, all superannuation funds are now required to establish and maintain an Operational Risk Reserve ("ORR") to specifically cover potential losses arising from operational risks that may affect the Fund's business operations. The Trustee has built up the ORR within the Fund to the defined target.

The movement of the Operational Risk Reserve for the Fund since implementation is as follows:

	ORR Balance
Balance: 30 June 2017	676,655
Balance: 30 June 2018	857,061
Balance: 30 June 2019	1,000,350

The investment strategy in respect of the ORR is to hold all of its investments in Australian income securities including cash, term deposits, floating rate notes and bonds. This is designed to ensure there will not be large movements in its value due to investment market movements.

Expense reserve

The Trustee maintains a general expense reserve (ER) to pay expenses of the Fund. The expense reserve complies with prudential requirements and is utilised for the payment of fees, costs, Funding the ORR and levies.

	Expense reserve Balance \$,000
Balance: 30 June 2017	0
Balance: 30 June 2018	80
Balance: 30 June 2019	232

Buy/Sell costs

When a member buys or sells units, this initiates a need for the Trustee to trade the underlying assets that relate to the particular investment transaction. This trading generates transaction costs such as brokerage, settlement costs (including custody costs), government taxes/duties/levies, bank charges and Account transaction charges which are paid from the investment option.

These transaction costs are reflected in a buy/sell spread that is taken into account in the calculation of unit prices. The buy/sell spread is the difference between the entry price and exit price of units and is an additional cost incurred by members each time they invest (including via rollovers from other funds) or withdraw funds. The buy/sell spread is retained within Future Super and contributes towards the transaction costs associated with Future Super buying or selling assets in relation to investment transactions initiated by members or relating to the administration of member Accounts.

The spread ensures that those members joining or leaving Future Super or product, or switching investment options, contribute towards these transaction costs and other investors who are not joining, leaving or switching investments at that particular time are not disadvantaged.

The buy/sell spread for the investment option is made up of the following costs:

	Buy	Sell
Future Super - Investment Strategy		
Future Super Balanced Impact - Accumulation	0.07%	0.07%
Future Super Renewables Plus Growth - Accumulation	0.075%	0.075%
Future Super Balanced Index - Accumulation	0.07%	0.07%
Future Super Balanced Impact - Pension	0.07%	0.07%

Financial Statements

The audit of the Fund for the year ended 30 June 2019 has been completed and the Auditor has issued an unqualified opinion on the Fund's financial statements. You may obtain a copy of the fully audited Accounts and the auditor's report by calling Future Super on 1300 658 422.

The following abridged consolidated financial information has been taken from the audited consolidated financial statements for the Future Super Fund (including all divisions) for the year ended 30 June 2019:

Statement of Financial Position as at 30 June	2019 (\$'000)	2018 (\$'000)
ASSETS		
Cash and cash equivalents	23,694	17,487
Investments held at fair market value	444,995	319,445
Receivables		
- Interest receivable	316	158
- Distributions and dividends receivable	424	646
- GST receivable	20	33
Other assets		
- Current tax asset	-	-
- Deferred tax assets	57	51
Total Assets	469,506	337,820
LIABILITIES		
Accounts payable and accrued expenses	750	609
Successor fund transfer payable	-	103
Benefits payable	324	
Current tax liabilities	3,664	3,073
Deferred tax liabilities	3,139	1,757
Total liabilities excluding member benefits	7,877	5,542
NET ASSETS AVAILABLE TO PAY BENEFITS	461,629	332,278

Member benefits	458,607	330,471
TOTAL NET ASSETS	3,022	1,807

EQUITY		
- Operational Risk Reserve	1,000	857
- Expense Reserve	232	80
- Unallocated Surplus	1,790	870
TOTAL EQUITY	3,022	1,807

**Statement of changes in member movements
as at 30 June 2019**

	2019 \$'000	2018 \$'000
- Opening balance of member movements 1 July 2018	330,471	238,251
- Member movement	110,238	92,220
Closing balance of member movements	440,709	330,471

Service providers

The Trustee uses a number of professional service providers to ensure the Fund operates as efficiently as possible. These may change at the discretion of the Trustee from time to time. Service providers include:

Promoter

Future Super Investment Services Pty Ltd
ABN 55 621 040 702, AFS Representative No. 001271441),
which is a Corporate Authorised Representative of Future Super Holdings Pty Ltd (ABN 90 167 800 580, AFSL 482684).

Investment Manager

Future Super Investment Services Pty Ltd
ABN 55 621 040 702, AFS Representative No. 001271441),
which is a Corporate Authorised Representative of Future Super Holdings Pty Ltd (ABN 90 167 800 580, AFSL 482684).

Administrator

OneVue Super Services
ABN 74 006 877 872

Custodian

RBC Investor Services Australia Nominees Pty Limited
ABN 70 097 125 123
Level 47, 2 Park Street
Sydney NSW 2000

Insurer

AIA Australia Limited
ABN 79 004 837 861 AFSL 230043

What's new in superannuation 2019

This update was compiled as at November 2019 and is subject to change. For up to date information relating to taxation of superannuation, go to ato.gov.au or contact the Fund.

Over the past financial year, there have been several changes to laws surrounding superannuation, some of which may apply to you.

The First Home Super Saver (“FHSS”) scheme

From 1 July 2018, you have been able to withdraw up to \$30,000 that you may have voluntarily contributed to your super Account since 1 July 2017 for the purposes of buying your first home. The benefit of this scheme is that because your deposit is being saved through super, you pay less tax than on outside-super savings.

There have been some changes to and conditions associated with the FHSS scheme over the past year, though, which came into effect on 1 July 2019. These include:

- The FHSS scheme can only be used to buy a home in Australia.
- You must apply for and receive a FHSS determination from the Australian Taxation Office before signing a contract for your first home or applying for the release of your FHSS saving.
- You have 12 months from the date you made a release request to either sign a contract to purchase or construct your home (and notify the ATO within 28 days of signing) or recontribute the assessable amount FHSS amount (minus withheld tax) into your super and notify the ATO within 12 months of the valid release request date.

Protecting Your Superannuation Package Legislation

Changes to your insurance cover

From 1 July 2019, with the implementation of the Protecting Your Superannuation Package legislation, if your Account is considered “inactive” – that is, the Account hasn’t received a contribution or rollover for 16 months, your insurance cover will be terminated.

The Fund is regularly communicating with members to provide notifications of the possible cancellation of their insurance at 9 months, 12 months and at 16 months after the Account has last received a contribution. Where Members wish to retain their insurance cover, they may ‘Opt In’ by completing and forwarding or emailing to the Fund the Opt In to maintain or reinstate insurance cover form, and/or completing and forwarding or emailing to the ATO notification of not being an Inactive member.

Both of these forms can be found on the Secure Online Portal in the FAQ/Forms tab.

Caps on certain fees

From 1 July 2019, a cap will be applied on administration fees, investment fees and certain costs charged to your Account if your Account has a balance of \$6,000 or less on the last day of the financial year (or when the Account is closed).

That cap is 3% of your Account balance. If you’re charged more than that during the financial year, you’ll be refunded the excess within three months from the end of the financial year, or at the time you close your Account.

On top of the above, exit fees have been banned on all super Accounts.

Unclaimed Super Monies Act (Amendment)

Treatment of inactive low-balance super Accounts

From 31 October 2019, if you have an inactive low-balance Account, the ATO will try to match said Account with your active one. This also applies to Accounts identified as being low-balance and inactive from 30 June 2019, which must be transferred to the ATO by 31 October 2019.

An Inactive Low-balance Account is defined as:

- Having a balance lower than \$6,000,
- For the past 16 months:
 - has not received any rollovers or contributions into their Account,
 - has not received a request to change investment options,
 - does not have a binding beneficiary nomination, or no amendment to an existing nomination has been made,
 - the Account holder has not given notice to the Commissioner of Taxation that the Account is not an inactive low balance Account, or
 - the superannuation provider was not owed money.

Changes to the Work Test

From 1 July 2019, an exemption from the Work Test for voluntary contributions will apply if you're between 65 and 74 and have an Account balance below \$300,000. The new exemption means you will be able to make voluntary contributions for one more year after you stop working. The Work test exemption allows an individual's super fund to accept voluntary contributions made by individuals aged between 65 to 74 for an additional 12 months.

This exemption applies for a further 12 months from the end of the financial year in which you last met the Work Test. It doesn't apply if you've used the Work Test exemption previously.

In addition, from 1 July 2020, if you're between 65 and 66 you'll be able to make voluntary super contributions without meeting the Work Test. On top of that, you will also be able to make up to three years of non-concessional contributions under the bring-forward rule.

Coming soon - Putting Members Interests First Act 2019

(being implemented in the 2019/2020 financial year)

This Bill was passed by Federal Parliament in September 2019, and will be implemented on 1 April 2020.

It is designed to protect low balance Accounts and the superannuation savings of members aged under 25 from balance erosion due to insurance coverage they may not need.

From 1 April 2020, insurance cover must be offered on an opt-in basis – meaning you'll have to choose to participate in insurance cover, rather than having it applied by default – if you're under 25 or have a balance less than \$6,000.

Types of unclaimed super

Superannuation legislation requires the Trustee of the fund to transfer information and superannuation benefits to the Australian Taxation Office (ATO) when member benefits are classified as Unclaimed Super. There are two ATO reporting periods each year (by 31 October for the 30 June six-month period, and by 30 April for the 31 December six-month period).

1. Members aged 65 or older – your Account has been inactive for two years or more, and we have not been able to make contact with you for five years,

2. Non-member spouse - An amount payable to a non-member spouse – a payment split for an interest is due to a non-member spouse, and after making reasonable efforts to contact, the non-member spouse, and after a reasonable period has passed, we are unable to ensure that the non-member spouse will receive the amount,
3. Deceased member – the trustee is unable (after reasonable endeavour) to locate a beneficiary to pay your benefit to,
4. Temporary residents – temporary residents permanently leaving Australia have up to six months to claim their superannuation and if not claimed the amount will be transferred to the ATO,
5. Former temporary resident member and you have not claimed your benefit after six months from your visa expiry or cancellation date and you are not Australian or New Zealand citizen,
6. Small and insoluble lost member – when your balance is less than \$6,000 (small lost member Account). and you are considered as:
 - uncontactable – two pieces of mail sent to you have been returned undelivered, no contributions or rollovers have been received within the last 12 months, and the fund is satisfied that it will never be possible to pay an amount to the member (insoluble lost member Account), and
7. Holding an Inactive low-balance Account – A super Account is an inactive low-balance Account if all of the following criteria are met on unclaimed money day where:
 - no contribution or rollover has been received for 16 months,
 - the Account balance is less than \$6,000,
 - the member has not met a prescribed condition of release,
 - the Account is not a defined benefit Account,
 - there is no insurance on the Account, and
 - the Fund is not a self-managed super fund (SMSF) or small Australian Prudential Regulation Authority (APRA) Fund.

When is an inactive low-balance Account considered active?

An inactive low-balance Account is deemed to be active if any of the following have occurred within the last 16 months. The member:

- Changed their investment options,
- Changed their insurance coverage,
- Made or amended a binding death benefit beneficiary nomination,
- Notifies the ATO in writing that they are not a member of an inactive low-balance Account, or
- Owes the super provider an amount in respect of their membership.
- Further information can be obtained from the website [ato.gov.au/Individuals/Super/Growing your super](http://ato.gov.au/Individuals/Super/Growing_your_super), phoning Member Services, or submitting the ATO form advising you are an active member available in the FAQ/Forms tab via the Secure Online Portal or (Refer to the Directory on the back page)



If you don't want your super member benefits transferred to the ATO, contact the Fund and advise of any change in your personal contact details by phoning Member Services, or submitting the ATO form advising you are an active member available in the FAQ/Forms tab via the Secure Online Portal or (Refer to the Directory on the back page).

General information

If you have any queries about the Fund's operations please contact Future Super on: 1300 658 422 during office hours, or write to, Future Super, GPO Box 1858, Sydney NSW 2001.

You also should find most information that you need to know about this product in the current PDS applicable to your account, in this Annual Report and in your Annual Member Statement. A copy of the

latest PDS relevant to you is available on request or on the Administrator's website at <http://www.myfuturesuper.com.au/>.

You have the right to inspect or request copies of information about the Fund including the following:

- Trust Deed,
- Audited Financial Accounts, and
- Auditor's Reports.

Requests should be in writing and addressed to the Trustee as stated above.

Enquiries and Complaints

The Trustee has set up a formal procedure for dealing with complex enquiries and complaints about Future Super or your Future Super Account, including insurance. You can make an initial enquiry by phoning Member Services, or you can formally register your complaint by email or by writing to the Complaints Officer: A summary of the enquiries and complaints process will be provided with an acknowledgement at the time of your enquiry or complaint.

Phone: 1300 658 422
Write: Complaints Officer
 Future Super
 PO Box 1282
 Albury NSW 2640

We aim to resolve all complex enquiries and complaints quickly and fairly. If you are not satisfied with the final decision, or we have not responded within 90 days from the date that your complaint is received, you may lodge a complaint with the Australian Financial Complaints Authority ("AFCA"), our external dispute resolution ("EDR") scheme.

Commencing from 1 November 2018, AFCA is an EDR scheme that deals with complaints from consumers in the financial system.

Strict time limits apply for lodging certain complaints with AFCA, otherwise AFCA may not be able to deal with your complaint.

To find out if AFCA can handle your complaint and determine the type of information you need to provide, AFCA contact details are as follows:

Phone: 1800 931 678
Email: info@afca.org.au
Write: Australian Financial Complaints Authority (AFCA)
 GPO Box 3
 Melbourne VIC 3001

Visit: Afca.org.au

Access to AFCA is free of charge. You can also find out more about Future Super enquiries and complaints procedures at the Funds website.

Note: The Superannuation Complaints Tribunal was replaced with the AFCA from 1 November 2018.

Contributions surcharge

During the reporting period, we may have received a surcharge assessment from the Australian Taxation Office ("ATO"). The amount payable in respect of members is deducted from the relevant member's Account and remitted to the ATO.

Former temporary residents' superannuation

The Trustee has an obligation to pay unclaimed superannuation of a non-resident to the Commissioner of Taxation under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999. The Trustee relies on ASIC relief to the effect that the Trustee is not obliged to notify or give an exit statement to a non-resident in circumstances where the Trustee pays unclaimed superannuation to the Commissioner of Taxation. Also, please note that non-residents have a right to make application to the Commissioner of Taxation in order to claim the unclaimed superannuation under Division 4 of Part 3A of the above mentioned Act. For further information, go to www.ato.gov.au or contact the Australian Taxation Office on 13 10 20.

More information

Further information is available on request. For more information about the Fund or this product please contact Future Super on 1300 658 422 and ask for the current PDS including related Incorporated Information or visit Future Super's website: www.myfuturesuper.com.au or write to GPO Box 1858, Sydney, NSW 2001.

Disclaimer

Reasonable care is taken to ensure that information is correct, but neither the Trustee nor its service providers accept responsibility for any errors, misprints or for anyone acting on this information. The Trustee reserves its right to correct any errors or omissions.

The terms of your membership in the Fund are set out in the Fund's Trust Deed and any applicable insurance policy and PDS. Should there be any inconsistency between the Trust Deed and other documents, the terms of the Fund's Trust Deed will prevail. The Trustee reserves the right to amend the terms and conditions of the Fund in accordance with the provisions of the Trust Deed and superannuation law. The Trustee may also withdraw the PDS and close the Fund.

Directory

Obtaining further information

Member Services

Phone: 1300 658 422

Email: info@myfuturesuper.com.au

Web: www.myfuturesuper.com.au

Post: GPO Box 1858, Sydney, NSW 2000