



Protecting Your Super Legislation 1 July 2019

What is Protecting Your Super?

The new rule changes to super, known as Protecting Your Super, are designed to protect low balance accounts from erosion by fees and insurance premiums and to help people avoid having multiple super accounts they didn't know about.

Under these changes, there are two separate components in relation to inactivity.

1. Accounts which have insurance attached to them and have remained inactive for 16 months may have the insurance cancelled.
2. Inactive low-balance super accounts may be transferred to the ATO and, where possible, consolidated into active accounts.

When does Protecting Your Super come into effect?

The Federal Government's Protecting Your Super package comes into effect on 1 July 2019.

How do I find out if Protecting Your Super impacts me?

Accounts affected under Protecting Your Super must meet the following criteria:

Your whole account balance is less than \$6,000 **AND one or more of the following;**

- You have not received an amount for crediting into your account (such as rollovers or contributions) within the last 16 months;
- You have not satisfied a prescribed condition of release;
- There is no insurance on the account;
- You have not amended your insurance cover in the past 16 months;
- You have not made or amended a binding nomination of beneficiaries;

What classifies an Inactive low balance account (ILBA)

An Inactive low balance account is essentially a super account with a balance below \$6,000 and none of the actions as stated in the above section have occurred in the past 16 months. The result of this is that the balance will be transferred to the ATO.

What classifies an Inactive account for insurance purposes

An inactive account for insurance purposes is where contributions have not been received in your account for the past 16 months and that you have not let us know that you'd like to continue to hold insurance cover.

To find out your super balance, you can log in to your Member Portal [here](#) or contact our team on 1300 658 422 or info@myfuturesuper.com.au

If Protecting Your Super impacts me, what do I need to do?

Insurance

To prevent your insurance cover being cancelled, you are required to make a financial change on your superannuation account. This could be one of the following:

- Making a contribution or having your employer contribute to your account
- Combine your super accounts
- Elect to maintain your insurance

Making an election to keep insurance

You can make an election to keep your insurance cover by emailing us at info@myfuturesuper.com.au and specifying the following information:

1. Your email should include your full name, DOB and member number.
2. Please specify that you consent to maintain all your existing insurance cover in the event that your account becomes inactive for a continuous period of 16 months, notwithstanding that your account may become inactive again.

An election is enduring and only needs to be made once.

We must receive the election, contribution or rollover before 1 July 2019 or your insured cover in your Future Super account will be cancelled.

More information on insurance can be found [here](#). If you want to know more about the insurance cover types specific to Future Super, please see the [Insurance Guide](#).

Inactive Accounts

To prevent your account from being rolled out to the ATO, you are required to make a financial change on your superannuation account. This could be one of the following:

- Making a contribution or having your employer contribute to your account,
- Amend your insurance cover,
- Making an investment option switch,
- Nominating a Binding Beneficiary to your account, or
- Combining your super accounts so your balance is \$6,000 or more.

You will need to do action one of the above once every 15 months to ensure that your account is not considered inactive.

Fee limit on low-balance accounts

From 1 July 2019, Future Super will not charge the dollar based fee on accounts with balances of less than \$6,000. This is due to the new changes whereby administration and investment fees charged cannot exceed 3% of the balances of accounts with less than \$6,000.

Please note that the following fees are not included in the fee cap: buy/sell spreads, insurance premiums and other activity fees such as investment switches (if applicable) and family law fees.

If you want to make changes to your account so that this will not impact you, log into your Member Portal [here](#) or get in touch with the Member Advocacy team on 1300 658 422 or info@myfuturesuper.com.au

Where can I find more information?

You can learn more about the rules around inactivity and how the Protecting Your Super laws may affect you on the [ATO website](#) and the [APRA website](#).

The dates for super funds to report inactive low balance accounts each year are 30th June and 31st December.