

Important Notice for members

Successor Fund Transfer of Insurance-only members to the Zurich Insurance-only Superannuation Plan, a division of the Aon Master Trust



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1. Background

A decision has been made by Zurich Australian Superannuation Pty Limited (**Zurich Trustee**) ABN 78 000 880 553, AFSL 232500 as trustee of the Zurich Master Superannuation Fund (**Zurich Fund**), to no longer offer insurance only benefits to members and to transfer existing members with insurance only benefits in the Zurich Fund to the Zurich Insurance-only Superannuation Plan, a division of the Aon Master Trust ABN 68 964 712 340 (**Zurich Plan**). The trustee of the Zurich Plan will be Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757, RSE License L0001458 (**Equity Trustees**).

Equity Trustees has established the Zurich Plan, a division of the Aon Master Trust, exclusively for members with insurance only benefits insured by Zurich Australia Limited (**Zurich**) and has entered into an agreement with Zurich for the administration and promotion of the Zurich Plan from 18 December 2017.

The transfer will occur by way of a Successor Fund Transfer (SFT) which is intended will take place after close of business on 31 January 2018.

Members with investment only benefits or investment and insurance benefits will remain in the Zurich Fund, and will not transfer.

What does this mean for you?

The Zurich Trustee will transfer the insurance policies it holds for the insurance only members to the Zurich Plan. This means that, apart from the fund changing to the Zurich Plan and the trustee changing to Equity Trustees, there will be very limited changes for members. Your current insurance benefits, insured by Zurich, will not change. The transfer to the Zurich Plan will occur automatically.

2. Transfer date

The intended date of the transfer to the Zurich Plan is 31 January 2018. You will cease to be a member of the Zurich Fund and become a member of the new Zurich Plan, a division of the Aon Master Trust, from that time. Importantly, your insurance policy will remain in-force.

If you have another interest in the Zurich Fund that is not an insurance-only interest, the transfer will not affect that interest.

Any postponement to the transfer will be advised on Zurich's website at www.zurich.com.au.

3. Insurance policy terms and conditions

From the date of transfer, ownership of the insurance policy currently held by the Zurich Trustee will be transferred to the trustee of the Zurich Plan, Equity Trustees.

Your insurance benefit coverage will continue with the same fees and premium calculation basis, and Zurich Australia Limited will continue to be the insurer of your policy.

For members with Zurich Wealth Protection insurance, Zurich will make any financial planning benefit reimbursement payments directly to the person who incurred the expense after the transfer. There will be no change to the value of the benefit and circumstances in which Zurich pays it. However, it will cease to be a term of your policy when it is transferred to Equity Trustees and Zurich has accordingly committed to continue providing the benefit for eligible members and their dependants on its current terms, by issuing a separate insurance certificate, located at the end of this Notice, which takes effect on the date of the SFT to the Zurich Plan.

All other terms and conditions of your Zurich insurance policy will remain as they are, including its automatic benefit upgrade promise. You will also maintain your current policy number after the SFT.

Whether your cover is paid for by direct debit from a bank account, by credit card or by rollover from another superannuation fund, your current payment arrangements will automatically transfer to the new Zurich Plan and can be changed or cancelled by you at any time. The one exception is for employer contributions, explained below. In some cases, payment dates might become slightly later than they currently are in the Zurich Fund.

4. Contributions after the SFT

4.1 Employer contributions

If your employer currently pays your insurance premiums, your employer will need to ensure payments made after 31 January 2018 comply with the new SuperStream obligations. Trustees will not be able to accept employer contributions received after that date that do not comply with SuperStream. If your employer pays your insurance premiums, please check that your employer is able to meet the SuperStream obligations so that your valuable insurance remains in-force.

To assist your employer in this regard, please obtain a copy of the *Employer SuperStream Guide*, located on our website at www.zurich.com.au, or by calling Zurich's Customer Care team on 131 551. This Guide includes information designed to help them understand their SuperStream obligations.

If your premium will no longer be paid by your Employer, but will be paid by you as a personal contribution, you will need to contact Zurich Customer Care on 131 551 and one of our professional team will be able to assist. Please note that we are only able to apply the change to payments processed more than 10 business days after your request is received.

4.2 Direct Debit

Your existing direct debit authorisations will continue after the SFT at the same frequency as they are currently deducted (except for employer contributions as explained above). You can update your direct debit details by calling Zurich's Customer Care team on 131 551.

4.3 Rollovers

If you pay your insurance premiums by rollover from another superannuation fund and have given the Zurich Trustee an Enduring Rollover Authority, your existing Enduring Rollover Authority with the Zurich Fund will automatically apply to the new Zurich Plan, ensuring rollovers will continue to be processed without compromising your valuable insurance cover.

Remember that your nominated fund may apply limits or other conditions on rollovers, such as minimum withdrawals, and may charge fees for processing your request. You should check the terms and conditions with your nominated fund, and ensure there is a sufficient balance in your account to cover the rollover each year.

If you pay your insurance premiums by rollover from another complying taxed superannuation fund, Equity Trustees will, like the Zurich Trustee, continue to pass on the benefit of the tax deduction available to it for premiums, by reducing the rollover amount required to cover the premium due by 15%. For example, if the premium due (including management fee and stamp duty) is \$1000 and the value of the tax deduction is \$150, the portion of the premium to be paid by the rollover is reduced to \$850, resulting in a 15% discount for you. You will be notified of the reduced premium before the rollover request is sent to your nominated fund.

There are some differences between the way that Equity Trustees will calculate the reduced premium and the way the Zurich Trustee does. The discount available in the new Zurich Plan will also apply to the management fee and stamp duty (if applicable), as well as to the premium amount. The discount will also be calculated on the premium amount payable for the current year, rather than the previous year, which means that the amount of the overall discount will usually be larger in the new Zurich Plan compared to the Zurich Fund.

The discount is able to be offered because of current tax laws and the current membership and contribution profile of the Zurich Plan. If any of these things change Equity Trustees may no longer be able to offer a discount on premiums. The law requires the trustee to notify you of any changes which will affect the premium you pay for your cover.

As is currently the case, the Zurich Plan is unable to accept rollovers that contain United Kingdom (UK) transfer amounts or New Zealand KiwiSaver transfer amounts. The Zurich Plan is also unable to accept rollovers that are not equal to the specific amount due. Rollovers that cannot be accepted will be returned to the transferring superannuation fund. If a rollover is returned, you will be asked to provide alternate instructions so that the premium can be paid. Rollovers that cannot be accepted may be paid to an Eligible Rollover Fund if they cannot be returned to the original fund.

You can revoke your Enduring Rollover Authority by contacting Zurich prior to the SFT. You can also complete a new enduring rollover form through the Equity Trustees at any time after the SFT.

4.4 Non-concessional contributions

Equity Trustee will send you a *Notice of Intent to Deduct* form in July 2018, covering all non-concessional contributions made to the Zurich Fund before the SFT and to the Zurich Plan after the SFT, in the event you wish to claim a tax deduction against your personal income for some or all of these contributions - so, the one form will cover contributions made during the entire 2017/18 financial year, regardless of which fund you contributed to.

This is the form you need to complete before you can claim a tax deduction for your contributions, and to the extent that Equity Trustee acknowledges the Notice of Intent to Deduct, the contributions will become concessional contributions and be subject to contributions tax. After accepting and processing your form, the Trustee of the Zurich Plan will send you the acknowledgement which you need in order for the contribution to qualify for a tax deduction against your assessable income.

5. Death Benefit Nominations

The Zurich Fund accepts binding nominations from members which lapse after 3 years. If you have a valid binding death benefit nomination in place prior to the transfer, it will continue and be followed by Equity Trustees in the Zurich Plan until the expiry of this 3 year period. After that, it will be treated as a non-lapsing binding nomination unless you notify Equity Trustees that you wish to cancel your nomination or change it.

The Zurich Plan offers members **non-lapsing** binding nominations. Non-lapsing nominations will be checked by Equity Trustees at the time received to ensure they are valid. They will cease to be valid if you marry, divorce, enter or end a de facto relationship after giving the nomination. If you have nominated a person who predeceases you or has ceased to be your dependant or legal personal representative at the time of your death Equity Trustees will treat that part of the nomination as being invalid.

A nomination applies for each life policy you have in the Zurich Plan, and there can only be one nomination in place for each policy at any given time. This means two separate nominations are needed if you have two policies in the Zurich Plan. A new nomination for a policy fully revokes all previous nominations made for that policy. You will be free to make a non-lapsing binding nomination in the Zurich Plan from the transfer date.

Where there is no valid binding nomination on death, or it is fully or partly ineffective, Equity Trustees will pay your death benefit in accordance with the same rules that apply in the Zurich Fund. Generally this means that your death benefit would be paid to your legal personal representative and distributed as part of your estate.



6. Additional information

6.1 Communication you will receive

Once the transfer has been completed, you will receive a combined exit letter from Zurich and welcome letter from the trustee of the Zurich Plan which will include details of your insurance and applicable transactions up to the transfer date (this is a legal requirement because you are moving funds, your insurance will continue in the Zurich Plan).

If you have received income protection benefits in this financial year, a Pay As You Go (PAYG) statement will also be issued by the insurer after 1 July 2018.

6.2 Product Disclosure Statement

A Product Disclosure Statement (PDS) containing further information about the Zurich Plan will be made available after the transfer on the Zurich and Aon websites, www.zurich.com.au or www.aonmastertrust.com.au. Printed copies can also be requested by contacting Zurich's Customer Care team on 131 551.

6.3 Eligible Rollover Fund

Equity Trustees may transfer any refunds of premiums and other amounts it receives for you to an Eligible Rollover Fund (ERF) if they cannot be paid to you in cash or if you have not nominated another fund to which the amounts can be rolled over. To avoid this, you can nominate a superannuation fund for the transfer.

7. Contact details

7.1 Prior to the transfer (Zurich)

If you have any questions in relation to the information in this Notice, Zurich's Customer Care Team would welcome your telephone call. Our administration contact details are as follows:

Telephone Number: 131 551

Email Address: client.service@zurich.com.au

Postal Address: Zurich Customer Care,
Locked Bag 994,
North Sydney, NSW, 2059

7.2 After the transfer (Zurich Plan administrator)

All enquiries after the transfer should be directed to the administrator of the Zurich Plan as follows:

Telephone Number: (03) 9621 7275

Email Address: enquiries@iasas.com.au

Postal Address: Zurich Insurance-only
Superannuation Plan
C/- Insurance & Superannuation
Administration Services P/L
PO Box 810
South Melbourne, VIC, 3205



Insurance Certificate from Zurich Australia Limited

Financial Planning Advice Reimbursement Benefit – for Zurich Wealth Protection Members

Zurich Australia Limited (**Zurich**) undertakes to provide a Financial Planning Advice Reimbursement Benefit (**Benefit**) on the terms set out in this notice. The Benefit is to help reimburse the cost of financial planning advice which you or your dependants receive about how to use a benefit to be paid under a policy held for you by the trustee of the Zurich Insurance-only Superannuation Plan, a division of the Aon Master Trust (Fund).

The Benefit is the lesser of:

- The fee paid to receive the financial planning advice; and
- The amount set out in the product disclosure statement for your policy, or if that amount is increased, the higher amount on the Zurich Plan website.

Zurich will provide the Benefit in consideration for you maintaining life insurance cover under the Zurich policy in the Fund. However, the Benefit is not provided under your policy in the Fund, but as an additional Benefit under this certificate.

The Benefit will be paid to you or your dependant/s following receipt by Zurich of a copy of the Statement of Advice and invoice from a licensed financial planner as proof of the expense before the Benefit can be paid. This reimbursement is only paid once in respect of each policy held by the Fund trustee for you.

This Benefit replaces the financial planning reimbursement benefit in your original policy document.

Please keep this certificate together with your original policy document.

Zurich Australian Superannuation Pty Limited
ABN 78 000 880 553, AFSL 232500
RSE Licence No. L0003216

Zurich Australia Limited
ABN 92 000 010 195, AFSL 232510

5 Blue Street North Sydney NSW 2060

Zurich Customer Care
Telephone: 131 551

www.zurich.com.au

Important Information: Please note that the information in this Notice may include general advice only. It should not be taken as personal financial or taxation advice about any product. The information does not take into account your objectives, financial situation or needs. You should consider these factors and the Product Disclosure Statement (PDS) for the Zurich Insurance-only Superannuation Plan, a division of the Aon Master Trust (available from your adviser or Zurich directly), before making any decisions. This information is dated as at the date of this letter and is based on current laws and their interpretation. This information may change in the future. This notice is issued by Zurich Australian Superannuation Pty Limited ABN 78 000 880 553 AFSL 232500 who is the Trustee of the Zurich Master Superannuation Fund ABN 33 632 838 393, SFN 2540 /969/42.