



Product and investment changes



Zurich Master Superannuation Fund

Equity Trustees Superannuation Limited
ABN 50 055 641 757 AFSL 229757
RSE Licence L0001458 (the Trustee)
is the trustee of the Zurich Master
Superannuation Fund (the Fund)
(ABN 33 632 838 393
SFN 2540/969/42)



Product and investment update

Date of preparation: 10 December 2021

This Significant Events Notice provides members of the Zurich Master Superannuation Fund ('Fund') with a summary of the changes that may affect your investment in the Fund.

The Trustee of the Zurich Master Superannuation Fund (ABN 33 632 838 393 SFN 2540/969/42 Registration No. R1067651) is:

Equity Trustees Superannuation Limited

ABN 50 055 641 757, AFSL 229757, RSE L0001458
Level 1, 575 Bourke Street Melbourne VIC 3000

The administrator and insurer is:

Zurich Australia Limited

ABN 92 000 010 195, AFSL 232510
118 Mount Street North Sydney NSW 2060
Telephone: 131 551

This notice is to be read in conjunction with the Zurich Master Superannuation Fund Annual Fund Report for the year ending 30 June 2021 (available at www.zurich.com.au/annualreports) which further explains the changes. A copy is available free of charge by contacting Zurich Customer Care.

If you have any questions, please contact either your financial adviser or Zurich Customer Care on 131 551.



In this section, ZSP stands for Zurich Superannuation Plan, ZRP stands for Zurich Retirement Plan and ZABP stands for Zurich Account-Based Pension.

Please note that the information in the following section applies to all investment plans (unless as indicated).

Change of Strategic Investment Partners

- With effect 1 October 2020, Schroder Investment Management Australia Limited replaced Aberdeen Asset Management Limited in the Fixed Interest and Cash asset classes of the Zurich diversified options.
- With effect 12 April 2021, Yarra Capital Management replaced Nikko Asset Management in the Australian shares asset class of the Zurich diversified options.
- With effect 26 July 2021, Wells Fargo Asset Management (WFAM) announced it would be changing its company name to Allspring Global Investments (Allspring) following the sale of WFAM to GTCR LLC and Reverence Capital Partners. The new name, Allspring, took effect 1 November 2021. This change applies to the International Share asset class in the Zurich diversified options.
- Effective 17 September 2021, the Colonial First State Australian Share Pooled Super Trust was closed, and holdings transferred to the First Sentier Wholesale Australian Share Fund. Members invested in that option were not impacted and did not incur any buy/sell costs because of the transfer.

Change to Buy/Sell spread for the Global Growth Share option

The buy/sell spread for the Global Growth Share option changed following a review of the underlying transaction costs incurred by the fund. Effective 1 December 2020 the buy/sell spread has reduced from 0.06%/0.06% to 0.03%/0.03%.

Reduction of Capital Guaranteed asset charge (ZRP only)

Zurich guarantees the Capital Guaranteed investment option will never declare a negative rate of investment return. Currently there is a deduction of up to 0.50% from the declared rate of the option for the cost of providing this guarantee. In addition to the cost of guarantee charge, for some members there is an asset charge ranging between 1.00% p.a. and 1.30% p.a.

Following a review of the costs associated with the Capital Guaranteed portfolio, Zurich will be reducing the maximum asset charge to 0.50% p.a. This means the total asset-based fee will not exceed 1.00% p.a. There is no change to the charges for those members whose total asset-based fees are already below 1.00% p.a or whose policies participate in Zurich's profits.

This change applies for annual investment returns credited to policies from 1 January 2022 and will be reflected in the returns declared at 31 December 2021.

Income protection cover can no longer be added to a Zurich Superannuation Plan

With effect 29 March 2021, Income protection cover, available through the Zurich Income Protector policy, ceased to be available to existing members wishing to add income protection cover to their ZSP for the first time.

Members who have Zurich Income Protector as part of their ZSP are unaffected by this change and remain covered under the terms and conditions that applied when their cover started.

Zurich Superannuation Plan closed to new members

Effective 1 October 2021, the Zurich Superannuation Plan (ZSP) was closed to new members.

Rest assured there is no impact to existing ZSP members from this announcement. All aspects of existing ZSP policies remain the same, including the ability to make additional contributions to an existing ZSP account.



Federal Budget 2021 – Superannuation & Retirement update

On 11 May 2021, the Treasurer, Mr Josh Frydenberg, delivered the 2021-22 Budget, and proposed expanding on a number of existing superannuation measures. The measure will have effect from the start of the first financial year after Royal Assent of the enabling legislation, which the Government expects to have occurred prior to 1 July 2022.

If they become law, the changes will give older Australians, including self-funded retirees, greater flexibility to contribute to their superannuation and access their housing wealth if they choose to by:

Repealing the work test for those aged 67 to 74

The Government will allow individuals aged 67 to 74 years (inclusive) to make or receive non-concessional (including under the bring-forward rule) or salary sacrifice superannuation contributions without meeting the work test, subject to existing contribution caps. Individuals aged 67 to 74 years will still have to meet the work test to make personal deductible contributions.

Currently, individuals aged 67 to 74 years can only make voluntary contributions (both concessional and non-concessional) to their superannuation, or receive contributions from their spouse, if they are working at least 40 hours over a 30-day period in the relevant financial year. Removing the requirement to meet the work test when making non-concessional or salary sacrifice contributions will simplify the rules governing superannuation contributions and will increase flexibility for older Australians to save for their retirement through superannuation.

Extending access to downsizer contributions

The eligibility age for individuals to make downsizer contributions into superannuation will be reduced from 65 to 60 years of age.

The downsizer contribution allows people to make a one-off, post-tax contribution to their superannuation of up to \$300,000 per person from the proceeds of selling their home. Both members of a couple can contribute in respect of the same home, and contributions do not count towards non-concessional contribution caps.

This measure will allow more older Australians to consider downsizing to a home that better suits their needs, thereby freeing up the stock of larger homes for younger families.

Giving older Australians the choice to move out of legacy retirement products

Individuals will be able to exit a specified range of legacy retirement products, together with any associated reserves, for a two-year period. The measure will include market-linked, life-expectancy and lifetime products, but not flexi-pension products or a lifetime product in a large APRA-regulated or public sector defined benefit scheme.

Currently, these products can only be converted into another like product and limits apply to the allocation of any associated reserves without counting towards an individual's contribution caps.

This measure will permit full access to all of the product's underlying capital, including any reserves, and allow individuals to potentially shift to more contemporary retirement products.

Social security and taxation treatment will not be grandfathered for any new products commenced with commuted funds and the commuted reserves will be taxed as an assessable contribution.

Removing the \$450 per month threshold for superannuation guarantee eligibility

The current \$450 per month minimum income threshold, under which employees do not have to be paid the superannuation guarantee by their employer, will be removed.

This measure will improve equity in the superannuation system by expanding the superannuation guarantee coverage for cohorts with lower incomes. The Retirement Income Review estimated that around 300,000 individuals would receive additional superannuation guarantee payments each month, 63 per cent of whom are women.

Please be aware that some of the measures mentioned above may have not been legislated at the time this report was published, and if passed by Parliament they may end up looking slightly different to the announcements made in the Federal Budget. It is recommended you seek professional advice from your financial adviser, who will be able to assist you with your retirement planning taking these announcements into consideration.



Changes announced in previous years

As outlined in the 2020 Annual Fund Report, there were a number of changes to superannuation that had not been legislated at the time the Annual Fund Report was prepared. The following changes announced during the 2020 Federal Budget have now been passed into legislation:

Super Reforms – Your Future, Your Super

The Your Future, Your Super reforms are designed to reduce the number of duplicate accounts held by employees as a result of changes in employment and prevent new members joining underperforming funds and include the following four key measures:

1. Fund stapling

To prevent the creation of unintended multiple super accounts and the erosion of super balances, a new super account will no longer be created automatically every time an individual starts a new job. Instead, their super will be 'stapled' to them. Employers will pay super to an existing fund if the individual has one unless they select another fund. From 1 November 2021:

- If an employee does not nominate an account at the time they start a new job, employers will pay their superannuation contributions to their existing fund.
- Employers will obtain information about the employee's existing superannuation fund from the ATO.
- If an employee does not have an existing superannuation account and does not make a decision regarding a fund, the employer will pay the employee's superannuation into their nominated default superannuation fund.

2. YourSuper comparison tool

A new, interactive, online YourSuper comparison tool will help individuals compare MySuper products.

It was introduced on 1 July 2021 and updated to include investment performance from 31 August 2021.

The YourSuper comparison tool:

- displays a table of MySuper products ranked by fees and net returns (updated quarterly)
- allows you to select and compare in more detail up to four MySuper products at a time
- links you to a super fund's website when you select a MySuper product from the table
- can show your current super accounts alongside other MySuper products – if you access the personalized version through myGov provides links to help you consolidate your super accounts.

3. Improved transparency and accountability

The Government will ensure superannuation trustees are more accountable and transparent as to how they are managing the retirement savings of their members. From 1 July 2021:

- Super trustees will be required to comply with a new duty to act in the best financial interests of members.
- Trustees must demonstrate that there was a reasonable basis to support their actions being consistent with members' best financial interests.
- Trustees will provide members with key information regarding how they manage and spend their money in advance of Annual Members' Meetings. This requirement will be effective for the Annual Member Meeting for the 2022 financial year.

4. MySuper performance test

APRA is required to conduct an annual performance test for MySuper products from 1 July 2021, and for 'other products as specified in the Regulations, from 1 July 2022. The assessment under the performance test, in conjunction with the ATO's YourSuper comparison tool, is intended to hold RSE licensees to account for underperformance through greater transparency and increased consequences.

Please note that the Zurich Master Superannuation Fund (ZMSF) does not include a MySuper product. Therefore, some of the measures mentioned above do not currently apply to your membership in the ZMSF.



More flexible superannuation

The government announced changes to the cut-off age to access the bring-forward provisions for individuals making non-concessional contributions. Additionally, from 1 July 2021 individuals are able to recontribute the COVID early release superannuation payments without breaching the excess contribution cap and are no longer subject to excess contributions charge.

Bring-forward arrangement contributions cap

The cut-off age for accessing the bring-forward non-concessional contributions cap has increased from 65 to 67 years. This means individuals aged 65 and 66 who were not previously able to access the bring forward non-concessional contributions cap due to their age may do so. This applies to non-concessional contributions made on or after 1 July 2020.

Remove the excess contributions charge

Individuals who make contributions on or after 1 July 2021 that exceed their excess concessional contributions cap, will no longer be liable to pay the excess concessional contributions charge. They will still be issued with a determination and taxed at their marginal tax rate on any excess concessional contribution amount (with a 15% tax offset to account for the contributions tax already paid by their super fund).

Re-contribution of COVID early release superannuation amounts

Individuals who received a COVID-19 early release of super amount can re-contribute up to the amount they received without the contributions counting towards their non-concessional cap. These contributions:

- can be made between 1 July 2021 and 30 June 2030
- cannot exceed the total amount of super accessed under the COVID -19 early release, and
- cannot be claimed as a personal superannuation deduction.

Individuals choosing to re-contribute must notify their super fund in the approved form, either before or at the time of making the re-contribution. The approved form can be obtained on the Zurich website, www.zurich.com.au, or by contacting Zurich Customer Care on 131 551. If you are intending to re-contribute the COVID-19 early release amounts you accessed and have questions on the process, please reach out to your financial adviser or the Zurich Customer Care team for assistance.

Other changes

Written consent required for deduction of advice fees

From 1 July 2021, under the Financial Sector Reform Act 2021, new requirements for adviser fee consent and renewal apply. Broadly speaking, the new requirements include:

- trustees are required by law to obtain specific written consent before an advice fee (also known as an ongoing adviser service fee or member advice fee) can be deducted from your superannuation fund account.
- ongoing fee arrangements are renewed annually
- your financial adviser must disclose in writing the total fees that will be charged, including a dollar estimate of the fees to be charged during the following 12 month period together with the services that will be provided during the following 12 month period.

In addition:

- You are not under any obligation to consent to an advice fee being deducted. If you are not happy with the amount described or do not wish to have the agreed amount deducted from your Fund account, you do not have to sign a consent to have an advice fee deducted. If you are happy with the amount described, but prefer to pay the fee directly, you do not have consent to its deduction from your Fund account.
- Advice fees can only be deducted from your Fund account if they are in relation to your interest in the Zurich Master Superannuation Fund and meet the sole purpose test requirements of the Superannuation Industry (Supervision) Act 1993.
- A transitional period applies from 1 July 2021 until 1 July 2022 for existing arrangements entered into before 1 July 2021.

Reuniting More Superannuation Regulations

New legislation required eligible rollover funds (ERFs) to close by 30 June 2021 (for accounts that had a balance of less than \$6,000 on 1 June 2021) and by 31 January 2022 (for all other accounts). If a member of an ERF did not make a decision relating to their balance the trustee of the ERF was required to transfer the balance to the Australian Taxation Office where the Taxation Commissioner attempts to reunite amounts received from ERFs with a member's active account.

Temporary 50% reduction in superannuation minimum drawdown rates extended

The Government has extended the reduced minimum drawdown requirements for account-based pensions and similar products by 50% for a further year to 30 June 2022.

The minimum drawdown requirements determine the minimum amount of a pension that a retiree has to draw from their superannuation in order to qualify for tax concessions. Minimum payment amounts are calculated on the basis of asset values on 1 July of each income year.

This change will allow retirees to avoid selling assets in a loss position in order to satisfy the minimum drawdown requirements.

Further information

For basic information about these reforms and insurance in superannuation more generally, the Trustee recommends the ASIC's MoneySmart website (<https://www.moneysmart.gov.au>).

Other important information



Other important information

Unclaimed superannuation

Broadly speaking your superannuation benefit may become unclaimed and paid to the Australian Taxation Office (ATO) if (in summary) you are:

- over 65 years old, haven't made a contribution for the last two years and have been uncontactable by the Fund for five years[#]
- deceased, haven't made a contribution for the last two years and the Fund has been unable to pay the benefit to the rightful beneficiary because they are uncontactable
- a former temporary Australian resident and it has been six months since you left Australia or since your visa expired
- entitled to be paid your ex-spouse's super in a family law split and the Fund is unable to contact you
- a lost member* whose account balance is less than \$6,000
- a lost member* whose account has been inactive for 12 months and your Fund does not have the information needed to make a payment to you
- a member with a low-balance inactive account, unless an exception applies.

You may contact the ATO to claim your benefits should that occur. For further information about unclaimed superannuation and how to claim, please contact your financial adviser or visit the ATO website, www.ato.gov.au.

In addition to the unclaimed superannuation process described above, if you are identified as an "inactive low-balance member account", your benefit may also be transferred to the ATO.

Generally, for there to be communication (contact) between the Fund and the member, it needs to be established that the communications has been sent and received. Unfortunately, this does not include where the Fund has sent the member their annual statement as the Fund is unable to verify if the member actually received the statement.

** Broadly, a person may be a lost member if they have not made a contribution within a prescribed timeframe and the Fund receives returned mail from their last known address.*

Operational Risk Reserve

The Trustee maintains a reserve in the Fund for managing operational risk. The reserve is invested in a Capital Guaranteed portfolio under a Zurich life insurance policy. The closing balances of the reserve at the end of the financial years ending 30 June 2019 to 30 June 2021 are set out below:

Date	Operational Risk Reserve
30 June 2021	\$2,822,806
30 June 2020	\$2,786,571
30 June 2019	\$3,430,424

Complaints resolution

Should you have a complaint regarding your ZMSF account, the Fund or a decision of the Trustee (excluding privacy complaints), you should contact Zurich's Customer Service Operations Manager. The Customer Service Operations Manager has been authorised by the Trustee to receive all complaints. You can contact the Customer Service Operations Manager directly via phone, email or in writing and we'll do our best to resolve your issue fairly, respectfully and efficiently, and will keep you informed of our progress.

Email: client.service@zurich.com.au

Phone: 131 551

Mail: Zurich Master Superannuation Fund
Locked Bag 994
North Sydney NSW 2059

If you make a complaint and we resolve it within 5 business days from receipt to your satisfaction, we are not required to send you a formal complaint response, unless you request one; or your complaint relates to hardship, a declined insurance claim, the value of an insurance claim or for any decision of a trustee (or failure by the trustee to make a decision) relating to a complaint.

If you're not satisfied with the initial response to your complaint, your concerns will be escalated to a Dispute Resolution Team. Specialists will work closely with you to find a solution quickly and amicably within the required timeframe.

Legislation requires the Trustee to respond to you within 45 days after receiving your complaint, unless another timeframe is allowed or required under the relevant legislation. For death benefit objections, the Trustee must provide a complaint response no later than 90 calendar days after the expiry of the 28 calendar day period for objecting.

We will do our best to resolve your complaint as soon as possible. However, if we are unable to provide you with a response within the required timeframe, we will provide you with progress updates including reasons for the delay.

We hope that we can resolve your complaint through our Internal Dispute Resolution (IDR) process.

You may also lodge a complaint with the Australian Financial Complaints Authority (AFCA), although AFCA will not normally deal with a complaint until it has been through the Trustee's IDR process.

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

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

AFCA is an independent body established by the Commonwealth Government and provides a free dispute resolution to consumers and small businesses for all financial products and services.

Important: Time limits may apply to complain to AFCA and so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires. Other limits may also apply.

For Privacy complaints, please contact the Trustee by calling (03) 8623 5000, or alternatively via email at privacy@eqt.com.au.

For complaints about your adviser, you should contact their Dealer Group or Australian Financial Services Licensee with which they are associated.

A change in residency might require Zurich to suspend or terminate your insurance (if any) accordingly.

Zurich Australia Limited and other companies within the worldwide Zurich group of companies have obligations under Australian and foreign laws. Regardless of any other policy terms and conditions, Zurich and the Trustee reserve the right to take any action (or not take any action) which could place them or another company within the Zurich group at risk of breaching Australian laws or laws in any other country.

All financial transactions, including acceptance of premium payments, claim payments and other reimbursements, are subject to compliance with applicable trade and economic sanctions laws and regulations.

Zurich may terminate a policy where you are considered to be a sanctioned person, or you conduct an activity which is sanctioned, according to trade or economic sanctions laws and regulations. Further, neither Zurich nor the Trustee will provide any cover, service or benefit to any party if either determine it places Zurich or the Trustee at risk of breaching applicable trade or economic sanctions laws or regulations.

Each policy is based on the legal and regulatory requirements applicable at the time the policy is issued. Should the legal and regulatory requirements change in a material way, Zurich is entitled to adapt the terms and condition to the changed legal and regulatory requirements, provided the change is lawful.

Planning to move overseas?

Please contact us before moving so that we can provide you with further information, and consider taking independent financial and/or tax advice on your circumstances. You may be asked to provide additional information and your details may be passed to relevant government authorities.

Contact details

Enquiries and administration

The team at Zurich Customer Care understands your product. They are well equipped to answer general questions about the product and provide extra information. They cannot provide financial advice. Please contact Zurich Customer Care in the most convenient way for you:



131 551



Locked Bag 994
North Sydney NSW 2059



client.service@zurich.com.au



www.zurich.com.au

Financial advice

Your financial adviser should be your first point of contact for financial advice. The Trustee and Zurich can only provide you with factual information about your plan and how it operates.

We can help if you need support

We recognise that some members need more help than others. For example, members who are from a non-English speaking background. Your financial adviser can help if you make a change to your ZMSF account or if you want to make a complaint. If you contact Zurich Customer Care and the team identifies that you need more support, they'll do their best to help. This could involve helping you to understand how your ZMSF account works.

Please note that the information contained in this document is general information only. It does not take into account your personal investment objectives, financial situation or particular needs. You should consider these factors and the appropriateness of this information having regard to your objectives, financial situation and needs. We recommend you seek professional advice before making any decision affecting any aspect of your membership in the Fund.

This document contains information about changes to the law governing superannuation. This information, although derived from sources believed to be accurate as at the date of preparing this report, may change.





Equity Trustees Superannuation Limited
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118 Mount Street North Sydney NSW 2060

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The issuer of the Zurich Superannuation Plan (SPIN ZUR0473AU) and the Zurich Account-Based Pension (SPIN ZUR0469AU) is Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757 who is the Trustee of the Zurich Master Superannuation Fund ABN 33 632 838 393, SFN 2540/969/42.
