



## **Important notice: Revised insurance fees and new disclosure requirements for investment fees and costs**

I'm writing to let you know about some important news. Please read the enclosed *Important information for MTAA Super members* notice for details about our revised insurance fees and new disclosure requirements for investment fees and costs.

### **Insurance fees**

MTAA Super has used its scale and purchasing power to negotiate competitive insurance fees for Death and Total & Permanent Disablement (TPD) cover with our insurer, MetLife, that offer good value for our members. As a result, from 28 October 2017, the cost of Death and TPD cover will change. The cost of TPD cover will decrease significantly for all members regardless of age. The cost of Death cover will stay the same for members under age 26 and increase slightly for members aged 26 – 69. Members with default cover, the majority of members, will receive a substantive reduction in their insurance fees.

Please read the enclosed notice for details of the changes.

To check how much and what type of insurance cover you have through MTAA Super, login to your account via Member SuperSite at [mtaasuper.com.au/member-login](http://mtaasuper.com.au/member-login) or call us on **1300 362 415**.

### **How we disclose investment fees and costs**

From 30 September 2017 all super funds are required to disclose extra information about fees and costs that impact investment returns. These requirements will be reflected in our MTAA Super *Member Product Disclosure Statement* and on our website. Importantly, our fees and costs are not changing. We are not increasing our existing fees, or introducing new fees, we are simply changing the way we disclose information.

### **Need more information?**

If you have any questions about these changes and what they mean for you, call us on **1300 362 415**.

Yours sincerely

A handwritten signature in black ink, appearing to read "Leanne".

Leeanne Turner  
Chief Executive Officer





# Important information for MTAA Super members

Revised insurance fees and new disclosure requirements for investment fees and costs.

mtaasuper.com.au  
1300 362 415

## Insurance fees are changing from 28 October 2017

From 28 October 2017, the cost of Death and Total & Permanent Disablement (TPD) cover will change. The cost of TPD cover will decrease significantly for all members regardless of age. The cost of Death cover will stay the same for members under age 26 and increase slightly for members aged 26 – 69. Members with default cover, the majority of members, will receive a substantive reduction in their insurance fees.

### Reduction in insurance fees for default members

If you have default insurance cover, from 28 October 2017 your insurance fees will decrease as follows:

Age next birthday	Default Death cover	Default TPD cover	Cost per week – current	Cost per week – effective 28 October 2017
16 - 21	1 unit	3 units	\$4.82	\$2.39
22 - 26	3 units	3 units	\$6.30	\$3.87
27 - 70	6 units	3 units	\$8.52	\$7.47

# Important information for MTAA Super members

## Members with insurance outside of the default arrangement

### Unitised Cover

The table below shows how the weekly insurance fees for unitised cover will change from 28 October 2017.

Cover type	Cost per unit (weekly) – current	Cost per unit (weekly) – effective 28 October 2017	
	Age next birthday 16-70	Age next birthday 16-26	Age next birthday 27-70
Death	\$0.74	\$0.74	\$0.86
TPD	\$1.36	\$0.55	\$0.77

To calculate your new weekly insurance fee, simply multiply the number of units you have by the new weekly cost per unit.

*For example:*

*If you are aged 29 next birthday, have 10 units of Death and 10 units of TPD cover, your total weekly cost will reduce from \$21.00 to \$16.30.*

*Death cover: 10 units x \$0.86 = \$8.60 (current \$7.40)*

*TPD cover: 10 units x \$0.77 = \$7.70 (current \$13.60)*

*Total cost of cover: \$16.30 (current \$21.00)*

### Fixed Cover

To calculate your weekly fee for fixed cover, divide your level of cover by \$1,000, and multiply by the fee that corresponds to your age next birthday and work scale as per the table on the next page.

*For example:*

*If you were aged 29 next birthday, are eligible for the non-manual work scale and have \$600,000 worth of Death and \$600,000 worth of TPD cover, your total weekly cost will reduce from \$18.60 to \$15.00.*

*Death cover: \$600,000/\$1,000 x \$0.013 = \$7.80 (current \$6.60)*

*TPD cover: \$600,000/\$1,000 x \$0.012 = \$7.20 (current \$12.00)*

*Total cost of cover: \$15.00 (current \$18.60)*

## Is your insurance cover right for you?

Your circumstances may have changed since joining MTAA Super or when you last made changes to your insurance cover. You can make changes or cancel your insurance at any time.

To check how much and what type of insurance cover you have with MTAA Super, login to your account via Member SuperSite at [mtaasuper.com.au/](http://mtaasuper.com.au/) **member-login** or call us on **1300 362 415** to speak with a member of our Financial Education and Advice Team.

This document is issued by Motor Trades Association of Australia Superannuation Fund Pty. Limited (ABN 14 008 650 628, AFSL 238 718) of Level 3, 39 Brisbane Avenue Barton ACT 2600, Trustee of the MTAA Superannuation Fund (ABN 74 559 365 913). Motor Trades Association of Australia Superannuation Fund Pty. Limited has ownership interests in Industry Super Holdings Pty Ltd and Members Equity Bank Limited.

The information provided is of a general nature and does not take into account your specific needs or personal situation. You should assess your financial position and personal objectives before making any decision based on this information. We also recommend that you seek advice from a licensed financial adviser. The MTAA Super *Product Disclosure Statement* (PDS), an important document containing all the information you need to make a decision about MTAA Super, can be obtained by calling MTAA Super on **1300 362 415**. You should consider the PDS in making a decision.

**Fixed Scales: Death & TPD**  
**Weekly cost per \$1,000 Sum Insured**

Age Next Birthday	General Workscale		Non-Manual Workscale		Professional Workscale	
	Death	TPD	Death	TPD	Death	TPD
16	\$0.027	\$0.020	\$0.019	\$0.015	\$0.013	\$0.010
17	\$0.027	\$0.020	\$0.019	\$0.015	\$0.013	\$0.010
18	\$0.027	\$0.020	\$0.019	\$0.015	\$0.013	\$0.010
19	\$0.027	\$0.020	\$0.019	\$0.015	\$0.013	\$0.010
20	\$0.027	\$0.020	\$0.019	\$0.015	\$0.013	\$0.010
21	\$0.027	\$0.020	\$0.019	\$0.015	\$0.013	\$0.010
22	\$0.027	\$0.020	\$0.019	\$0.015	\$0.013	\$0.010
23	\$0.026	\$0.020	\$0.018	\$0.014	\$0.012	\$0.009
24	\$0.024	\$0.019	\$0.017	\$0.013	\$0.011	\$0.009
25	\$0.022	\$0.017	\$0.015	\$0.012	\$0.010	\$0.008
26	\$0.019	\$0.015	\$0.013	\$0.010	\$0.009	\$0.007
27	\$0.020	\$0.019	\$0.014	\$0.013	\$0.010	\$0.009
28	\$0.019	\$0.017	\$0.013	\$0.012	\$0.009	\$0.008
29	\$0.019	\$0.017	\$0.013	\$0.012	\$0.009	\$0.008
30	\$0.018	\$0.016	\$0.013	\$0.012	\$0.009	\$0.008
31	\$0.018	\$0.016	\$0.013	\$0.011	\$0.009	\$0.008
32	\$0.018	\$0.016	\$0.013	\$0.011	\$0.009	\$0.008
33	\$0.018	\$0.016	\$0.013	\$0.011	\$0.009	\$0.008
34	\$0.018	\$0.016	\$0.013	\$0.011	\$0.009	\$0.008
35	\$0.018	\$0.016	\$0.013	\$0.011	\$0.009	\$0.008
36	\$0.018	\$0.016	\$0.013	\$0.012	\$0.009	\$0.008
37	\$0.018	\$0.016	\$0.013	\$0.012	\$0.009	\$0.008
38	\$0.018	\$0.016	\$0.013	\$0.012	\$0.009	\$0.008
39	\$0.019	\$0.017	\$0.013	\$0.012	\$0.010	\$0.008
40	\$0.020	\$0.018	\$0.014	\$0.013	\$0.010	\$0.009
41	\$0.021	\$0.019	\$0.016	\$0.014	\$0.010	\$0.009
42	\$0.023	\$0.020	\$0.016	\$0.015	\$0.011	\$0.010
43	\$0.024	\$0.021	\$0.017	\$0.015	\$0.011	\$0.010
44	\$0.025	\$0.023	\$0.018	\$0.016	\$0.012	\$0.011
45	\$0.027	\$0.024	\$0.019	\$0.017	\$0.013	\$0.011
46	\$0.028	\$0.026	\$0.020	\$0.018	\$0.013	\$0.012
47	\$0.031	\$0.028	\$0.021	\$0.020	\$0.014	\$0.013
48	\$0.033	\$0.030	\$0.024	\$0.021	\$0.016	\$0.014
49	\$0.037	\$0.033	\$0.026	\$0.023	\$0.017	\$0.015
50	\$0.040	\$0.036	\$0.028	\$0.025	\$0.019	\$0.017
51	\$0.045	\$0.040	\$0.031	\$0.028	\$0.020	\$0.019
52	\$0.049	\$0.045	\$0.035	\$0.032	\$0.024	\$0.021
53	\$0.056	\$0.051	\$0.040	\$0.036	\$0.026	\$0.024
54	\$0.063	\$0.057	\$0.045	\$0.040	\$0.030	\$0.027
55	\$0.075	\$0.067	\$0.053	\$0.047	\$0.035	\$0.032
56	\$0.091	\$0.082	\$0.064	\$0.058	\$0.042	\$0.038
57	\$0.105	\$0.094	\$0.074	\$0.066	\$0.049	\$0.044
58	\$0.119	\$0.106	\$0.084	\$0.075	\$0.055	\$0.050
59	\$0.131	\$0.117	\$0.092	\$0.083	\$0.061	\$0.055
60	\$0.147	\$0.132	\$0.104	\$0.093	\$0.069	\$0.062
61	\$0.157	\$0.140	\$0.111	\$0.099	\$0.074	\$0.066
62	\$0.167	\$0.149	\$0.117	\$0.105	\$0.078	\$0.070
63	\$0.178	\$0.159	\$0.125	\$0.112	\$0.083	\$0.074
64	\$0.196	\$0.175	\$0.138	\$0.123	\$0.091	\$0.082
65	\$0.212	\$0.190	\$0.148	\$0.132	\$0.099	\$0.088
66*	\$0.229	\$0.206	\$0.163	\$0.146	\$0.107	\$0.096
67*	\$0.261	\$0.234	\$0.182	\$0.164	\$0.121	\$0.109
68*	\$0.290	\$0.260	\$0.205	\$0.184	\$0.135	\$0.121
69*	\$0.325	\$0.291	\$0.227	\$0.203	\$0.152	\$0.136
70*	\$0.391	\$0.350	\$0.278	\$0.249	\$0.182	\$0.164

\*Activities of Daily Work (Definition B) will apply for 100% of the benefit of TPD from 65th birthday.

# A new way of reporting investment fees and costs

From 30 September 2017, super funds are required to change the way they disclose investment costs and fees for all investment options. These changes are prescribed by the Australian Securities & Investment Commission (ASIC) in Regulatory Guide 97 (known as RG97).

RG97 requires all issuers of super, pension and investment products to disclose extra information about fees and costs which impact investment returns. There are no new fees or costs being introduced and no increases to existing fees and costs, just changes to the way we disclose information to you.

## What is changing?

Investment costs which were reported as 'Indirect Cost Ratios', will now be reported as 'Investment Fees'. These are the costs incurred to manage your investments and include things like:

- costs of property managers and investment managers, and
- operational and transactional costs paid by the Fund in buying and selling assets (for example stamp duty and brokerage).

RG97 also requires that the 'Additional explanation of fees and costs' section of the relevant PDS must now include:

- separate disclosure of the transactional and operational costs for each investment option
- borrowing costs incurred for the Fund's interposed vehicles (mainly used for the Fund's investments in unlisted property), and
- real property operational costs for each investment option (some of the costs of the Fund's building assets such as rates, cleaning and repairs and maintenance, which are offset against rent received).

These are not new fees and costs and have always been reflected in the net investment returns to members.

## How will this change impact members?

The fees and costs you pay won't change, just the way we disclose them to you. The way we calculate the net returns for investment options will remain the same.

You can find the new investment fees and costs disclosures from 30 September 2017 in the *MTAA Super PDS* and *Super Guide* available at [mtaasuper.com.au/member-handbooks](http://mtaasuper.com.au/member-handbooks)

For more information, please visit our website at [mtaasuper.com.au](http://mtaasuper.com.au). You can also call us on **1300 362 415**. We're here to help.