

## Important news for MTAA Super members

We are writing to advise you of some changes to our fee structure and improvements to MTAA Super's products and services.

### A change in administration fees

As an industry fund, we know it is important to keep to the principle of low fees because the fees you pay can greatly affect your retirement income. This year, the Fund will be changing the way it calculates the pension administration fee to members. The majority of our pension members will receive a reduction in administration fees, but some will see an increase. The Trustee is also removing other activity based fees to simplify administration for members.

From 1 July 2013 the administration fee will change from \$7.50 per member per week to \$1.60 per member per week, plus a 0.15% per annum asset-based fee.

This means that members will be charged administration fees of \$83.20 a year plus 0.15% of their account balance.

Currently all members are charged an administration fee of \$390 a year regardless of their account balance. From 1 July 2013 this will change.

### How will the change affect you?

If your pension balance is currently less than \$204,500 there will be a reduction to your administration fees. However, if your pension balance is over \$204,500 there will be an increase to your administration fees.

For example, a pension member with an account balance of:

- \$50,000 will now pay \$158.20 a year in administration fees instead of \$390 – a decrease of \$231.80 per year.
- \$100,000 will now pay \$233.20 a year in administration fees instead of \$390 – a decrease of \$156.80 per year.
- \$200,000 will now pay \$383.20 a year in administration fees instead of \$390 – a decrease of \$6.80 per year
- \$300,000 will now pay \$533.20 a year in administration fees instead of \$390 – an increase of \$143.20 per year.

The 0.15% per annum asset-based fee component of the new administration fee has a cap in place for account balances \$300,000 or above. This means if your account balance is \$300,000 or more, you will not pay any asset based administration fees on monies above this amount.

### State offices

<b>Sydney</b> Level 5, 477 Pitt Street Sydney NSW 2000	<b>Melbourne</b> Level 2, 2 Lonsdale Street Melbourne VIC 3000	<b>Canberra</b> Level 2, 11 London Circuit Canberra ACT 2600	<b>Perth</b> Level 2, 12 St Georges Terrace Perth WA 6000	<b>Adelaide</b> Level 2, 104 Frome Street Adelaide SA 5000	<b>Brisbane</b> Level 10, 120 Edward Street, Brisbane QLD 4000	<b>Hobart</b> Ground Floor 119 Macquarie Street Hobart TAS 7000
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Please refer to the new Member Handbook (available 1 July 2013) for further information. This will be available at [www.mtaasuper.com.au](http://www.mtaasuper.com.au) or by calling **1300 362 415** to request a copy.

### **Removal of other fees**

In reviewing the administration fee to members, the Fund was able to also review other member activity based fees. Two of these fees have now been abolished with effect from 1 July 2013:

- Investment Switching Fee
- Binding Death Benefit Nomination Fee

### **Increase in withdrawal fee**

The fee for each lump sum amount that is withdrawn from your account (withdrawal fee) will increase to \$96 with effect from 1 July 2013. This is in line with new regulatory requirements that require funds to align withdrawal fees to the cost of processing withdrawals, so other members are not subsidising this activity.

### **Increase in family law fee**

Family law fees apply when splitting a benefit account when a member is going through a property settlement as a result of a relationship breakdown. There are two fees – one for seeking the necessary information and the other to facilitate a payment split. Both fees will increase to reflect the actual cost of processing these requests to ensure that it is not being subsidised by other members.

The fee to obtain information will increase to \$80.00. Note this fee is payable by the person making the request and not deducted from a member's account. The payment split fee will also increase to \$289. This fee is generally divided between both parties; \$144.50 will be deducted from the member's account and \$144.50 will be deducted from the amount transferred to the spouse's account. Where 100 per cent of the member's account balance is to be split to the spouse, a \$369 fee will be deducted from the amount to be transferred.

### **RetireSafe with MTAA Super**

In February the Fund launched a new retirement income product called 'MTAA Super RetireSafe', which will provide members with an income stream payable for life.

A key benefit of MTAA Super RetireSafe is the fact that lifetime monthly pension payments continue to be paid even when your Account Balance reduces to nil. Further, MTAA Super RetireSafe will offer members the potential for growth when markets are strong, protection against negative investment performance, access to capital and a death benefit. The amount of the lifetime pension payments can vary from year to year according to a fixed formula.

Seminars are currently being run across Australia and you can find more information about RetireSafe in the enclosed Member Update.

**Further assistance**

If you have queries related to any of these matters, please call us on **1300 362 415** or visit our website at **[www.mtaasuper.com.au](http://www.mtaasuper.com.au)**. We are here to assist you achieve your financial goals for retirement.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Leeanne', written in a cursive style.

Leeanne Turner

Chief Executive Officer

20 May 2013