



Significant Event Notice.

Important changes to your super.

23 April 2019

The Federal Government passed legislation known as 'Protecting your Super' on 12 March 2019 which included several changes that may affect your insurance cover and superannuation fees.

Insurance cover to be cancelled on all inactive accounts

From 1 July 2019, insurance cover on all inactive super accounts will be cancelled, regardless of the account balance.

For insurance purposes, your account is considered inactive if we have not received a contribution or rollover into your account for a continuous period of 16 months. Hostplus will be writing to affected members in the coming weeks to notify them of their options to maintain their insurance cover, should they wish to do so.

Inactive low-balance accounts to be transferred to the Australian Tax Office (ATO)

From 1 July 2019, all inactive low-balance accounts will be transferred to the ATO. Your account is considered to be an inactive low-balance account if:

- it has a balance of less than \$6,000; and
- for a continuous period of 16 months, we have not received a contribution or rollover into your account; and
- you haven't made any updates to your account details, such as changing investment options, insurance cover or making or amending a binding death benefit nomination, or you have not provided the ATO with a declaration that you are not a member with an inactive low-balance amount.

If your account balance is transferred to the ATO, the ATO will try to identify if you have an active super account with another fund. If a match is found it will automatically transfer your balance into that active account.

Please note if your account is transferred to the ATO you will no longer be a member of Hostplus.

Removal of exit fees

From 1 July 2019, exit fees will be banned for all Australian Super Funds. Hostplus does not charge exit fees.

New Cap on administration and investment fees for low-balance accounts

From 1 July 2019, annual administration and investment fees and costs, payable up until 30 June of any year, will be capped at a maximum of 3% for all accounts with less than \$6,000, of members who are members of the Fund as at 30 June of each Financial Year.

Work Test Exemption (WTE) Rules – Members aged between 65 and 74

Under the existing contribution rules, a person aged 65 to 74 must be gainfully employed for at least 40 hours in a 30 consecutive day period in a financial year to make voluntary contributions to superannuation (**Work Test**) provided the contribution is received from a member within 28 days after the end of the month in which they attain 75.

As of 1 July 2019 these rules will change so that members aged between 65 -74 can make voluntary contributions to super where they do not satisfy the Work Test in a particular financial year provided that:

- The member satisfied the Work Test in the financial year prior to the financial year in which the contributions were made.
- The member had a total superannuation balance (i.e. the combination of all amounts he or she holds in all of his or her various superannuation funds) of less than \$300,000 at the end of the previous financial year.
- No contributions have been accepted by any Fund in respect of the member under the WTE in any previous financial year. In other words, the WTE can only be utilised once.