



CHARGING AN ADVICE FEE WITH HOSTPLUS

With Hostplus, you and your clients can benefit from charging your financial advice fee directly from their nominated Hostplus account (excluding Choiceplus accounts).

Permissible advice fee types

All fees are deducted as a set dollar amount from a Hostplus account.

One-off	Fixed term
A one-off fee can be deducted for advice and services provided in an advice document (e.g. statement of advice/record of advice) that pertains to a member's Hostplus account.	A fixed term fee can be deducted for advice and services for a period of 12 months or less, where the agreement has a specific end date in that period.
The advice fee request must be lodged with Hostplus within 60 days ¹ of the relevant advice.	These fees must be for advice and services pertaining to a member's Hostplus account.

Where advice and services are provided for products in addition to Hostplus, and/or there are advice recipients other than the Hostplus member, the fee must be apportioned appropriately.

What types of advice can a fee be charged for?

Fee deductions are only applicable to advice and services pertaining to your client's Hostplus account, including:

- selection of Hostplus super or pension products
- investment allocation within the Hostplus super or pension products
- consolidation of super or pension products
- contributions into Hostplus
- super or pension draw-down and withdrawals
- transition to retirement strategies
- superannuation reboots/recontributions
- insurance through Hostplus
- Centrelink or age pension arrangements; and
- retirement adequacy projections.

1. Advice fee requests outside these limits may only be approved at discretion of the trustee. the

What types of fees typically can't be charged?

Any of the following examples can not be accepted:

- advice is not related to the member
- trauma and business insurance
- managed funds/direct share advice (outside of Choiceplus²)
- gearing
- debt reduction
- interests and/or features in any super fund other than Hostplus
- rolling over the full balance of a member's Hostplus account(s).

Please be aware that we do not accept advice fee requests relating to the provision of an ongoing fee arrangement.

Advice fee limits³

The following advice fee limits apply per financial year:

Advice fee frequency	Maximum fee payable
One-off and fixed term fees	The lower of \$8,000 or 2.5% of account balance per member.

Your client must retain a minimum balance of \$15,000 in their Hostplus account after the deduction of the fee is applied.

Advice fee request process

Your client's consent to have an advice fee deducted from their Hostplus account must be provided through our digital advice fee process or via an advice fee consent form.

Digital fee consent

- Advisers can lodge an advice fee request through Adviser Online
- The fee request will be validated against the eligibility criteria and rules set out in this fact sheet
- If the fee relates to a Fixed Term Arrangement (FTA), a copy of the FTA will need to be provided using the upload function in Adviser Online
- The member will receive a message via SMS and email for them to authenticate the advice fee
- Once approved, the fee is automatically deducted from the member's account and payments will be made to the Licensee twice per month.

2. The minimum balance requirements for advice fee purposes applies to the investments in a member's Hostplus pre-mixed or sector options.
 3. Advice fee requests outside these limits may only be approved at the discretion of the trustee.
 4. Hostplus will only pay an advice fee where there is a valid licensee & adviser agreement in place. This agreement is to be completed by the adviser and licensee and forwarded to agreements@hostplus.com.au

Advice Fee Consent form

- This form should only be used for Defined Benefit members or in exceptional circumstances where the digital process cannot be followed
- Acceptance of the form will be at the Trustee's discretion
- The form must be uploaded through Adviser Online, along with a copy of any supporting documentation (such as a copy of the FTA)
- This advice fee, once approved by the Trustee, will be deducted from your client's Hostplus account and paid to your Licensee.

More information on the digital advice fee process can be found [here](#).

Consent

Your client's consent expires once the amount is deducted from their Hostplus account. This means you are required to seek consent again for future advice fee deductions.

Payment process

Once the member authenticates the advice fee request, the fee will be deducted from the member's account immediately. All advice fee requests are also reviewed by the Trustee and if approved, payments will be made to the relevant Licensee twice per month.

Advice fee reviews

Hostplus (trustee) is required by APRA and ASIC (regulators) to monitor and maintain oversight on advice fees charged by financial advisers. More specifically, the advice fee oversight needs to address four key areas:

1. Are the deductions explicitly authorised by members and are they consistent with the authorisations and disclosures made to members?
2. Has advice been provided?
3. Is the deduction consistent with the sole purpose test?
4. Is the deduction in the best financial interests of the member?

The adviser & licensee agreement provides Hostplus with the ability to request at any time copies of any relevant advice document(s) to review the suitability of an advice fee. Reviews of advice fee requests will typically include assessment of the relevant advice document(s) and the advice fee request.

Ad-hoc reviews may be conducted at any time.

Hostplus reserves the right to refuse to pay an advice fee, reduce the amount of the fee or request a refund of a fee already paid if it forms the reasonable view that the advice does not relate to a matter that would allow Hostplus to action the advice fee deduction.

Assessment criteria for advice fee review

We know that financial advice can be complex, often incorporating specific and unique needs, objectives and requirements of clients, and can extend to advice for a couple across multiple subject areas and topics.

While the regulators do not expect trustees to conduct a detailed evaluation of all advice provided to members before approving the payment of an advice fee from a member's fund account, there is an expectation for trustees to determine the appropriateness of the advice fee being charged. That assessment is generally based on the following considerations:

- apportioning an advice fee: an assessment is made to determine a reasonable proportion of the total advice fee that is deducted from a member's account, taking into consideration:
 - the topics covered in the statement of advice and the associated complexity of the subject matter covered in each of these, and
 - the recipients of the advice and whether any apportionment between advice recipients is appropriate.
- topics of advice: Hostplus may permit an advice fee to be charged from a Hostplus account where the topics of advice are consistent with those outlined in the section *What types of advice can a fee be charged for?*

More information

Further information and FAQs on the advice fee consent process can be found via our website here hostplus.com.au/advisers/tools-and-resources/adviser-online-tech-support

Adviser & Licensee agreements can be completed electronically via our website here hostplus.com.au/advisers/tools-and-resources

WE'RE HERE TO HELP

If you have any questions, we're happy to help. You can call us on **1300 366 974**
8am-8pm (AEST), Monday to Friday or visit hostplus.com.au

THAT'S A PLUS+

