

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 Defined Benefit and 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 consent must be provided to 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 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 the discretion of the trustee.

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
Once off fees deducted immediately.	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 written consent to have an advice fee deducted from their Hostplus account must be provided by completing an advice fee consent form.

On receipt of the consent form, Hostplus will validate the following information:

- member details (name, address, and date of birth)
- adviser details (adviser name, email address, contact number, ASIC registration number, licensee name, AFSL number)
- that there is a current agreement in place with the licensee⁴ and
- the adviser's status on the ASIC Financial Advisers Register
- the fee meets the Hostplus requirements.

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.

This advice fee, once approved, will be deducted from your client's Hostplus account and paid to your licensee.

The advice fee consent form and licensee and adviser agreement can be found on our website at hostplus.com.au/advisers/tools-and-resources.

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 approved, all advice fees are paid by electronic funds transfer to the Licensee. Fees will not be deducted from the member's account until a licensee agreement has been entered and authorised.

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?*

Contact information

Advice fee consent forms can be uploaded via the Hostplus Adviser Portal or emailed to advisers@hostplus.com.au

Adviser & licensee agreements can be completed electronically or emailed to agreements@hostplus.com.au

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.



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