

Important changes to BT Panorama Super

We've made some important changes to BT Panorama Super.

The updated BT Panorama Super Product Disclosure Statement (PDS) and Additional Information Booklet (including terms and conditions) (Booklet) dated 1 July 2019 are now available by visiting bt.com.au/panorama or by contacting your adviser.

A summary of these changes is contained in this notice for your information. You should review this document and the updated PDS and AIB. If you have any questions, please discuss them with your adviser or contact us.

Changes to super as a result of the 2018 Federal Budget

As part of the 2018 Federal Budget, the Government proposed a number of reforms aimed at protecting super savings. The Protecting Your Superannuation Package is now law and commenced on 1 July 2019. We've outlined the key changes below and included additional information on other Federal budget initiatives regarding super contributions. We've also included specific changes affecting your super account.

Refer to the updated PDS and Booklet for more information on these changes. These are available by visiting bt.com.au/panorama or by contacting your adviser.

What is the Protecting Your Super package?

The Protecting Your Superannuation Package is designed to help protect and grow your super. It aims to ensure fees and insurance premiums in super aren't unnecessarily eroding your retirement savings.

The changes include:

- a ban on exit fees
- a 3% cap on administration and investment-related fees for accounts under \$6,000
- changes to insurance cover within super
- the transfer of inactive accounts under \$6,000 to the Australian Tax Office (ATO).

Fee caps and no exit fees

From 1 July 2019, if your super balance is below \$6,000 at the end of the financial year or at the time of exit, the total combined amount of administration fees, investment fees and indirect costs charged in the financial year is capped at 3% of your account balance. Any amount charged in excess of this cap will be refunded.

In addition, from 1 July 2019 exit fees will not be charged if you action a partial withdrawal, or if you close your super account. Exit fees are now banned from all super accounts.

Example

John has a super account balance of \$1,000 as at 30 June 2020. John's super fund will only be able to charge a maximum of \$30 in administration and investment fees, including indirect costs, to his super account. Any amounts charged in excess of this, must be refunded to his super account by 30 September 2020. If John meets a condition of release and decides to withdraw his super, no exit fees will be charged.

Changes to insurance cover in super

If your super account has insurance and the account remains 'inactive' for 16 months your insurance may be cancelled unless you tell us not to cancel it. An account is considered 'inactive' when there are no contributions or rollovers received.

If you're impacted by this change, we'll let you know before your account is considered 'inactive' and provide details of the insurance cover you hold through super and the choices available to you. You can check your insurance cover in the insurance section of your annual statement or by logging into your account at bt.com.au/panorama.

Inactive low balance accounts transferred to the ATO

From 30 June 2019, we may be required to transfer your super account to the ATO if your account balance is below \$6,000 and your account hasn't received a contribution or rollover for 16 months or more. Generally, your super account won't be transferred to the ATO if in the last 16 months you've:

- made an investment switch
- made or amended a binding beneficiary nomination, or
- provided us with a written authority to notify the ATO that you're not a member of an inactive low-balance account and want your account to remain with us.

Additionally, your account will not be transferred to the ATO if:

- you have insurance attached to your super account
- you've met a prescribed condition of release, or
- your account is a pension account, including transition to retirement income streams.

The 2018 Federal budget also announced other key changes to super

Work test exemption

Generally, if you're aged between 65 and 74 you need to meet a work test to make personal contributions to your super. The work test means you must be 'gainfully employed' for at least 40 hours in any 30 consecutive day period in the financial year in which the contribution is made.

From 1 July 2019, you'll receive an exemption from the work test if you met it in the previous financial year and your total super balance was less than \$300,000 at 30 June in that same year. This means, if you're over 65, you may be able to make additional contributions to super in the financial year after you retire.

The exemption can only be used once in your lifetime.

Example

Joan is age 67 and was working 3 days per week before retiring on 3 April 2019. Joan wants to make a personal contribution to her super in the 2019/20 financial year but she isn't working. As at 30 June 2019 her super balance was \$200,000. Joan can use the work test exemption to contribute to super.

Catch-up concessional contributions

If your total super balance is less than \$500,000 on 30 June of the previous financial year and you have not used your entire concessional contributions cap in any of the previous five financial years, you may be able to make additional concessional contributions above the standard cap (currently \$25,000) up to the value of your unused cap amount. Unused cap amounts can only be accrued from 1 July 2018. For more information refer to www.ato.gov.au.

Example

Peter has a total super balance of \$325,000 on 30 June 2019. During the 2018/19 financial year Peter received a total of \$10,000 in concessional contributions to superannuation. Peter has accrued \$15,000 in unused concessional contributions. Therefore he may be able to contribute this unused concessional contribution of \$15,000, plus \$25,000 for the 2019/20 financial year, totalling \$40,000, without exceeding his concessional contribution cap.

Other changes to your super account

Changes to your Cash Account

From 1 July 2019, we've updated the name and description of your 'cash account' to 'transaction account', to more clearly explain that it is transactional in nature and not intended to be used as an investment option.

Introduction of a minimum account balance following a withdrawal or rollover

From 1 July 2019, if you request a partial withdrawal or rollover that would result in your account balance falling below \$10,000, we may need to assess your request. You may need to request a full withdrawal or a partial withdrawal that will leave at least \$10,000 in your account.

Introduction of Adviser portfolio tools

From 1 July, you may have access, through your adviser, to Adviser portfolio tools, which your adviser can use to provide us with your instructions to manage assets in your Panorama Super account according to your specified allocations and weightings.

Check with your adviser if you would like to know whether Adviser portfolio tools are available in relation to your account, and refer to the updated PDS and Booklet for more information. Please note that Adviser portfolio tools are not available to all investors.

Removal of the Licensee advice fee

From 1 January 2020, we will no longer facilitate the payment of the Licensee advice fee, and therefore you will no longer be able to direct us to pay this fee from that date. Please speak to your adviser if you have any questions in relation to your arrangements regarding the payment of the Licensee advice fee or its cessation from 1 January 2020.

Transfers between the Compact and Full menu

We've made it easier to transfer from the Compact menu to the Full menu (or vice versa). Contact your adviser or the Panorama Support team for more information on how to do this.

For more information

- your adviser
- bt.com.au/panorama
- support@panorama.com.au
- 1300 881 716



Things you should know

This information in this document is current as at 20 August 2019 and has been prepared without taking account of your objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. BT Funds Management Limited ABN 63 002 916 458 (BTFM) is the trustee and issuer of Panorama Super, which is part of Retirement Wrap ABN 39 827 542 991. BT Portfolio Services Ltd ABN 73 095 055 208 (BTPS) administers Panorama Super. A Product Disclosure Statement (PDS) for Panorama Super can be obtained by contacting BT on 1300 881 716 or by visiting bt.com.au/panorama. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of interests in Panorama Super.

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