IMPORTANT INFORMATION AND UPDATES

REGULATORY

Age based contribution limits into your super

Effective 1 July 2020, the Federal Government made changes to the age requirements for acceptance of super contributions, summarised as follows:

- Member contributions are accepted regardless of working status up to age 67, previously this was age 65.
- Spouse contributions extended up to age 75, previously this was age 70.
- Members don't have to attest to the Gainful Employment Test (GET) or confirm eligibility under the Work Test Exemption (WTE) until they turn 67 years.
- There was no change to the rules for making downsizer contributions in the 2020 Federal Budget, however, changes have been proposed in the 2021 Federal Budget (see Budget 2021 section below).

For further details regarding these changes please see the Product Updates section at onepath.com.au

Extension of reduced minimum pension payments

The measures introduced in 2020 by the Federal Government in response to COVID-19, which allow for a temporary 50% reduction of the minimum annual pension payments have been extended to 30 June 2022. This means that for members who have nominated to receive a minimum payment amount from their account or have nominated a payment amount that is less than the reduced minimums, their pension payments for the 2021/2022 financial year will be recalculated based on the reduced pension minimums.

Term Allocated Pensions

With the continuation of the reduced minimum drawdown relief, members can reduce their annual pension payment amount by up to 50% from 1 July 2021.

How to make changes to your pension payments

We recommend you speak to your financial adviser who can notify us of any changes. Alternatively, if you'd like to make changes to your arrangements you can contact us direct by calling Customer Services on 133 665.

Super Guarantee (SG) percentage

The compulsory SG rate will increase from 9.5% to 10% of an employee's eligible earnings from 1 July 2021.

Changes to contributions caps and thresholds

Caps and thresholds	Up to 30 June 2021	From 1 July 2021
Concessional contributions cap	$25,000	$27,500
Non-concessional contributions cap	$100,000	$110,000
Low rate cap threshold	$215,000	$225,000
CGT small business cap	$1.565 million	$1.615 million
Government co-contributions lower income threshold	$39,837	$41,112
Government co-contributions upper income threshold	$54,837	$56,112
General transfer balance cap	$1.6 million	$1.7 million

More Flexible Superannuation

In June 2021 the Government passed the following changes which provide additional flexibility to contribute to superannuation in certain circumstances and remove the charge on excess concessional contributions.

- If you withdrew funds from your superannuation account under the COVID-19 early release scheme, you can recontribute the withdrawn amount back to your superannuation account without impacting your non-concessional cap during the period 1 July 2021 to 30 June 2030. You cannot claim the recontribution amount as a tax deduction.
- If you are under age 67 at any time during the 2020/2021 or later financial years, you may be able to make non-concessional contributions of up to three times the annual non concessional contributions cap in a single year or over up to 3 years under the 'bring-forward' option. The amount that you can bring forward, and the extent of your bring-forward period, will depend on your total superannuation balance at 30 June of the previous financial year.
- From 1 July 2021, the excess concessional contributions charge is removed. The excess concessional contributions charge is an interest penalty that applies to the additional personal income tax payable resulting from adding any excess concessional contributions to the member's assessable income.

Federal Budget 2021

If these Budget measures become law, they are expected to be effective from 1 July 2022.

The Federal Government delivered its Budget on 11 May 2021 with some positive changes. We recommend that you seek financial and tax advice if unsure about any of the measures and how they may impact you.

Repealing the work test

Individuals aged 67 to 74

Individuals aged 67 to 74 will no longer be required to meet the work test when making, or receiving, non-concessional contributions or salary sacrificed contributions. The work test requires individuals to have been gainfully employed for at least 40 hours in 30 consecutive days during the financial year of the contribution.

Personal deductible contributions to super will still be subject to meeting the work test.

Eligible individuals in this age group will also be able to access the non-concessional 'bring forward' cap. For example, they may make non-concessional contributions in a financial year of up to three times the annual non-concessional contributions cap depending on their total superannuation balance at 30 June of the last financial year without penalty.

Reducing the eligibility age for making a downsizer contribution

Individuals aged 60 and over

The eligibility age to make a downsizer contribution to super will reduce from 65 to 60 years of age.

The downsizer contribution allows eligible individuals to make a one-off, contribution to their super of up to $300,000 per person (or $600,000 per couple) from the proceeds of selling their former home which they and/or their partner owned for at least 10 years before the sale.

The downsizer contribution does not count towards the non-concessional contribution cap and can be made regardless of work status or total super balance. A deduction cannot be claimed for the contribution.

Removal of the minimum income threshold for Superannuation Guarantee (SG) contributions

Employees earning less than $450 per month

Employees will no longer be required to earn a minimum amount of income each month before they become eligible to receive a SG contribution from their employer to their super. Currently, employers are not required to make SG contributions for their employees earning less than $450 per month.

This measure will improve equity in the super system by expanding the SG coverage for individuals with lower incomes and those who have casual positions with multiple employers.

Changes to the First Home Super Saver (FHSS) scheme

Individuals who are first home buyers

The maximum amount of 'voluntary contributions' that can be released from super under the First Home Super Saver (FHSS) scheme to help purchase a first home will increase to $50,000 from $30,000.

Specifically, individuals will still be able to contribute up to $15,000 of voluntary contributions from any one financial year, but the FHSS amount that can be withdrawn will increase to a total of $50,000 of eligible voluntary contributions across all financial years, plus earnings.

'Voluntary contributions' that can be released under the FHSS scheme are voluntary concessional and non-concessional contributions made on or after 1 July 2017.

Legacy retirement income product conversions

Individuals with term allocated, life-expectancy and lifetime pension products which started prior to 20 September 2007

Individuals invested in the above-mentioned products will have the choice to transition out of these legacy retirement income products and into a more contemporary account-based retirement product. Currently, individuals have restricted access to capital and flexibility of drawdowns with these legacy products.

Individuals will have a two-year window to do this (we are expecting this to be from 1 July 2022 to 30 June 2024).

An individual will be able to fully commute their legacy retirement income product back into a super account. From there, they can decide to commence a more conventional account-based retirement pension or take it as a lump sum or leave it in their super account.

Any commuted reserves will not count towards the concessional contributions cap but will be taxed at 15%.

Individuals need to consider the social security consequences of taking up this option. Existing social security concessions that may apply to their legacy retirement income product will be lost upon conversion. However, the commutation of the legacy retirement income product will not cause a Centrelink debt to arise.

Extension of the low and middle income tax offset (LMITO)

Individuals who are low and middle income earners

The Government has further extended the availability of the LMITO for another financial year. It provides a tax saving (maximum benefit) of $1,080 for individuals on taxable incomes between $48,000 and $90,000 and some benefit either side, before cutting out at a taxable income of $126,000 or more. The LMITO will reduce tax for eligible individuals lodging their income tax return for the 2021/22 financial year.

INVESTMENT FUND CHANGES

We're committed to helping you achieve your financial goals by regularly reviewing the investment menu available to you, making sure you have access to market-leading investment funds.

OnePath Geared Australian Shares Index Fund

Not applicable for OnePath Integra Pension

Invesco Australia Limited (Invesco) has been appointed to replace Vanguard Investments Australia Limited (Vanguard) as the underlying manager for OnePath Geared Australian Shares Index Fund. The change of manager was completed in early June 2021. There is no change in the strategic asset allocation.

Invesco Australia Limited

ABN 48 001 693 232

Funds under management A$1.8 trillion (as at 31 March 2021)

Invesco Australia Limited is a 100% owned subsidiary of Invesco Ltd. Invesco Ltd is a leading global investment firm whose purpose is to deliver an investment experience that helps people get more out of life. As an independent firm, solely focused on investment management, we direct all our intellectual capital, global strength and operational stability towards helping investors achieve their long-term financial objectives.

Headquartered in Atlanta, USA, the firm has assets under management of approximately A$1.8 trillion (as at 31 March 2021) and is listed on the New York Stock Exchange (NYSE Code IVZ). Invesco has solid financials, and investment grade debt rating, and a strong balance sheet. Founded in 1935, today Invesco Ltd serves clients around the globe, with an on-the-ground presence in 26 countries. Invesco Ltd has more than 8,000 employees worldwide including more than 800 investment professionals. Invesco's clients benefit from a commitment to investment excellence, a strong depth of investment capabilities, and organisational strength.

As a fully independent firm, all of Invesco's resources are dedicated to investment management. Rather than being shackled by a single 'house view', each of the firm's investment centres worldwide has its own unique methodology for investing.

Invesco's specialised offerings for Australian investors include Australian equities (quantitative; long-only, smaller companies, efficient income); fixed income (senior secured loans, distressed credit); global equities (fundamental high conviction); and alternatives (multi-asset; direct property).

OptiMix updates

In December 2020, changes were made to the investment managers who manage Australian shares, Australian and international fixed interest. These manager changes flowed through to the OptiMix and OnePath diversified funds as they invest into the OptiMix Australian shares, Australian and international fixed interest investments.

In May 2021, changes were made to the manager exposures across international equities and emerging markets. These changes flowed through to the OptiMix and OnePath diversified funds as they invest into the OptiMix International Equities and Emerging Markets funds.

Further details can be found in the Product Updates section at onepath.com.au

Investment fund name changes

The following investment funds changed their name, effective 24 May 2021. There are no changes to investment objectives or strategy..

Previous fund name	Current fund name	Updated fund manager
OptiMix Super and OptiMix Pension		
OptiMix Enhanced Cash	OptiMix Cash	n/a
OptiMix Global Smaller Companies Share	OnePath Global Smaller Companies Shares	OnePath Funds Management Limited
OnePath Integra Pension		
Rothschild Ethical	Pendal Sustainable Conservative	Pendal Institutional Limited
Rothschild Balanced	Pendal Active Balanced	Pendal Institutional Limited
CFS Wholesale Leaders	First Sentier Wholesale Leaders	First Sentier Investors

Review and Adjustment of strategic asset allocation

OnePath and OptiMix Diversified funds

The strategic asset allocation benchmarks and associated ranges for a number of OnePath and OptiMix diversified funds were adjusted and the changes include the addition of a new asset class 'unlisted assets'. 'Unlisted assets' is a generic term referring to investments that are not listed on any tradeable exchange such as a stock market. They can include such investments as property, infrastructure, private equity or hedge funds.

The role of 'unlisted assets' in the OptiMix and OnePath diversified funds is to contribute an attractive return and risk trade-off that is less correlated to the funds' other asset classes. Unlisted assets exposure in the OptiMix and OnePath diversified funds will initially comprise investments in unlisted property and may include other suitable investments that fit this profile in future.

OptiMix Conservative~

Asset Class*	Previous			Current		
	Benchmark (%)	Min Range (%)	Max Range (%)	Benchmark (%)	Min Range (%)	Max Range (%)
Cash	7	0	27	9.5	0	27
Australian fixed interest	22	12	32	–	–	–
International fixed interest	20	10	20	–	–	–
Fixed interest**	–	–	–	40	32	52
Listed real assets#	4	0	12	3	0	12
Unlisted assets##	–	–	–	3	0	13
Australian shares	10	0	20	10.5	0	20
International shares±	12	2	22	13.5	2	22
Alternative investments†	25	13	37	20.5	13	37

~ Known as OptiMix Capital Stable in OnePath Integra Pension.
* The maximum asset allocation to growth assets for the OptiMix Conservative Investment option is 37%.
** Fixed interest comprises Australian and international fixed interest. It may include exposure to government, corporate, inflation protected and/or other securities.
\# Listed real assets may include allocations to global listed property and infrastructure securities.
\#\# Unlisted assets include Australian and global property.
± International shares may include exposure to emerging markets and/or global small cap securities.
† The Alternative investments portfolio may include investments such as alternative credit, hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days).

OnePath Balanced~ and OptiMix Moderate#

Asset Class*	Previous			Current		
	Benchmark (%)	Min Range (%)	Max Range (%)	Benchmark (%)	Min Range (%)	Max Range (%)
Cash	5	0	25	6	0	25
Australian fixed interest	17	2	32	–	–	–
International fixed interest	14	0	29	–	–	–
Fixed interest**	–	–	–	28	16	46
Listed real assets#	6	0	16	5	0	16
Unlisted assets##	–	–	–	3.5	0	14
Australian shares	18	3	33	16.5	3	33
International shares^	20	5	35	20	5	35
Alternative investments†	20	4	36	21	4	36

~ Available through OnePath Integra Pension.
\# Available through OptiMix Super and OptiMix Pension.
* The maximum asset allocation to growth assets for the OnePath Balanced and OptiMix Moderate Investment option is 55%.
** Fixed interest comprises Australian and international fixed interest. It may include exposure to government, corporate, inflation protected and/or other securities.
\# Listed real assets may include allocations to global listed property and infrastructure securities.
\#\# Unlisted assets include Australian and global property.
^ International shares may include exposure to emerging markets and/or global small cap securities.
† The Alternative investments portfolio may include investments such as alternative credit, hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days).

OnePath Growth~ and OptiMix Balanced

Asset Class*	Previous			Current		
	Benchmark (%)	Min Range (%)	Max Range (%)	Benchmark (%)	Min Range (%)	Max Range (%)
Cash	3	0	23	5	0	23
Australian fixed interest	9	0	29	–	–	–
International fixed interest	8	0	28	–	–	–
Fixed interest**	–	–	–	14	0	37
Listed real assets#	6	0	16	7	0	16
Unlisted assets##	–	–	–	4	0	14
Australian shares	27	7	47	23	7	47
International shares^	29	9	49	30	9	49
Alternative investments†	18	1	38	17	1	38

~ Available through OnePath Integra Pension.
* The maximum asset allocation to growth assets for the OnePath Growth and OptiMix Balanced Investment option is 76%.
** Fixed interest comprises Australian and international fixed interest. It may include exposure to government, corporate, inflation protected and/or other securities.
# Listed real assets may include allocations to global listed property and infrastructure securities.
Unlisted assets include Australian and global property.
^ International shares may include exposure to emerging markets and/or global small cap securities.
† The Alternative investments portfolio may include investments such as alternative credit, hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days).

OptiMix Growth

Asset Class*	Previous			Current		
	Benchmark (%)	Min Range (%)	Max Range (%)	Benchmark (%)	Min Range (%)	Max Range (%)
Cash	1	0	21	1	0	21
Australian fixed interest	4	0	24	–	–	–
International fixed interest	5	0	25	–	–	–
Fixed interest**	–	–	–	5	0	29
Listed real assets#	8	0	18	7	0	18
Unlisted assets##	–	–	–	4.5	0	15
Australian shares	34	14	54	32	14	54
International shares^	35	15	55	38.5	15	55
Alternative investments†	13	0	33	12	0	33

* The maximum asset allocation to growth assets for the OptiMix Growth Investment option is 91.5%.
** Fixed interest comprises Australian and international fixed interest. It may include exposure to government, corporate, inflation protected and/or other securities.
# Listed real assets may include allocations to global listed property and infrastructure securities.
Unlisted assets include Australian and global property.
^ International shares may include exposure to emerging markets and/or global small cap securities.
† The Alternative investments portfolio may include investments such as alternative credit, hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days).

OptiMix High Growth~

Asset Class*	Previous			Current		
	Benchmark (%)	Min Range (%)	Max Range (%)	Benchmark (%)	Min Range (%)	Max Range (%)
Cash	1	0	21	1	0	21
Australian fixed interest	0	0	20	–	–	–
International fixed interest	0	0	20	–	–	–
Fixed interest**	–	–	–	0	0	20
Listed real assets#	8	0	18	8	0	18
Unlisted assets##	–	–	–	5	0	15
Australian shares	40	20	60	37	20	60
International shares^	45	25	65	43	25	65
Alternative investments†	6	0	26	6	0	26

~ Available through OptiMix Super and OptiMix Pension.
* The maximum asset allocation to growth assets for the OnePath High Growth and OptiMix High Growth Investment option is 99%.
** Fixed interest comprises Australian and international fixed interest. It may include exposure to government, corporate, inflation protected and/or other securities.
# Listed real assets may include allocations to global listed property and infrastructure securities.
Unlisted assets include Australian and global property.
^ International shares may include exposure to emerging markets and/or global small cap securities.
† The Alternative investments portfolio may include investments such as alternative credit, hedge funds, infrastructure, private equity and real estate. These assets may require a longer period of time to liquidate (i.e. greater than 30 days).

GENERAL

Your 2021 Annual Report

In line with our ongoing commitment to reduce out impact on the environment, your 2021 Annual Report will be available online in December at onepath.com.au

If you would like a hard copy (free of charge) contact Customer Services on 133 665.

Changes to investment fees, indirect costs and ongoing fees

Investment fees, indirect costs and ongoing fees for each investment fund offered through your product for the year ending 30 June may have changed from those that applied in the previous year. You can view the investment fees, and indirect costs that apply to your investment in the Fees, Deductions and Investment Returns Summary section of your Annual Statement.

Adviser payment arrangements

From December 2020, in line with Federal Government legislation, we ceased payment of any remaining 'grandfathered' commission arrangements and notified impacted investors and members.

Changes to adviser service fee (ASF) arrangements

Legislation relating to ASFs has changed the way you pay advice fees from your super, pension or investment account/s. The purpose of the changes are to ensure members and investors are aware of, and consent to, all personal advice fees they pay within these products.

From 1 July 2021, members/investors will need to provide written annual consent before any ongoing ASF or One-Off Adviser Service Fee for personal financial advice can be deducted and paid from your account.

Speak to your financial adviser for more information on the consent process or refer to the Product Updates section at onepath.com.au

APRA Levy and Regulatory Change Expense Recovery

Australian Prudential Regulation Authority (APRA) regulated superannuation funds are charged the APRA Levy each year. This levy covers APRA's general operational costs and other costs incurred by the Australian Securities and Investments Commission, the Department of Human Services (DHS) and the Australian Tax Office (ATO).

The cost of this levy for the 12 months to 30 June 2021 has been passed on by the Trustee of the Retirement Portfolio Service superannuation fund (the Fund) to its members as a 0.005% p.a. charge applied against the investments of the Fund.

The Trustee has also approved an expense recovery of 0.025% p.a. for this period. This covers some of the costs incurred to comply with the Federal Government's superannuation regulatory changes.

On 24 June 2021, a combined APRA Levy and regulatory change expense recovery of 0.03% p.a. for the 12 months to 30 June 2021 was deducted from the unit price of each member's investment options. This deduction did not include cash investment options and guaranteed products (which do not have a unit price).

To illustrate the impact of this deduction, for a member of the Fund with a $50,000 balance, the cost of this deduction would be $15.00.

Ceasing transfers to eligible rollover funds (ERFs)

As a result of legislative changes to facilitate the closure of eligible rollover funds, superannuation providers can no longer transfer a member's account balance to an Eligible Rollover Fund (ERF) from 1 May 2021.

The changes also require ERFs to transfer amounts in 'low balance accounts' (less than $6,000) as at 1 June 2021, to the ATO before 1 July 2021, and the amounts in all remaining accounts, before 1 February 2022.

The main changes from 1 May 2021 are:

- the Trustee will no longer transfer any benefits to the Australian Eligible Rollover Fund or any other ERF; where previously the Trustee may have transferred an amount payable to you to an ERF, the Trustee may now transfer the amount to the ATO; and
- the Trustee may also voluntarily transfer other amounts payable to you to the ATO if the Trustee reasonably believes that it is in your best interests.

Changes to your personal circumstances and insurance

Remember to let us know when your personal circumstances change to ensure you're still insured and paying the right insurance fees for your cover.

Even if you continue to pay your insurance fees, a change in your personal circumstances, such as retiring permanently from the workforce or if you permanently depart from Australia, could mean that you're no longer covered.

To advise us of any changes to your circumstances, call Customer Services on 133 665.

Are your contact details up to date?

It's important to stay in touch with us and let us know when things change, such as when you change your address or your name.

The Australian Taxation Office (ATO) requires us to transfer some balances if we have lost touch with the member. If an account does get transferred to the ATO, we are required to close that account and stop any insurance.

To avoid losing track of your super, keep us updated. If you have not provided your phone number or email address, you can do so by calling Customer Services on 133 665.

FEES AND COSTS OF YOUR INVESTMENT

Fees and costs are not deducted directly from your account. They are deducted from the assets of each investment fund and reflected in the unit price.

These fees and costs may include the following:

Investment fee – the cost of managing the investment fund and the underlying fund manager's Investment Management Fee (IMF).

The IMF charged by the underlying fund manager includes the fees, charges and some estimated expense recoveries that relate specifically to the management of each investment fund. If a performance related fee applies then this is not included in the investment fee, but forms part of the investment fund's indirect costs.

Administration fee (other) – includes any levies and expense recoveries that have been deducted from the assets of each investment fund. This includes the recovery of the APRA levy charged to all super funds and some of the costs incurred to comply with the Government's superannuation regulatory changes.

Buy-Sell spread – an additional cost reflected in the daily unit prices of an investment fund that is not charged separately. It is used to allocate the costs of buying and selling assets in an investment fund to those investors who are transacting on that fund rather than to members who are not transacting. As your account is valued at the sell unit price, all investments into an investment fund are reduced by the buy-sell spread at the time of the investment.

Indirect costs include costs deducted from the assets of each investment fund and reflected in its unit price. These costs relate to the investment of assets within the underlying investment funds that are not recovered by the investment fund's buy-sell spread. They include, but are not limited to, brokerage costs, custody fees, stamp duty and bid/offer spreads. They are not investment fees but may include performance related fees charged by the underlying fund manager for outperforming their performance benchmark.

If you have any questions about the fees and costs on your statement, please contact Customer Services.

ADDITIONAL INFORMATION

Nomination of beneficiary

If you have nominated a beneficiary, it will appear on your statement. A valid non-lapsing beneficiary nomination ensures that in the event of your death, your superannuation benefit will be paid in accordance with your wishes. 'Non-lapsing' means it does not expire or need to be updated, but it must meet certain requirements to be valid. See conditions below:

- We will ordinarily pay the benefits to the nominated beneficiaries in the proportions you have specified, if the requirements are met.
- If your circumstances change such as, if you marry, enter into a de facto relationship or become separated on a permanent basis, your nomination will become invalid.
- You can revoke or change your nomination by completing a valid Nomination of Beneficiary Form.
- For your Nomination of Beneficiary Form to be valid, you need to sign and date it in the presence of two witnesses, who are over 18 and not named as beneficiaries.

A will does not ordinarily control what happens to your super benefit upon death. Generally, if there is no valid non-lapsing beneficiary nomination in place, the Trustee will pay the benefit to your legal personal representative if your estate is solvent.

In addition, if you hold a pension account, your nomination may be a reversionary pensioner and/or a non-lapsing beneficiary. You can nominate your spouse as a reversionary pensioner when you set up your pension account. In the event of your death, your pension will continue to be paid to the reversionary pensioner. A valid reversionary pensioner nomination will override a valid non-lapsing nomination. If your nominated reversionary pensioner dies before you or is no longer your spouse, the Trustee will pay your benefit in accordance with any valid non-lapsing nomination. Please note: If you have nominated a reversionary pensioner on your pension account, this cannot be removed, revoked or changed.

SUPERANNUATION ONLY

Contributions tax

Contributions tax of 15% will apply to any personal contributions for which you claim a tax deduction or contributions made by your employer (including salary sacrifice contributions) or other contributions which have not previously been subject to tax.

You can claim a tax deduction for personal contributions made in the Annual Statement period, if we received your 'Notice of intent to claim a tax deduction form' by the relevant date and the notice has been acknowledged by the Trustee.

A 15% tax rate also applies to the untaxed element of a roll-over superannuation benefit and certain foreign super fund transfers. The tax payable is shown on your Annual Statement.

Contributions tax will be deducted after the end of every month. As a result, the component relating to the month ending 30 June will not be deducted from your account until the next financial year. It will not appear on the current year's annual statement as a deduction. So you can review the tax for a financial year's contributions in the one statement, the tax for the final period of the financial year is shown on the next year's statement under the heading 'Payable and Received Amounts.' If you have made a withdrawal during the year, contributions tax will be deducted at the time of withdrawal.

The contributions tax applied may not equal 15% of concessional contributions received or a positive contributions tax amount may have been applied. This is because when calculating the amount of contributions tax payable, the tax deductions claimed by the Fund on transactions like insurance fees, administration fees and any advice fees are passed onto the member as a tax benefit. If no contributions for the year were made, but the insurance and administration fees were paid, this may appear as a positive contributions tax (similar to a tax rebate).

No-TFN Contributions Tax

If you or your employer have not provided us with your TFN, a No-TFN additional tax may be applied to your concessional contributions. The additional tax is applied at the end of the financial year or on withdrawal from your account. If we are provided with a valid TFN, the No-TFN tax will not be applied and you may be entitled to any No-TFN tax applied on up to the previous three financial years to be returned to your account, as a No-TFN Tax Offset.

Additional tax for high income earners

An additional 15% tax may apply to certain concessional contributions if your income for surcharge purposes plus your low tax contributions for a financial year exceeds $250,000. For further information, visit ato.gov.au or speak to your financial adviser.

Withdrawal benefit

A withdrawal benefit is the sum you receive if you withdraw your super balance. Due to a legislative requirement, we must show how much your benefit would be worth on 30 June, but this does not mean you can access your super.

To withdraw your super, you must first meet a 'Condition of release' as follows:

- you are aged 65 or over.
- you have reached your preservation age and have permanently retired.
- you have reached your preservation age and started a 'transition to retirement' income stream, or
- you satisfy special circumstances such as you are permanently incapacitated.

For full details of when you can access your super, contact your financial adviser or Customer Services.

Preservation status

Unrestricted Non-Preserved Benefit is the amount of the withdrawal benefit at the close of the reporting period that you can access at any time.

Restricted Non-Preserved Benefit is the amount of the withdrawal benefit at the close of the reporting period that you can access, if you leave an employer who has contributed to this fund on your behalf, or when preserved benefits are payable.

Preserved Benefit is the amount of withdrawal benefit at the close of the reporting period required to be preserved by the Trust Deed and super legislation governing your benefits. Generally, you cannot access this amount until age 65, or once you have reached your preservation age (between age 55 and 60, depending on your date of birth) or you have met another condition of release, such as retirement.

The total of the preservation components is net of withdrawal fees and contributions tax payable on contributions that were made up to the end of the reporting period. Where no-TFN contributions tax is payable, it will be deducted from the withdrawal amount.

Super Guarantee Allocation

The Super Guarantee Allocation (SG Allocation) is the amount of employee entitlement paid by the ATO representing a superannuation guarantee shortfall and any interest for the shortfall.

The SG Allocation may appear on your Annual Statement as either an addition or deduction.

An addition is a payment from the ATO into your account and a deduction may be the correction of a payment received to your account or the recovery of an overpaid SG Allocation by the ATO. Speak to your financial adviser or contact the ATO for further details.

Government contributions

Government contributions can include the Government co-contribution and the Low Income Superannuation Tax Offset (LISTO). LISTO effectively returns the 15% contributions tax (up to $500) on concessional (before-tax) contributions for low income earners.

The Government co-contribution helps eligible income earners boost their super through personal (after-tax) contributions. The maximum amount is $500 and it depends on your income and how much you contribute.

The co-contribution may appear on your statement as either an addition or deduction. An addition is a payment from the ATO into your account and a deduction may be the correction of a payment received to your account or the recovery of an overpaid co-contribution by the ATO. Speak to your financial adviser or contact the ATO for further details.

PENSION ONLY

What is included in your annual statement pack?

Annual Review Letter – outlines three important pieces of information:

1. Your total pension payment for this financial year
2. The amount you should expect to receive per payment, and
3. The number of payments that will be made in the 2021/2022 financial year.

Annual Statement – includes all transactions that have been processed on your account during the 2020/2021 financial year, and your account balance as at 30 June 2021.

Payment Alteration Form – can be used to change the amount or frequency of your income stream payments, the investment fund/s from which payments are drawn or the bank details to which your payments are credited. You can also change your income payments at any time using the Pension Update Form available from our website, or by calling Customer Services. Please note, payments can only be made via electronic funds transfer (EFT) and not cheque.

Centrelink Schedule – outlines the income you will receive from your pension account for the 2021/2022 financial year.

If you are applying for, or receive a means-tested Social Security entitlement, you may need to supply the information on the Schedule to Centrelink.

Why is the Centrelink schedule included in the annual statement pack?

When you are assessed by Centrelink for the Age Pension, you are assessed on income and assets over a full financial year. To facilitate this, Centrelink Schedules are issued with information needed for Centrelink to perform this assessment.

Centrelink Schedules display an annualised value of income stream payments being received, shown as the Gross Annual Payment. The annualised value may not equal the actual value of payments you will receive in the financial year, especially if you have commenced your income stream account part way through the financial year or have changed the payment amounts you receive.

The amount that needs to be reported to Centrelink is the Gross Annual Payment which is the actual payments received, plus payments to be received (excluding commutations) in the financial year. Where the income stream commences part way through the year, the amount to be reported for the first year is grossed up to reflect an annual amount.

Each time you change your nominated income stream payment amount for the year, a revised Centrelink Schedule can be downloaded from our website. For further information contact your financial adviser or Centrelink.

How are annual payment amounts calculated?

Each financial year you must receive a legislated minimum* payment from your pension account. Generally, you can choose to receive the legislated 'minimum' payment, the 'maximum' payment (if applicable) or nominate a specified amount. The minimum and maximum annual payment is recalculated each year on 1 July using your account balance and age at that date.

Please note, if you have nominated a reversionary beneficiary on your Term Allocated Pension account, their details may also be considered when calculating your annual payment amount.

If you choose to receive the minimum annual payment, we will make income stream payments from 1 July at the new minimum level. If your nominated annual payment is already higher than the new minimum, your pension payment will remain unchanged from that paid in the previous financial year, unless you have chosen to have your payments indexed.

If the income stream payments you received for the financial year do not add up to your legislated minimum payment amount, a 'catch-up' payment will be credited to your nominated bank account on or around 30 June.

* As noted earlier in this update, the Government's temporary reduction to minimum pension payments has been extended for the 2021/2022 financial year.

Term Allocated Pensions

Only applicable for OptiMix Term Allocated Pension.

If you are invested in a Term Allocated Pension (TAP), you do not have the option to choose a payment amount^. The income payment is a set amount calculated by dividing your account balance as at 1 July each year by the Term Allocated Payment Factor for the remaining term.

^ As noted earlier in this update, the Government's temporary reduction to minimum pension payments has been extended for the 2021/2022 financial year.

Contact us

133 665
customer@onepath.com.au

PLA-19606 (54092_I0086) 0721

onepath.com.au