

# ADVICE FEE CHANGES EFFECTIVE 1 JULY 2021

30 June 2021

**As part of the Government's response to the Financial Services Royal Commission, legislative changes to both ongoing and non-ongoing advice fees have been passed, with impacts to advice fees from 1 July 2021.**

## WHY ARE THINGS CHANGING?

In response to the Financial Services Royal Commission, laws have been introduced which introduce a 'circuit breaker' for ongoing advice fees. Whilst these fees can continue indefinitely, each year advisers must seek specific consent from their clients to continue an ongoing advice fee arrangement and are required to provide that consent to product providers.

## WHAT IS CHANGING?

The key changes can be split into two categories, ongoing advice fees and non-ongoing advice fees (for example one-off advice fees) for amounts paid from superannuation, pension, or investment accounts.

The requirements for both forms of consent are outlined in legislative instruments issued by ASIC, which lists a number of specific requirements. To assist, these requirements have been included in our new enhanced advice fee forms, ensuring that a correctly completed advice form meets the client consent requirements for any fee payable from the products listed in the table following.

To read ASIC's information sheet [click here](#).

## WHAT HAPPENS TO EXISTING ONGOING ADVICE FEE ARRANGEMENTS?

If an ongoing advice fee arrangement is in force immediately before 1 July 2021, the legislation has allowed a 12-month transition period from 1 July 2021 to 30 June 2022 (Transition period).

For these arrangements to continue after the Transition period, an adviser must, in the transition period, obtain the client's consent, in a way that complies with the new legislative requirements.

Ongoing advice fees under an arrangement in force before 1 July 2021 can continue to be paid without obtaining consent until 30 June 2022.

**For an ongoing advice service fee arrangement to continue beyond 30 June 2022, a new consent form must be provided before this date.**

## WHEN DOES CLIENT WRITTEN CONSENT CEASE TO HAVE EFFECT?

Your client's written consent will cease to have effect 150 days after the anniversary day, unless your client:

- terminates the ongoing fee arrangement at an earlier date, or
- gives a new written consent in relation to the arrangement.

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- if the client provides their adviser with a new consent in relation to an ongoing advice fee arrangement, the date that new consent is given or becomes effective.

At the end of the 150-day period, and if you have not obtained a new consent, you must:

- notify the account provider within 10 business days that the consent has ceased, and
- not continue to deduct, arrange to deduct, or accept the payment of, any further ongoing fees unless you have obtained a new written consent from the client.

Legislation prohibits advisers from accepting ongoing advice fees under an ongoing advice fee arrangement without a valid consent in place that has not expired at the time the fee is paid.

The legislation also provides that an ongoing advice fee arrangement will automatically terminate if the requirements in relation to obtaining client consent are not complied with.

Therefore, to ensure the ongoing fee arrangement doesn't expire after the anniversary day of the ongoing advice fee arrangement, clients will need to renew their consent before the existing consent expires.

## WILL ONEPATH ACCEPT A LICENSEE/INDUSTRY VERSION OF AN ADVISER SERVICES FEE FORM?

No, client consent (for ongoing advice fee arrangements or one-off advice fees) will not be accepted if provided via a licensee or industry (e.g. Xplan) advice fee consent form.

OnePath advice fee forms are currently being updated to comply with legislation and will be available on [onepath.com.au](http://onepath.com.au), [anz.com](http://anz.com) and [anz.com/smartchoicesuper](http://anz.com/smartchoicesuper) by 1 July 2021.

## WILL ONEPATH CONTACT CLIENTS DIRECTLY TO OBTAIN ADVICE FEE CONSENT?

No, as clients of an adviser, it is the responsibility of an adviser to obtain renewal consent for ongoing advice fee arrangements and return the completed form to OnePath.

For one-off advice fees, again, it is the responsibility of an adviser to obtain consent for this fee and return completed forms to OnePath.

Completed Advice fee forms for the OneAnswer suite of products (including ANZ OneAnswer products) can be scanned and emailed to: [adviser@onepath.com.au](mailto:adviser@onepath.com.au)

Online Advice fee forms are also available via Account Access for the OneAnswer suite of products (excluding ANZ OneAnswer products).

## WILL ONEPATH BE PROVIDING ADVISER REPORTING TO ASSIST WITH ADVICE FEE MANAGEMENT?

At this stage our focus is on supporting advisers in meeting compliance obligations for 1 July 2021.

## HOW DO I COMPLETE THE NEW ADVICE FEE FORM?

Updated advice fee forms will be available on [onepath.com.au](http://onepath.com.au), [anz.com](http://anz.com) and [anz.com/smartchoicesuper](http://anz.com/smartchoicesuper) by 1 July 2021.

Non-OnePath advice fee forms will not be accepted.

If the advice fee form is incomplete in line with consent requirements, we cannot accept or process the form. An Adviser Services representative will contact you, and you will need to complete a new advice fee form.

## Step 1

Complete mandatory information: client account number and account holder name.

## Step 2

Fill in the relevant sections, depending on the type of fee being charged: ongoing advice fee or one-off advice fee.

**Ongoing advice fee:** If you are charging or renewing any ongoing advice fees you must complete the consent end date.

**One-off advice fee:** If you are charging a one-off fee for a super or pension account, you must select at least one service that describes what you have provided, or plan to provide, to the client for that specific fee. The list of services has been designed to be general to the type of superannuation/pension advice we would expect under the sole purpose test.

If you are charging a fee for a service not covered by this selection, consider whether the service is aligned to the sole purpose test for fees paid from superannuation or pension accounts.

If you are charging any percentage-based fees, you must provide a reasonable estimate of the total cost for the stated timeframe. For example, if charging a percentage-based ongoing advice fee, you must estimate this fee over 12 months commencing on your anniversary date, or for new clients another date as relevant to your client relationship.

## Step 3

Your client must sign and date this form. If the account is a joint account, all account holders must sign and date the advice fee form.

## Step 4

Complete required adviser details. If the adviser details are incomplete, we will be unable to accept the advice fee form due to legislative requirements. In this instance, an Adviser Services representative will contact you, and you will need to complete a new advice fee form.

## IS THERE A FORM GRACE PERIOD?

Old forms with Advice Fees will be accepted for a period of 30 days from 1 July provided the client signed and dated the form **BEFORE 1 July 2021**. Any Advice Fees signed by the client on or after 1 July must be on the updated forms.

## WHAT HAPPENS IF A CLIENT CANCELS THEIR ONGOING ADVICE FEE AFTER PROVIDING CONSENT?

Either you, or your client, can advise us in writing that the ongoing advice fee is to be cancelled. We will cancel the fee once notification has been received by us. If you no longer have a relationship with the client, we will remove you as the adviser on their account.

## HOW DO I ORDER PRODUCT DISCLOSURE STATEMENT PACKS WITH THE UPDATED ADVICE FEE FORMS?

Updated Product Disclosure Statement Packs for OneAnswer Frontier Super and Pension and Investment Portfolio will be available to order via Adviser Advantage from 5 July 2021.

## WHICH PRODUCTS ARE IMPACTED?

Product	Annual member consent required for ongoing advice fee arrangements effective 1 July 2021	Option to charge one-off advice fee
ANZ Smart Choice Super for employers and their employees (MySuper members)	n/a	✓
ANZ Smart Choice Super for employers and their employees (non MySuper members)	✓	✓
ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees (MySuper members)	n/a	✓
ANZ Smart Choice Super for QBE Management Services Pty Ltd and their employees (non MySuper members)	✓	✓
ANZ Smart Choice Super and Pension	✓	✓
OneAnswer Frontier Pension	✓	✓
OneAnswer Frontier Pension TTR	✓	✓
OneAnswer Frontier Investment Portfolio	✓	✓
OneAnswer Frontier Personal Super	✓	✓
OneAnswer Allocated Pension	✓	✓
OneAnswer Allocated Pension TTR	✓	✓
OneAnswer Term Allocated Pension	✓	✓
OneAnswer Personal Super	✓	✓
OneAnswer Investment Portfolio	✓	✓
ANZ OneAnswer Allocated Pension	✓	✓
ANZ OneAnswer Allocated Pension TTR	✓	✓
ANZ OneAnswer Personal Super	✓	✓
ANZ OneAnswer Investment Portfolio	✓	✓
OptiMix Superannuation	✓	✓
OptiMix Allocated Pension	✓	✓
OptiMix Term Allocated Pension	✓	✓
OptiMix Trust	✓	✓
ANZ Super Advantage	n/a	n/a

Integra Super	n/a	✓
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## HOW ARE WE NOTIFYING YOUR CLIENTS?

Information about required client consent will be available on [onepath.com.au](http://onepath.com.au), [anz.com](http://anz.com) and [anz.com/smartchoicesuper](http://anz.com/smartchoicesuper) by 1 July 2021.

## ANY QUESTIONS?

OnePath Advisers, please:

- call Adviser Services on 1800 804 768, weekdays between 8.30am and 6.30pm (AEST)
- email us at [adviser@onepath.com.au](mailto:adviser@onepath.com.au)
- speak with your IOOF Client Solutions Manager.

ANZ Advisers, please:

- call ANZ ServicePlus on 1800 998 996, weekdays between 8.00am and 5.30pm (AEST)
- email us at [anzserviceplus@onepath.com.au](mailto:anzserviceplus@onepath.com.au)
- speak with your IOOF Client Solutions Manager.

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