

# Significant Event Notice for Successor Fund Transfer

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# Background

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The Australian Prudential Regulation Authority (APRA) is actively encouraging mergers between superannuation funds, where the merger is considered to be in the best interests of members. Mergers result in larger funds which promote greater efficiencies for their members and ultimately lead to improved member outcomes.

In January 2021, we advised you that the trustee of your superannuation fund, Diversa Trustees Limited (DTL or the Trustee), was considering the transfer of the Powerwrap Master Plan to the Praemium SMA Superannuation Fund (ABN 75 703 857 864) (**Praemium SuperSMA**) by way of a Successor Fund Transfer (SFT).

The Trustee has now determined the SFT is in the best interests of members of the Powerwrap Master Plan and that members transferred will typically be provided with equivalent or improved rights in respect of their benefits.

## What does this mean for Powerwrap Master Plan?

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The Powerwrap Master Plan will no longer exist, and your account will form part of the Praemium SuperSMA.

## What does this mean for me?

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No action is required from you to complete the transfer and there is no cost to you. Your superannuation account will transfer to the Praemium SuperSMA and you will enjoy similar features and benefits that you currently enjoy as a member.

The transfer process is anticipated to begin on 22 March 2021 and complete by 23 April 2021.

Once the transfer has taken place you will receive an Exit Statement from Powerwrap Master Plan and a Welcome Letter from Praemium SuperSMA confirming the transfer. Your Welcome Letter will provide you with your new account number, along with other important account details, such as your minimum pension payment (see below for more information).

## How am I impacted during the SFT process?

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While the transfer is in progress, there will be some limitations on what you can do with your account. Please take the time to read the following information carefully to determine if you need to take any actions now.

**There is a 'blackout period' that will be between 22 March 2021 and 23 April 2021**, resulting in limitations on transacting on your account. The transfer of your account to the new Fund will require certain activities to be undertaken, including the transfer of your information and a reconciliation of this information in the new Fund to ensure that your records are accurate, before going live. This period is referred to as a blackout period and results in some limitations on transacting on your account.

These include:

- » No contributions, rollovers in and out or withdrawals will be able to be processed (note: we will be able to process contributions and rollovers up to 26 March 2021). These transactions will be held and completed as quickly as possible after the transfer has completed,
- » The buying and selling of investment options will be put on hold,
- » Any requests to open new accounts will not be processed, including transfers from accumulation to pension accounts,
- » Family Law enquiries of superannuation balances will be processed using the latest available data. Please note that any Orders or Agreement will need to be in the correct name of the superannuation fund at the time of processing. We recommend that if the Order or Agreement is likely to be submitted on or after 17 March 2021, it should state the Fund name as Praemium SMA Superannuation Fund, not Powerwrap Master Plan. If you wish to submit draft Orders or Agreements, or require a split of your superannuation balance under Family Law during the blackout period, please contact us for further information.

It is anticipated that the processing of all the above transactions will commence on 26 April 2021.

If you are considering requesting any of the above transactions, please do so prior to 22 March 2021, otherwise you will need to wait until after 26 April 2021 before these transactions can occur.

For more information on the timing of the SFT and certain transactions, please refer to the table on page 5, titled, 'When will the transfer take place?'

## What will change?

### Ongoing Administration Fees

The table below details Administration fees you currently pay within your Powerwrap Master Plan and the fees that will be charged to your account following the transfer process. The Praemium SuperSMA generally provides for a significant discount to your ongoing administration fees and is reflective of the greater scale and benefits that can be passed on to clients. The Administration fees reflected are annual unless otherwise stated.

Current Administration Fees Powerwrap		Praemium SuperSMA Administration Fees From 1 April 2021	
Up to \$100,000	0.697%	Up to \$100,000	0.37%
\$100,000 - \$250,000	0.595%	\$100,000 - \$250,000	0.37%
\$250,000 - \$500,000	0.420%	\$250,000 - \$500,000	0.30%
\$500,000 - \$1m	0.318%	\$500,000 - \$1m	0.20%
\$1m - \$2m	0.185%	\$1m - \$2m	0.00%
>\$2m	0.082%	>\$2m	0.00%
Minimum Monthly Fee	\$0	Fund Accounting Fee	\$12 per month
ORFR	0.05%	ORFR	0.03%
Insurance Fee	5.00% of Premium	Insurance Fee	0.00%

## Adviser Service Fees

Any fees that you currently pay to your adviser in the Powerwrap Master Plan will continue to be paid in Praemium SuperSMA, unless you tell us otherwise.

### Other Fees & charges

For a full description of fees and charges applying to the Praemium SuperSMA, please refer to the Praemium SuperSMA Product Disclosure Statement available at [www.praemium.com.au/resources](http://www.praemium.com.au/resources)

### Administration and Advice Fees for March 2021

The **'blackout period'** referred to above requires that the Fund be closed whilst final Powerwrap Master Plan member balances are calculated and reconciled, and all benefits transferred to Praemium SuperSMA. This process will occur at the time the March administration and advice fees process is normally conducted. Given this overlap, the March fees payable on your account will be calculated on the final day (3<sup>rd</sup> March 2021) that your benefits sit within the Powerwrap Master Plan, however the March Fees payable will be deducted from your cash holding within your new Praemium SuperSMA account. We expect this to take place on or around the 15<sup>th</sup> April 2021.

## Investments

All investments that you currently hold within the Powerwrap Master Plan will be transferred over to your Praemium SuperSMA Account effective 1 April 2021.

## Your Pension Payments

### March Pension Payments

Current nominated pension payments are expected to remain in place following completion of the transfer to Praemium SuperSMA

However, the Trustee is required to ensure that members receive at least the minimum income payment amount each year. If a superannuation income stream does not run for a full financial year, the minimum amount is calculated as a pro-rata amount of the annual minimum that applies for each member in the financial year.

When Powerwrap Master Plan is transferred to Praemium SuperSMA, an additional income amount may need to be paid to ensure that these legislated minimum payments are reached, where a member has not received at least the pro-rated minimum amount between 1 July 2020 and 31 March 2021. This may result in an adjustment to a regular amount, or an ad-hoc income payment.

This payment will be included in the final pension payment from Powerwrap Master Plan on or around 15 March 2021 (to the extent that any adjustment to your regular pension payments is necessary).

When the new account in Praemium SuperSMA commences, a new minimum is calculated based on the value of the account, your age at the date of transfer and the number of days to 30 June. You will need to receive at least the pro-rata minimum after the transfer .

### Services Australia (Centrelink)

The transfer of your pension to Praemium SuperSMA **does not** result in the commencement of a new pension for Centrelink purposes.

When the transfer is completed, Services Australia will continue to assess the account in the same manner as they did before the transfer. If you are in receipt of benefits, we remind you of the obligation to report any

change in your circumstances to Services Australia. Please contact us if you require an Income Stream Schedule to be sent.

## Your Online Praemium Investor Portal

You will receive online access to your account via the Praemium Investor Portal which has a range of features that will allow you to keep engaged with your retirement savings, including:

- » Details of all transactions impacting your account
- » Information on your investments, including current investment holdings and investment performance information
- » Access to Product Disclosure Statements and other important information pertaining to your account

## What won't change?

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### Insurance Cover

Your existing Death, TPD and/or Income Protection insurance benefits (if applicable) will continue as is, including how insurance premiums are calculated. All insurance policies will be held in the name of DTL as Trustee of the Praemium SuperSMA.

### Binding beneficiary nominations

On transfer, all binding and non-binding death nominations will be transferred across to Praemium SuperSMA on the same basis as your original instructions. If you wish to make changes to your death benefit nomination, a Beneficiary Nomination form to complete can be found at [www.praemium.com.au/resources](http://www.praemium.com.au/resources)

## Do I need to do anything now?

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To ensure that standard service times can be met for some transactions it is recommended that you complete the following tasks before the 19 March 2021:

- » Submit any Notice of intent to claim or vary a deduction for personal super contributions,
- » Make any application for contributions splitting, and
- » Sell down any investments which will allow settlement prior to the transfer taking place.

## When will the transfer take place?

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The SFT process is anticipated to begin on 22 March 2021 and complete on 23 April 2021.

A timeline for key events in relation to the SFT is as follows:

Key events	Date
Initial letter of intent to SFT	15 January 2021

Key events	Date
Significant Event Notice (this notice)	18 February 2021
Last day to deposit money into Powerwrap Master Plan or provide instructions prior to the blackout period	19 March 2021
Blackout period starts and the SFT pause in processing for some transactions	22 March 2021
New bank account effective	1 April 2021
Blackout period for processing and transacting on your account ends	23 April 2021
SFT is completed	23 April 2021
Catch up on transaction processing and unit prices completion	23 April 2021
Exit and Welcome Letters sent	28 April 2021

These timings may be subject to change, however if there are any material delays, you will be informed of the new timings.

## Important items to consider and complete after the transfer

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This process will require you to take certain actions from the list below as they apply to you

### 1. Notify your employer of the new Powerwrap Master Plan details for payment of contributions

If your employer is making contributions to Powerwrap Master Plan on your behalf, you will need to provide your employer with the new USI for Praemium SuperSMA. The USI for Praemium SuperSMA is 75 703 857 864 088. We recommend that you do this as soon as possible from 1 April 2021.

### 2. Making contributions

Any direct debit arrangements that are in place for you or your employer to make contributions will expire. However, you will have the option to make contributions via Electronic Funds Transfer (EFT). Your employer can make contributions through Superstream and EFT. Details of this will be provided to you with the Welcome Letter.

# What do I need to do if I do not want to participate in the transfer?

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If you do not wish to participate in the transfer, you can either:

- » Request the transfer of your entire account balance to another superannuation fund, or
- » Request a full withdrawal of your account (subject to meeting a condition of release).

To make such a request, please complete an account closure form and send it to us by 19 March 2021. You can access a withdrawal form from [www.powerwrap.com.au/resources](http://www.powerwrap.com.au/resources), or alternatively contact your financial adviser.

Please note that the processing of withdrawal requests is subject to all underlying investments (e.g. managed funds, shares, term deposits, etc.) being sold prior to the commencement of the blackout period.

Please note that if you are in receipt of benefits from Services Australia (Centrelink), and you elect not to participate in the transfer, this will impact the way in which Services Australia assess your benefits. We recommend you seek financial advice before you make any decisions.

## Disclosure documents

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A Product Disclosure Statement (PDS), Additional Information Guide and Investment Guide will be made available following the transfer on the Investor Portal Praemium Website.

## We are here to help

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If you have any questions or would like further information, please contact us at the following:

- » Phone: 03 8681 4600
- » Email: [Super@powerwrap.com.au](mailto:Super@powerwrap.com.au)
- » Address: PO Box 16071 Collins Street West Vic 8007

Kind regards

For and on behalf of Diversa Trustees Limited

Trustee of Powerwrap Master Plan

# Frequently Asked Questions (FAQs)

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**Q. What if my employer makes contributions using Powerwrap Master Plan's existing USI details?**

A. We will continue to accept employer contributions using Powerwrap Master Plan's existing USI details until 29 March 2021. Any superannuation contributions made by your employer after 5pm on 29 March 2021 using **Powerwrap Master Plan's** existing (old) USI will not be processed and will be refunded to your employer. You should provide the new USI (75 703 857 864 088) to your employer as soon as possible to avoid delays in receiving your payments.

**Q. Can I make contributions to my new account?**

A. Subject to eligibility, of course you can. Your super is not only one of the most important investments you can make in your lifetime, it is also one of the most tax effective ways to invest for your retirement. Making regular contributions to your super will go a long way towards realising your dreams of financial independence. Praemium SuperSMA accepts contributions of all types including employer SG, employer additional, member personal, and government contributions. You will also be able to make contributions via EFT, however any direct debits you have in place will expire.

**Q. Will my account balance or details change?**

A. As part of the transfer, all of your relevant member information and your account balance will be transferred by 22 April 2021, and pricing on your specific investment options will be updated as quickly as possible during April 2021.

Your member number will change. You will receive a new member Welcome Letter with your personal member information.

**Q. What is happening with my insurance?**

A. Your insurance benefits will be transferred over into the Praemium SuperSMA with no changes to existing insurance arrangements. You will need to review any enduring rollover requests for insurance cover with your existing superannuation fund.

**Q. What will happen to tax true up for FY 2020**

A. Final tax calculations for the Powerwrap Master Plan for the period up to 31 March 2021 will be processed before the transfer takes place.

**Q. Will my investments be taxed because of the SFT?**

A. No. Your investments will be transferred 'in specie' into the Praemium SuperSMA and not incur a tax liability.

**Q. Can I provide notice of intent or request for splitting contributions after the SFT?**

A. Yes, you can make requests at any time, even for the Financial Year of 2020. Note that if you do wait until after the SFT, that the processing times may be delayed.

**Q. What impact will the SFT have on my Transfer Balance Cap?**

A. When your income stream/pension is transferred a commutation event (which is a debit value), and a new account opening event (which is a credit value) will be reported to the Australian Taxation Office (ATO). The amount reported for both these events will be the value that is transferred, so the overall impact on your individual balance cap will be neutral.



***Q. Will I receive a Superannuation Income Stream PAYG Payment Summary?***

A. If your income payments from Powerwrap Master Plan included income that is assessable for tax purposes, you will receive a PAYG Payment Summary when your account is transferred. You may receive a second PAYG Payment Summary in July 2021 from Praemium SuperSMA if required. You will need to include both of these when completing your Tax Return.