

Important change notice



On **1 May 2021**, we reduced most of our Indirect Cost Ratios. The table below shows the changes.

On **1 July 2021**, we are reducing our administration fee cap, introducing a tax rebate for insurance premiums, and changing when we charge our flat administration fee.

Indirect Cost Ratios have been reduced

On **1 May 2021**, we reduced most of our Indirect Cost Ratios. These are expenses incurred by external providers in managing your investments, such as brokerage and stamp duty. Indirect Cost Ratios are not charged to you as a fee but are reflected in your investment returns. An Indirect Cost Ratio is used to calculate any deductions from returns.

The Indirect Cost Ratios for each investment option, effective 1 May 2021, are listed on the table below. For comparison, we have also provided Indirect Cost Ratios effective to 30 April 2021. Details of the option(s) that your super balance and future contributions is invested in can be seen by logging into your account at lgiasuper.com.au.

INDIRECT COST RATIOS				
Investment option	% p.a. (up to 30 April 2021)	Per \$50,000 invested (up to 30 April 2021)	% p.a. (from 1 May 2021)	Per \$50,000 invested (from 1 May 2021)
MySuper	0.69%	\$345	0.45%	\$225
Aggressive	0.61%	\$305	0.41%	\$205
Diversified Growth	0.69%	\$345	0.45%	\$225
Balanced	0.61%	\$305	0.40%	\$200
Stable	0.45%	\$225	0.30%	\$150
Defensive	0.29%	\$145	0.20%	\$100
International Shares	0.16%	\$80	0.16%	\$80
Australian Shares	0.07%	\$35	0.09%	\$45
Property	1.40%	\$700	0.92%	\$460
Diversified Fixed Interest	0.10%	\$50	0.04%	\$20
Cash	0.00%	\$0	0.00%	\$0
Socially Responsible Balanced	1.07%	\$535	1.41%	\$705
Socially Responsible Australian Shares	0.09%	\$45	0.12%	\$60

SUMMARY OF CHANGES

Indirect Cost Ratios have already mostly been reduced.

Changing when we charge our flat administration fee, from weekly to monthly.

Reducing our administration fee cap.

Introducing a tax rebate on insurance premiums.

Changing the allocation of LGIAsuper's tax deduction for administration costs.

Processing timings during merger with Energy Super.

We are here to help
If you have any questions



1800 444 396



weekdays 8.30am
to 5.00pm AEST



info@lgiasuper.com.au

Changing from weekly to monthly flat administration fee

From **1 July 2021**, we are changing the frequency of our flat administration fee from weekly to monthly.

The flat administration fee of \$1 per week, per account is not changing. This fee is deducted directly from your account. It is the fee that covers the costs of administration to run your superannuation account throughout the year.

This includes processing transactions, telephone support, Member Online, general advice, preparing statements, and sending communications. Changing from weekly to monthly in arrears means that this money will be in your account for longer, which could earn you more returns.

Reducing our administration fee cap

The total administration fees we charge are currently capped at \$1,575 per year across all LGIAsuper accounts you hold during a financial year (excluding the defined benefit component of Defined Benefit accounts).

If you were charged total administration fees above \$1,575 in any financial year the difference would be rebated to your eligible accounts at the time the rebate was applied. The administration fee cap will no longer apply if you close all of your accounts during the financial year.

From 1 July 2021, we will be reducing the cap to \$900 per year with the cap now applying to the percentage-based administration fee of 0.18%.

The flat administration fee of \$1 per week, per account is not included when calculating the rebate. You will receive the rebate if you still hold an eligible account at the time the rebate is applied.

The administration fee cap will no longer apply if you close all of your accounts during the financial year.

If the total of your eligible account balances at the end of each financial year exceeds \$500,000, any percentage-based administration fee above \$900 will be rebated to your accounts proportionately to their balances at the end of each financial year as a credit to your account in the following financial year.

This change will be applied at the end of the 2021/22 financial year.

Introducing a tax rebate on insurance premiums

LGIAsuper receives a tax deduction on insurance premiums paid by members which reduces the amount of tax paid by the fund.

Currently any tax deduction received on insurance premiums is paid into a general reserve.

From 1 July 2021, the benefit of any tax deduction available to the fund for insurance costs deducted from your account will be rebated to your account. This refund is currently 15% of the gross insurance cost.

This change is only applicable to Accumulation account holders with insurance and Defined Benefit account holders with additional insurance.

Processing timings during merger with Energy Super

The merger of LGIAsuper and Energy Super is planned for Thursday 1 July 2021. Between 1 July and 12 July 2021, there will be delays to transaction processing, as follows:

- Earning rates will not be declared on 2 July 2021. Contributions and investment switches effective for Friday 2 July 2021 will be processed with an effective date of Monday 5 July 2021.
- Earning rates will not be published on LGIAsuper's website. They will be applied retrospectively and you will be able to view them once they are available.
- Once earning rates are available, processing will resume and contributions, rollovers, full and partial benefit withdrawals received during this period will be progressively processed. Any contributions and investment switches will be processed according to the applicable effective date.
- Pension account members with a fortnightly payment due on 6 July 2021, will still receive their scheduled payment using the last available earning rate.
- During this period, only urgent transactions, such as financial hardship payments and pension income payments will be made. If you have an urgent claim during this period, please contact us on **1800 444 396** as it may be possible for you to access part of your benefit.

Timings may change during this period, so for the most up-to-date information please visit lgiasuper.com.au/merger-updates.

Changes to the allocation of LGIAsuper's tax deduction

LGIAsuper claims a tax deduction each year for costs that relate to the administration of the fund. At present, this tax deduction is included in the net investment earnings which are applied to member's accounts.

From 1 July 2021 the amount of the tax deduction for the administration costs will be paid into the General Reserve.

LGIAsuper maintains a General Reserve to ensure there are sufficient funds to meet current and future liabilities for administration costs, strategic initiatives and operational risks.

We use this account to pay the administrator's fees and any other administration and operating expenses of the trustee or fund. Any excess retained in the account is ultimately applied for the benefit of the membership as a whole.

What do you need to do?

You do not need to do anything. If you would like to find out more about our fees, visit lgiasuper.com.au/compare/fees-and-costs or you can refer to the *Product Disclosure Statement (PDS)* for your account.

You can change or cancel your insurance cover at any time by logging in to your account at lgiasuper.com.au or by calling us on **1800 444 396**.

🗨️ SUPERANNUATION 🗨️ INVESTMENT 🗨️ ADVICE 🗨️ INSURANCE

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