

Group Super News

Your member update

Defined Benefits | October 2020

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**A note from Rosemary Vilgan
Chair, Trustee Board**

“In challenging times, the continued focus on members’ best interests and financial wellbeing is our priority.”

Like many, I have been shocked and saddened by the extraordinary events of 2019-20. Devastating bushfires, geopolitical unrest, and the sad health and economic impact of the Coronavirus pandemic. It’s been a year like no other.



I hope you and your loved ones are safe and well, and have support networks around you. We aim to be a part of those networks when it comes to your financial wellbeing and savings for the future.

From the fund

In addition to managing the events mentioned earlier, which impacted all, the fund over the past year has been working on other key areas that impact your superannuation.

Over the past year, we have also been conducting an in-depth review of providers that look after member and investment administration as well as custody services. For this review, we are looking to the wider market. We are focussing on emerging technologies; new and additional services the market place offers; and importantly how organisations fit with our strategic direction to provide the best long-term outcomes to members. We are making good progress and we plan to share the results of our review in early 2021.

Thank you

My sincere thanks to all of you who allow our fund to continue our commitment to achieving the best possible outcomes of our members. Given the tumultuous year and the fund’s continued performance, I would like to acknowledge the first year of Scott Durbin’s leadership as the fund’s CEO. I thank my fellow directors for their dedication. In particular, I would like to thank Cassandra Williams, who departed the Board during this year, and welcome Chris Williams to the Board. The directors also join me in appreciation of the Trustee Services, our administrators, investment managers and service providers who make our members their focus.

It is our privilege to look after your savings for retirement, and we thank you for allowing us to help you on your path towards financial wellbeing.

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The value of advice in a defined benefit fund.

What is a defined benefit?

Defined benefit (DB) funds are less common than accumulation funds. In a defined benefit fund, your retirement benefit is generally determined by a formula instead of being based on investment returns.

Depending on the rules for your DB division, growth of your retirement and other benefits depend on the growth of factors such as:

- your rate of contributions
- the number of years you have worked for the Commonwealth Bank Group or been a member of our fund
- your salary.

For example, your DB retirement benefit might be calculated as:

- a multiple of your final average salary, paid as a lump sum, or
- a percentage of your final average salary, paid as a fortnightly pension for life.

If a benefit is payable to you under other circumstances, such as resignation or retrenchment, it may be calculated on a different basis.

As a formula determines a defined benefit, it is the employer and the fund that are affected by the volatility of investment market returns. The employer and the fund need to support the difference in meeting your defined benefit amount. The 'Want to know more about DB earning rates?' article on page 3 provides more details on returns.

You can refer to a recent benefit statement or the Member Booklet for your division for more information.

Advice is worth considering

If you're considering options for your defined benefit it is important to be sure that you have made a good long-term decision for yourself. Whether you are considering changing your contribution rates; a withdrawal to go to another

fund or to access your super before you retire; or deciding to take a lump sum payment, a pension or both, it is important to get professional advice from an authorised adviser.

And, because defined benefits have different options and implications depending on your benefit division as well, it may be more beneficial to speak with an adviser who specialises in defined benefits to help you understand the effect of different options on your outcomes for retirement.

An adviser may help you understand how changes to things such as contribution rates now can affect the overall benefit you'll receive at retirement. Or they can advise you on the different types of benefit options that apply under different payment circumstances, e.g. in some cases, the benefit payable if you resign from the Group may be less than your retirement.

Some benefit divisions allow payments like the Government's temporary early access to superannuation or you may be a member with a deferred benefit. An adviser may also explain the impact of accessing your benefit before you retire – impacts like if you withdraw part or all of your benefit, you are not able to top-up your defined benefit in the future; or that once you have closed your defined benefit account, you cannot re-join the defined benefit division.

Be informed

If you're thinking about your DB options, work out where you stand now and what you want for your retirement. Knowing the type of benefits you have access to now and the impact of the actions you are considering will help you make informed decisions about your future financial wellbeing.

Want to talk about your account?

Ask the DB Helpline Advice team!

The DB Helpline Advice team¹ is here to help. We've arranged for this team of financial advisers, who specialise in defined benefits, to provide advice over the phone to our members.

As a member, there is no additional cost to you to use this service for advice and guidance about your defined benefits in our fund, such as super contributions or benefit payment options. If advice is provided outside of this scope, a fee² may apply – the adviser will let you know these details beforehand if this is the case.

If you'd like advice on a more comprehensive or complex basis, the

team can refer you to an adviser for additional assistance².

Want to start a conversation?

Call **1800 135 970** and ask to speak with the Helpline Advice team for more information. For more information (including terms and conditions), visit oursuperfund.com.au/advice.

1 Advice relating to our Defined Benefit divisions is provided by Mercer Financial Advice (Australia) Limited (ABN 79 153 168 293, AFSL 411766).

2 If you also have an Accumulate Plus or Retirement Access account in our fund, a fee payable to any financial adviser for advice services provided in relation to your defined benefits can be deducted from that account (conditions apply).



Want to know more about DB earning rates?



The benefits payable from our DB divisions at retirement, or under other conditions when you may become entitled to a benefit, such as resignation, retrenchment, super choice, disability or death, are generally calculated based on a formula. Investment returns don't generally affect the amount of DB super you're entitled to receive.

In some cases, within your DB division you may have accumulation-style benefits or accounts, e.g. for your accumulated member contributions. Depending on your division a declared rate or a crediting rate may apply to you.

Some divisions may also have access to member investment choice returns.

These returns may apply to accumulation-style benefits, so they're influenced by positive or negative investment performance. This may also be the case for any deferred/post-employment benefits you're eligible to leave in your DB division.

Please refer to your statement for the declared or crediting rate or investment choice returns that apply to these benefits.

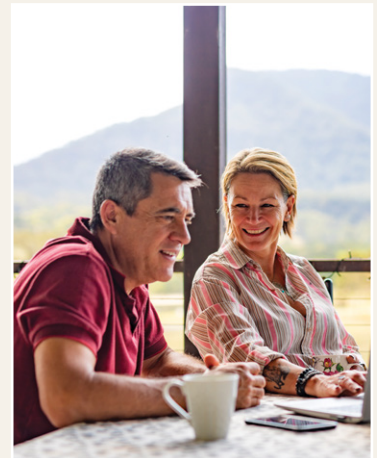
Looking for more information?

Additional information regarding declared and crediting rates for DB can be found in the fund's Annual Report. The 2019-20 Annual Report will be available to download from November from our website oursuperfund.com.au.

Good corporate citizenship.



We're mindful of the significance that environmental, social and governance (ESG) issues have on financial performance. Our Sustainable Investment policy and practices, including our Climate Change Position Statement, help guide our investment decisions when we consider our investment choices. You can read more about these on our website oursuperfund.com.au/esg.



Eyes wide open: watch out for pandemic scams.

While these challenging times have seen some of the best of humanity, unfortunately there are those who seek to take advantage of others in a time of vulnerability. The pandemic has not stopped scammers from being hard at work.

Ways to help protect yourself and your money from scammers:

- Never give out any identifying details
- Never disclose any super, pension, bank account details, regardless of the offer
- End the call and verify their identity by contacting their organisation using a number found independently, for example via an online search

For more details on COVID-19 and other superannuation scams visit:

- www.scamwatch.com.au
- www.moneysmart.gov.au/how-super-works/superannuation-scams



Check out additional information to help you manage your money during the pandemic at www.moneysmart.gov.au/covid-19.

Did you know about our spouse membership option?

Would your spouse or partner like to enjoy the benefits of Group Super membership? If so, they may want to consider opening an Accumulate Plus account in our fund.

Simply visit our website oursuperfund.com.au/spouse to find out more about opening an Accumulate Plus account!

You can also find out more in the *Member Guide (Product Disclosure Statement)* for Accumulate Plus at oursuperfund.com.au/pds, which includes an application form.

You'll both need to complete the application form, and as the existing member, you'll need to make a spouse contribution in order to open the new account.

Please note that your spouse or partner cannot open a DB account, as these divisions are not open to new members.



Member notices.

Changes to investment-related fees and costs effective 1 July 2020

This notice only applies if you're an in-service (employee) member of Division CB, CC, CD, CE, CF, CH, CN or CO and you have an accumulation-style account(s) eligible for investment choice within that division.

Super funds are required to disclose certain information about fees and costs based on fees and costs incurred in the previous financial year. This means investment-related fee and cost estimates may change each year. The updated estimates of

investment-related fees and costs for the 12 months to 30 June 2020 are outlined in the table below, together with the prior year estimates for comparison.

You can read more about these changes to fees and costs in the Update Notice and the **Defined Benefit Supplement: Investments and fees** available from oursuperfund.com.au/memberbooklets.

Updated estimates of investment-related fees and costs for the 12 months to 30 June 2020

	OLD Estimated investment fee (total) for 12 months to 30 June 2019 (%pa)	NEW Estimated investment fee (total) for 12 months to 30 June 2020 (%pa)	Estimated annual effect of this change for a \$50,000 account balance
Cash	0.07	0.06	-\$5
Conservative	0.32	0.33	\$5
Moderate	0.43	0.44	\$5
Balanced	0.50	0.55	\$25
Growth	0.51	0.58	\$35






Important notes to keep in mind:

Past costs are not a reliable indicator of future costs. Investment-related fees and costs are not the only fees and costs that may apply to an accumulation-style account that is eligible for investment choice. For example, an administration fee is also charged. There are no changes to other fee types or amounts at this time. For further details of the fees and costs that may apply to your accumulation-style account, you should read our **Defined Benefit Supplement: Investments and fees**, which is available from oursuperfund.com.au/memberbooklets or you can call us for a copy.

Group Super's first Annual General Meeting (AGM)

We are holding our fund's first AGM in the first half of the calendar year 2021. Further details and information will be on our website oursuperfund.com.au as they become available.

Defined Benefit members and pensioners

-  oursuperfund.com.au
-  1800 135 970 between 8am and 7pm (AEST/AEDT) Monday-Friday
-  via online member login, oursuperfund.com.au/login
-  GPO Box 4303, Melbourne VIC 3001
-  (03) 9245 5827

This newsletter was prepared on 29 September 2020 by Commonwealth Bank Officers Superannuation Corporation Pty Limited (the trustee) (ABN 76 074 519 798, AFSL 246418), trustee of Commonwealth Bank Group Super (the fund) (ABN 24 248 426 878). The information is general information only and does not take into account your individual objectives, financial situation or needs. You should consider the information and its appropriateness, having regard to your own objectives, financial situation and needs. You should obtain and consider the Member Booklet for your DB division from our website oursuperfund.com.au/pds or by calling us before making any decision about this product. We may change any of the matters about the fund as described in this newsletter at any time. You should always check for the most up-to-date Member Booklet, Supplement or update notice from our website or by calling us. It's possible that changes can occur in the future, which may be without prior notice to you. You should also consider seeking professional financial advice before finalising any decisions that may affect your financial future.
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