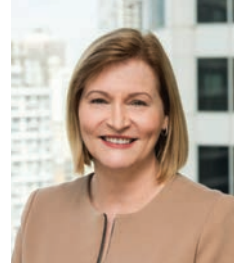




NEWS UPDATE

DEFINED BENEFITS — SEPTEMBER 2018

“OUR FUND HAS HAD ANOTHER SUCCESSFUL YEAR, AND HELPING MEMBERS LIKE YOU ACHIEVE POSITIVE OUTCOMES FOR YOUR FUTURE FINANCIAL WELLBEING REMAINS OUR CORE FOCUS.”



A note from Rosemary Vilgan,
Chair, Trustee Board

In November 2017 I was honoured to have been appointed to the role of Chair of the trustee board of Commonwealth Bank Group Super. This was after joining the board as an independent director in February 2017.

My appointment followed the resignation of Neil Cochrane, the board’s Chair for the last eight years. Under Neil’s stewardship the fund maintained a strong and competitive outlook, and upheld our commitment to positive member outcomes.

My fellow directors and I look forward to continuing on this path, and are grateful for Neil’s guidance and support. We wish him happiness and success for the future.

FOCAL POINTS OF 2017-18

The board and the management team are dedicated to evolving and developing the fund to better meet members’ changing needs.

From the fund

The year was another active one meeting regulatory and legislative changes including changes to fee disclosures and embedding the significant changes to retirement pensions, contribution caps, total super balances, and transfer balance caps from 1 July 2017.

In March 2018 we also adopted the industry’s new *Insurance in Superannuation Voluntary Code of Practice*.

This year we saw and spoke to more members than ever before. This was mostly through our general advice service and seminar program. It is pleasing to note that thousands of members discussed their super queries with us. Seminars were held across several locations in Sydney and we will be visiting Brisbane, Melbourne and Perth soon where we will help members maximise their super and contribute to their financial wellbeing.

Measures to strengthen member outcomes

The spotlight in the superannuation industry is on strengthening the industry’s focus on prioritising and improving member outcomes, and rightfully so. The Australian Prudential Regulation Authority (APRA) aims to lift industry practices and consistency in developing and tracking strategic business plans and to require funds to annually assess member outcomes. New standards will incorporate expense management and measure of value and quality of member outcomes. We welcome this new set of standards, as they will further advance the industry’s placement of members at the heart of a fund’s strategic focus.

LOOKING AHEAD

As we begin a new financial year, our commitment to achieving the best possible member outcomes remains unwavering. It is in this spirit that we aim to provide you with the support, guidance and information you need to manage your super.

THANK YOU

I would like to take this opportunity to thank my fellow directors, including former directors Neil Cochrane and Deborah Wixted, for their commitment to members. In addition, I know all directors would share my appreciation for the quality work done by Trustee Services, led by Doug Carmichael, who day to day manage the operations of the fund.

Looking after your savings for retirement is a genuine privilege. Through the support and dedication of the fund’s executive management and their teams, our administrators, fund managers and service providers, we continue our firm commitment to helping you achieve financial wellbeing.

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NOTES FROM THE FEDERAL BUDGET

Federal Budget 2018-19 announced

On 8 May 2018, former Federal Treasurer Scott Morrison handed down his third federal budget. It contained several expected measures, and some new ones.

For superannuation, there were a few areas of significance:

- ◆ The Australian Taxation Office (ATO) will more proactively move a member's dormant super account money into their active account to assist with bringing their super together
- ◆ A ban on any exit fees if a member wishes to leave a fund (Commonwealth Bank Group Super has never charged any exit fees)
- ◆ Allowing high income earners with multiple employers to nominate income from certain employers not be bound by the Superannuation Guarantee (SG), so they do not end up breaching the concessional contributions cap.



There were also some notable announcements that may be of interest for those nearing or in retirement:

- ◆ Homeowners over age 65 will be offered a reverse mortgage to unlock home equity
- ◆ For people aged 65-74 and with super balances below \$300,000, a limited one-year exemption from the work test for voluntary super contributions
- ◆ Increase in Medicare funding by \$4.8 billion over four years
- ◆ Investment in new medicines up by \$2.4 billion over four years
- ◆ \$5 billion increase for aged care spending over four years.

It is important to keep in mind that these measures are proposals only, and have not yet been passed into law.



Reminder: Reducing pressures on housing affordability

The government has introduced reforms designed to reduce pressures on housing affordability, with two core areas of focus:

First Home Super Saver scheme (FHSS)

The government has introduced a new First Home Super Saver (FHSS) scheme to help first home buyers to save money for a deposit more quickly by using the super system. Under this scheme, you can apply to the ATO to release up to \$30,000 of any voluntary contributions you have made to your super account since 1 July 2017 in order to purchase a home. Some eligibility rules apply – for more information on whether this measure may affect your account, call us on 1800 135 970.

Downsizing reforms

New super contribution rules from 1 July 2018 allow you to give your super a boost if you're selling your primary residence. This is known as a 'downsizer contribution'. Providing you're 65 or older, you may be eligible to make a downsizer contribution of up to \$300,000 from the proceeds of the sale (couples can generally contribute separately, up to \$600,000 combined). Some other eligibility conditions apply. This contribution will not count towards your contribution caps and can be made regardless of your total super balance at the time. Please note that this contribution cannot be made into a Defined Benefits account, but can be placed into an Accumulate Plus account.

A downsizer contribution will, however, be included when your total super balance is re-calculated on 30 June at the end of the financial year you make the contribution, which may affect your contribution caps and eligibility for some types of super entitlements in the following financial year. It will also count towards your transfer balance cap when you move your super savings into retirement phase. Downsizer contributions are not tax deductible and will be taken into account for determining eligibility for the age pension.

For more information, visit www.ato.gov.au



Reminder: Total superannuation balance and excess contributions tax

From 1 July 2017 your 'total superannuation balance' as determined by the ATO at each 30 June is relevant to your eligibility for the non-concessional contributions cap (currently \$100,000). If your total superannuation balance at 30 June 2017 was \$1.6 million or more, your non-concessional contributions cap for 2017-18 is reduced to nil.

If this applies to you, any compulsory non-concessional (after-tax) contributions made during 2017-18 are in excess of your cap and subject to excess contributions tax. Excess contributions are taxed at the top marginal rate plus Medicare and other applicable levies.

Your total superannuation balance is comprised of all your accruing and income stream superannuation interests, both inside and outside of Group Super. You can view your total superannuation balance value by accessing ATO online services via MyGov (my.gov.au).

Obtaining financial advice may assist you in understanding the options available to you. If you're interested in speaking to the Helpline Advice team¹, you can call 1800 135 970 for more information. For additional 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).

If you have any questions about current or past federal budget measures, you can visit the government's budget website at budget.gov.au for more information.

CONTINUE TO PROTECT ONE OF YOUR MOST IMPORTANT ASSETS

While employed by the Commonwealth Bank Group it's likely you're covered under the CBA Employee Income Protection policy (CBA EIP), and you may be relying on this policy to protect your income. But you need to remember that if you leave the Group, this cover will cease within 90 days.

To make it easier for you to keep this type of cover, you can apply to transfer your CBA EIP cover to an Accumulate Plus account in the fund without having to provide additional medical evidence to the fund's insurer.

About the offer:

- ◆ You must have an Accumulate Plus account in the fund to be eligible. See oursuperfund.com.au for more details on opening an account.
- ◆ You must apply to transfer CBA EIP within 90 days of leaving employment to take advantage of no additional medical evidence. Some eligibility questions apply.
- ◆ You can transfer up to the full amount of cover you had under CBA EIP.
- ◆ Insurance premiums will be deducted monthly from your account balance.
- ◆ Transferred cover will have a 90-day waiting period and 2-year benefit payment period in Accumulate Plus.
- ◆ Transferred cover will be subject to the rules for salary continuance insurance (SCI) in Accumulate Plus – these may be different to those that applied under CBA EIP.
- ◆ Any special conditions that applied to your CBA EIP cover will continue to apply to any transferred cover.
- ◆ This transfer offer is not available if you have exercised super choice, as you will generally still be covered by CBA EIP.

More information on SCI in Accumulate Plus

- ◆ Refer to 'Reference Guide: Insurance Cover (Salary Continuance)' available from oursuperfund.com.au/memberbooklets
- ◆ Call us on 1800 023 928 (8am to 7pm AEST/AEDT), Monday to Friday)

To transfer CBA EIP cover into Accumulate Plus

- ◆ Visit our 'How do I...?' page at oursuperfund.com.au/transfercbaeip, OR
- ◆ Complete our 'Request to transfer cover from CBA Employee Income Protection policy (CBA EIP)' available from oursuperfund.com.au/forms.

A quick reminder – you may also be able to apply for Death and Total and Permanent Disablement cover within the Accumulate Plus division of our fund upon leaving the Group. Please call us to find out more.

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STILL WORKING? CONSIDER SUPPORTING THE NOT-FOR-PROFIT COMMUNITY WITH PRO BONO WORK THROUGH YOUR EMPLOYER

Looking for a way to share your professional skills with the not-for-profit community in the lead-up to retirement? Consider exploring options through the workplace.

Many people approaching retirement age are looking for a way to start becoming more involved in the community while still working. Ideally, this would allow them to start the transition process from working full time to a part-time role and eventually a post-working lifestyle, where contributing to the community is an important element in an active and fulfilling retirement.

With businesses increasing their focus on contributing to the community and society through initiatives like Corporate Social Responsibility, this means they can provide employees with a wider range of options and flexibility in donating their time and skills. It just might be the right time to talk to your employer!

A meaningful solution

Some companies, like Commonwealth Bank (CBA), offer a structured pro bono program through their business. It's about encouraging employees to extend their skills and expertise to not-for-profit organisations through flexible pro bono engagements or secondments – be it accounting, office administration, business development, IT, marketing or any manner of professional skills.

Some employers' pro bono programs, like CBA's, continue to pay the employee their regular salary while the employee is working with the partner organisation, be it two days, two weeks or longer. In essence, these employers want to donate not just money, but also the skills of their people to organisations that help support the community.

LISA'S STORY

Commonwealth Bank employee Lisa Milner has been with the Group for many years. In her time with CBA she has worked in roles across the branch network and corporate offices, giving her unique perspectives on looking after customers and more broadly, looking after people.

One of Lisa's children faced a reading difficulty growing up, and received invaluable support during this time from volunteers. This experience prompted Lisa to get involved herself over the years, with stints participating in CBA's schools programs and various community-based CBA activities. Her husband has also done extensive volunteering with the Rural Fire Service for the past 30 years, so helping out is certainly a family affair.

As she approaches retirement in the next decade, Lisa looks forward to having more time to dedicate to volunteer work, helping children, youth and the disabled live the best quality lives they can. And as Lisa sees it, "if I'm able to use my considerable experience in office management and coordination towards achieving this, all the better."

In 2016 CBA helped Lisa realise part of her volunteering vision. After discussions with her manager and the CBA pro bono services team about the significance of the opportunity and how it would help Lisa in her professional and personal development, she was able to secure a 5-week secondment working with Lirriwi Tourism.





Lirwi Tourism was established in 2010 to develop and promote Aboriginal tourism experiences in Arnhem Land, Northern Territory. It aims to combine economic development and tourism activities to assist Yolngu people to gain employment and actively support the preservation of the Yolngu culture.

In late May 2016, Lisa arrived in Yirrkala to an office that was understaffed and very appreciative of her support and skills. She immediately got to work, and over time became a jack of all trades.

But it wasn't just a modest budget that Lisa had to contend with. "Though I was able to help by bringing some processes to Lirwi Tourism, it was a different world," she says. "I had to 'unlearn' much of what I'd considered to be standard business practice and find ways to make things work, but obviously whilst respecting their culture and values."

Lisa was able to take her extensive coordination skills and make adjustments to suit her new environment. It meant some unpredictable days, but she took things in stride. "You need to use the same skills, only differently."

During her pro bono experience, Lisa also saw segments of the SBS series *First Contact* filmed in the area. Hosted by Ray Martin, the series documents the journey of six

non-Aboriginal Australians as their perceptions of Aboriginal peoples are challenged. Lisa was excited to see the Yolngu culture respected and showcased in such a high-profile manner. "The documentary experience really helped bring the [Lirwi Tourism] organisation and its goals to life," she says.

Back in her regular role, Lisa has been able to bring with her the knowledge of helping out a worthy organisation like Lirwi Tourism, but more importantly a significantly broadened understanding and appreciation of Aboriginal culture. "I'd love to do it again. It's so different to what you would expect; our ways of thinking and what is viewed as 'important' can sometimes be quite far removed from the Aboriginal community, and I think we can really learn from that."

Asked to describe her pro bono experience in one word, and Lisa smiles. "Inspiring, challenging and satisfying. It had to be three words!"

Transitioning to retirement and interested in doing pro bono work?

For those considering pro bono work Lisa is unequivocal. "I would absolutely recommend it if you have the chance – it's such a rich experience and a unique opportunity. Many people wouldn't normally have that option".

If you are a current CBA Group employee and interested in speaking to the CBA pro bono services team please email probonoservices@cba.com.au.



NEED SOMEONE TO TALK TO ABOUT YOUR SUPER?

It's always worth taking a good look at your finances for retirement and your plans for your life after work. Getting advice from a professional could improve your future financial wellbeing and peace of mind.

Whether you're already in retirement or it's just around the corner, it's never too late to seek advice and review your financial situation.

To help you find out more about how financial advice can help, whatever stage of life you're in, we've created some helpful videos. Visit oursuperfund.com.au/advice for more details.

Ask the Defined Benefit Helpline Advice team!

The Defined Benefit 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 cost to you to use this service for advice and guidance about your defined benefits in our fund. 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. Or 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).

MEMBER NOTICES

2017-18 Annual Report online

Our 2017-18 Annual Report will be available to view or download from November from our website oursuperfund.com.au. Please contact us if you require a printed copy of the report. Note: if you requested a printed copy of last year's report, we will automatically send you this year's report once available. Copies of annual reports from previous years are also available from our website.



Changes to fees and costs

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

From 30 September 2017, super funds are required to disclose additional information about fees and costs. One of the key changes was the requirement to report figures based on fees and costs incurred in the previous financial year. This means that investment-related fees and costs estimates will generally change each year.

The investment fees and costs that apply to your DB accumulation-style accounts that are eligible for investment choice have been updated in the new 'Defined Benefit Supplement: Investments and Fees' (Supplement) issued on 9 August 2018. The new figures are shown in Table 1 on page 7.

For comparison purposes, the estimates included in the Supplement issued on 13 February 2018, which are estimates for the 12 months to 30 June 2017, are set out in Table 2 on page 8.

Important note: Please remember that past costs are **not** a reliable indicator of future costs – refer to the boxed note on page 7 for more information.



Table 1: Estimates of investment fees and related costs for the 12 months to 30 June 2018

Investment option	Estimated investment fee (% p.a.)			Estimated transaction costs (% p.a.)			Estimated borrowing costs (% p.a.)	Estimated total property operating costs (% p.a.)
	Investment fee (total)	Investment management	Other investment-related costs	Total transaction costs	Costs included in investment fee	Costs not included in investment fee	Costs not included in investment fee	Costs not included in investment fee
	= A + B	A	B	= C + D	C	D		
Cash	0.08	0.07	0.01	0.02	0.01	0.01	n/a	n/a
Conservative	0.35	0.25	0.10	0.10	0.05	0.05	0.01	0.08
Moderate	0.48	0.34	0.14	0.13	0.07	0.06	0.01	0.13
Balanced	0.56	0.41	0.15	0.14	0.08	0.06	0.01	0.17
Growth	0.58	0.43	0.15	0.17	0.10	0.07	0.01	0.18

All fees and costs in Table 1 are estimates of investment fees and costs paid in the 12 months to 30 June 2018. They are estimates of gross fees, and the transaction, borrowing and property operating costs include the net effect of GST.

These fees and costs are not deducted directly from your accumulation-style account balance but are deducted from the assets of each investment option and factored into unit price calculations and investment returns. Please also remember that the actual fees applied to your account may be less than the gross figures disclosed in Table 1, as any tax benefit the fund is entitled to may be passed on to you.

Important: Table 1 does not include all fees that apply to your accumulation-style account. For example, an administration fee is also payable. You should refer to the Supplement for details of all fees that may apply. Please note there are no changes to other fee types or amounts at this time.

You can find additional information on fees and costs in the Supplement available from oursuperfund.com.au/memberbooklets or by calling us on 1800 135 970.

Important note: The investment fees shown in Table 1 are estimates of fees and costs paid in the 12 months to 30 June 2018. Past costs are not a reliable indicator of future costs, and costs may vary from year to year depending on the allocation of assets between the fund's investment managers and the investment activity of each manager.

As a guide, we estimate that the investment fee (total) for 2018-19 may vary as follows for each investment option may vary by up to 0.05% from the figures in Table 1. For example, the investment fee for 2018-19 for the Balanced option could be between 0.51% p.a. and 0.61% p.a.

The estimates for 2018-19 are based on information available as at 1 July 2018 but may be updated in the future. You should refer to 'Defined Benefit Supplement: Investments and Fees' available from oursuperfund.com.au/memberbooklets for the most up-to-date fee estimates.



Table 2: Estimates of investment fees and related costs for the 12 months to 30 June 2017


Investment option	Estimated investment fee (% p.a.)			Estimated transaction costs (% p.a.)			Estimated borrowing costs (% p.a.)	Estimated total property operating costs (% p.a.)
	Investment fee (total)	Investment management component	Other investment-related costs component	Total transaction costs	Costs included in investment fee	Costs not included in investment fee	Costs not included in investment fee	Costs not included in investment fee
	= A + B	A	B	= C + D	C	D		
Cash	0.06	0.06	0	0.01	0	0.01	n/a	n/a
Conservative	0.28	0.23	0.05	0.11	0.03	0.08	0	0.09
Moderate	0.39	0.31	0.08	0.16	0.05	0.11	0	0.18
Balanced	0.48	0.38	0.10	0.18	0.06	0.12	0.01	0.26
Growth	0.53	0.42	0.11	0.19	0.07	0.12	0.01	0.29

Commonwealth Bank Group Super


Defined Benefit members and pensioners

 oursuperfund.com.au

 **1800 135 970** from 8am to 7pm (AEST/AEDT) Monday to Friday

 via online member login

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GroupSuper/1342/0818