Welcome to your update

At AMP we want to help you reach your financial goals, whatever they might be, and your super is a key part of that. This update will help you better understand your super fund and the changes introduced recently, such as the Protecting Your Super package, that affect it.

Simplifying super

We’re continuing to focus on ways we can change and improve. This year, we waived the indexation increase to member fees so they didn’t change on 1 July. And over the coming months, we’re aiming to simplify our super products so we can offer you better value and more competitive features. You’ll hear from us about the changes soon.

Check your super and finances on the go

Your super is your money. The more you understand the changes affecting your super fund and take control, the greater your chance of living the retirement you want. My AMP offers fast, easy and secure access to your super, banking, insurance and investments online or on the app. Login or register at amp.com.au/myamp today.

Search and bring your super together

Our free super search could save you time and money. Track down any funds you’ve lost or forgotten and consider whether consolidating them into a single account is right for you. A super search is easy to do and results are returned in as little as a minute. Go to amp.com.au/supersearch to find your super now.

We’re here to help so please contact us with any questions.

Rod Finch
Managing Director, Wealth Products and Platforms

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The information provided in this document is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

Some of the information in this document is based on an interpretation of relevant laws as at 1 July 2019. No member or any other person should act on the basis of any statement in this update without first obtaining independent advice.
Section 1: Important changes to your product

A number of important changes were made to your product during the year ending 30 June 2019. There are also some changes that will be introduced over the coming year that may affect you, and it’s important you understand them.

Annual indexation of the Super Protection base factor amount

The Super Protection base factor is indexed each year with CPI. From 1 July 2019, the new base factor premium will be $8.78 per month.

Annual update of fees and costs

We’ve updated estimates of investment fees, performance based fees and other indirect costs for each investment option as applicable based on underlying costs incurred for the last financial year. These estimates may now include costs that haven’t previously been disclosed. In addition, estimates of costs that have previously been disclosed may have changed.

We also regularly review the transaction cost allowance for each investment option based on the anticipated transaction costs. Depending on the investment option(s) you hold, the transaction cost allowance may have changed.

See amp.com.au/feesandcosts for details about the current fees and costs that apply to each investment option.

Section 2: Government legislation

Contributing to super after you’re 65 or over

To contribute to super between the ages of 65 and 74 you must generally meet gainful employment requirements (more commonly known as the work test) or you qualify for the work test exemption (which applies from 1 July 2019).

You are gainfully employed if, at the time of the contribution, you have worked for gain or reward for at least 40 hours within a period of 30 consecutive days in that financial year.

You meet the requirements of the work test exemption if you satisfy the following conditions:

- You aren’t gainfully employed in the financial year you make the contribution and
- You were gainfully employed in the previous financial year, and
- Your total super balance was below $300,000 on 30 June of the previous financial year, and
- You have not previously made contributions to super under the work test exemption.

Unused concessional contributions carry forward

2019/20 is the first year you can carry forward unused concessional contributions accrued from the 2018/19 financial year.

If your superannuation accounts received less than $25,000 in concessional contributions in 2018/19, you can effectively carry forward the difference to increase your concessional contributions cap in 2019/20, providing your total superannuation balance on 30 June 2019 was below $500,000.

AFCA – legacy complaints

From 1 July 2019 until 30 June 2020, AFCA will have jurisdiction to consider eligible complaints dating back to 1 January 2008.

This is subject to conditions such as – that the complaint must not have been previously settled between the parties or previously been decided by court, tribunal, AFCA or a predecessor scheme; the financial firm must be a member of AFCA and the complaint not relate to the Privacy Act or a super death benefit.

Removal of exit fees from 1 July 2019

From 1 July 2019, exit fees will no longer apply when you withdraw part or all of your super from your account. These fees will either be removed or refunded to your account.

Capped fees for low balance accounts effective from 2019/2020 financial year

If your balance in the AMP MySuper investment option or your total investment in choice investment options is less than $6,000 at the end of the fund’s income year (30 June), the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the respective investments. A pro rata fee cap will apply if you make an investment switch or exit that results in the investment being reduced to nil. Amounts charged in excess of the cap will be refunded.

Transferring low balance accounts to the ATO

From 30 June 2019, we will generally be required to transfer all or part of a super account to the ATO if the balance is less than $6,000 and there have been no contributions or rollovers for a period of 16 continuous months. Some exceptions apply. Exit fees will not be charged. If your account is transferred, you will be able to reclaim this from the ATO. The ATO will proactively seek to transfer monies to an active super account held by you. For further details about transferring inactive low balance super accounts to the ATO visit ato.gov.au

Insurance cancellation

From 1 July 2019, we are required by law to cease providing the insurance benefit in your super account if no contributions or rollovers have been received into your account for a continuous period of 16 months, unless you have told us in writing that you want to keep your insurance. You can make an election to keep your insurance online at amp.com.au.

At the time of writing the government proposes to make additional changes to insurance in super. If these proposed changes become law we may be required to cease providing the insurance benefit in your super account if the account balance is below $6,000, unless you tell us in writing that you want to keep your insurance.

Before cancelling your insurance we will send you a notice including details of how you can elect to keep your cover.

Superannuation Guarantee (SG) rate – no change

The SG Rate is currently 9.5%. The rate will remain at this level until 30 June 2021, and will then increase by 0.5% each year until it reaches 12% from 1 July 2025.
Super thresholds for the 2019/2020 financial year

The following super and taxation threshold amounts apply during the 2019/2020 financial year. Please refer to your relevant product disclosure statement (PDS) and fact sheets for an explanation of each of these thresholds.

<table>
<thead>
<tr>
<th>Threshold</th>
<th>From 1 July 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard concessional contributions cap (per annum)</td>
<td>$25,000</td>
</tr>
<tr>
<td>Non-concessional contributions cap:</td>
<td></td>
</tr>
<tr>
<td>– Standard (i) (per annum)</td>
<td>$100,000</td>
</tr>
<tr>
<td>– Bring forward (over 3 years) before age 65 (ii)</td>
<td>$300,000</td>
</tr>
<tr>
<td>SG maximum contribution base (per quarter)</td>
<td>$55,270</td>
</tr>
<tr>
<td>Government co-contributions (iii) (per annum)</td>
<td></td>
</tr>
<tr>
<td>– Lower income threshold</td>
<td>$38,564</td>
</tr>
<tr>
<td>– Higher income threshold</td>
<td>$53,564</td>
</tr>
<tr>
<td>Tax free part of genuine redundancy and approved early retirement scheme payments (per payment)</td>
<td></td>
</tr>
<tr>
<td>– Base limit</td>
<td>$10,638</td>
</tr>
<tr>
<td>– Plus for each completed year of service</td>
<td>$5,320</td>
</tr>
<tr>
<td>Low rate cap amount (lifetime limit) (previously known as post June 1983 low tax threshold)</td>
<td>$210,000</td>
</tr>
<tr>
<td>Applies to the taxable component of taxed super fund benefits for members aged preservation age to 59.</td>
<td></td>
</tr>
<tr>
<td>Untaxed plan cap amount (per annum)</td>
<td>$1,515,000</td>
</tr>
<tr>
<td>Applies to the taxable component of untaxed super fund benefits</td>
<td></td>
</tr>
<tr>
<td>Employment termination payment cap (ETP) (per annum)</td>
<td>$210,000</td>
</tr>
<tr>
<td>Capital gains tax (CGT) cap amount (lifetime limit)</td>
<td>$1,515,000</td>
</tr>
<tr>
<td>Transfer balance caps</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>Defined Benefit income cap</td>
<td>$100,000</td>
</tr>
<tr>
<td>Maximum adjusted taxable income for the full government low income super tax offset (LISTO)</td>
<td>$37,000</td>
</tr>
</tbody>
</table>

(i) The cap is nil for members with a total superannuation balance of over $1.6 million (at 30 June of the year prior to making the contribution).
(ii) There are restrictions on the ability to trigger bring forward rules for certain people with total superannuation balances of more than $1.4 million (at 30 June of the year prior to making the contribution).
(iii) The maximum entitlement remains at $500 and applies where at least $1,000 non-concessional contributions have been made in the financial year and the person does not exceed the lower income threshold.

Section 3: About your insurance

Annual indexation of the Flexible Protection insurance flat premium amount

Each year on 1 July, the Flexible Protection insurance flat premium is indexed to the CPI, effective in the previous September quarter.

From 1 July 2019, the new flat premium will be $8.78 per month.

Have you reviewed the insurance inside your super?

You have insurance in this super account, which is paid for by the money in your super. As life changes, your insurance needs may too – so it’s important to regularly review your cover to make sure what you’re paying for is right for you.

To find out about the cover and cost for your insurance inside your AMP super account, check your member statement or login to My AMP (amp.com.au).

Visit amp.com.au/insuranceinsuper to learn more about how insurance inside super works

Work out how much insurance you need with our insurance needs calculator amp.com.au/insuranceneeds

For help with your insurance inside super, including any changes you may want to make, please speak to your financial adviser or contact us.

Are you still eligible to be covered by your insurance inside your super?

Members of AMP Flexible Super – Employee Essential Protection and Employee Flexible Protection generally receive insurance cover automatically when their employer set up their superannuation account.

Did you know that even through you were given this cover automatically, your personal circumstances, or changes to your circumstances, may mean that you are no longer covered by that automatic superannuation insurance, or the amount of your insurance may be less than you expect – even though you have continued to pay your insurance premiums?

For example, if one of the following circumstances applies to you, you may not be covered or your cover amount may have changed:

– You have had a change (reduction) in your working hours
– You have changed your working circumstances (e.g. you have changed from permanent to casual work)
– You have permanently retired from the workforce
– You have commenced active service in the defence forces of any country
– You hold a visa and your visa has expired
– You have been working overseas for a period of greater than 12 months
– You have been on employer approved leave for a period exceeding 12 months
– You are in receipt of, or are eligible to claim, income support benefits

If, on the day your cover commenced, you were not at work or were suffering from an injury or illness which prevented you from being capable of performing all of the normal duties and responsibilities of your job, you may not be eligible for cover. Certain restrictions and exclusions may also apply to your cover, which either limits the amount of cover that you are entitled to, or the events for which you are covered.

It is important to advise us of any changes in your personal or working circumstances.
Section 4: Investment option changes

**AMP MySuper and Standard Risk Measure (SRM) Changes**

From 1 October 2019, the SRM’s changed for various options, of which there was an increase for 4 options:
- Super Easy Active Balanced increased from Risk Band 5 to 6
- Super Easy Balanced increased from Risk Band 5 to 6
- MySuper Balanced increased from Risk Band 5 to 6
- Lifecycle Active 1960’s increased from Risk Band 4 to 5

**Name changes**

Over the course of the year, the names of a number of investment options changed. These changes are summarised in the table below:

<table>
<thead>
<tr>
<th>Former name</th>
<th>Current name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aberdeen Emerging Opportunities</td>
<td>Aberdeen Standard Emerging Opportunities</td>
</tr>
<tr>
<td>Schroder Global Active Value</td>
<td>Schroder Global Value</td>
</tr>
</tbody>
</table>

**Fund manager replacements**

Over the course of the year, the following options underwent manager replacements:

<table>
<thead>
<tr>
<th>Former name</th>
<th>Current name</th>
</tr>
</thead>
<tbody>
<tr>
<td>UBS Property Securities</td>
<td>AMP Property Securities Index</td>
</tr>
<tr>
<td>UBS Australian Small Companies</td>
<td>Multi-Manager Australian Small Companies</td>
</tr>
</tbody>
</table>

All members impacted by these changes have been notified directly.

**Terminations and soft closures**

Please note that the below listed options have been terminated or soft-closed:

<table>
<thead>
<tr>
<th>Terminated options</th>
<th>Soft closed options</th>
</tr>
</thead>
<tbody>
<tr>
<td>BlackRock Australian Equity Absolute Return</td>
<td>AMP Property Securities Index</td>
</tr>
</tbody>
</table>

All members impacted by these changes have been notified directly.

Section 5: Other important information

**Ceasing of Plan Service Fees (PSF)**

From 31 July 2019, AMP stopped deducting Plan Service Fees (PSF – all fees agreed between employers and advisers on corporate super plans at a plan level and paid by members) from member accounts. This was due to a review of PSF’s that went back to 1 January 2008.

AMP will contact you directly if you are affected by this change.

**Intra-fund consolidation**

Intra-fund consolidation aims to reduce the number of superannuation accounts that members hold within the same fund, helping reduce the multiple sets of fees members pay. In line with legislative requirements, the trustee will identify if members hold multiple superannuation accounts within a superannuation fund, and merge these multiple accounts if the trustee reasonably believes that it is in the member’s best interest to do so. The trustee will review members’ accounts on an annual basis and, where applicable, accounts will be consolidated unless the member opts out. There will be no cost to members for consolidating their accounts through intra-fund consolidation.

**Deceased Member Policy**

All insurance premium deductions are ceased upon notification to the relevant Trustee of a Member’s death and will be reversed back to the date of death.

All adviser service fee deductions are ceased upon notification to the relevant Trustee of a Member’s death. Any adviser service fees deducted since the date of death will be reversed back to date of death.

Product administration and investment management fees will continue whilst the deceased Member’s account remains open and are treated in accordance with the applicable product rules and disclosures.

**Change of term deposit adjusted crediting rates**

If a term deposit is terminated for any reason before the end of its term, an adjusted crediting rate will apply, to reflect the break costs incurred. On 1 October 2019, the adjusted crediting rates will be per the table below:

<table>
<thead>
<tr>
<th>% of term completed</th>
<th>Previous interest rate adjustment(i)</th>
<th>New interest rate adjustment(i)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 25%</td>
<td>2.00% pa</td>
<td>1.50% pa</td>
</tr>
<tr>
<td>25% to 50%</td>
<td>1.75% pa</td>
<td>1.25% pa</td>
</tr>
<tr>
<td>50% to 75%</td>
<td>1.25% pa</td>
<td>1.00% pa</td>
</tr>
<tr>
<td>75% to 90%</td>
<td>0.75% pa</td>
<td>0.50% pa</td>
</tr>
<tr>
<td>90% or more</td>
<td>0.50% pa</td>
<td>0.25% pa</td>
</tr>
</tbody>
</table>

(i) These amounts will be reduced on account of an allowance for superannuation tax, which is currently 15% for your super account and 0% for your retirement account. This rate of allowance for superannuation tax will change automatically if the government changes the relevant tax rates.
Contact us

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