

Significant Event Notice

Anti-detriment payments to be introduced for the 2016-17 financial year

The APSS Trust Deed was amended on 31 August 2016 to allow the Trustee to make 'anti-detriment' payments in respect of members who die after that amendment date, although, as we have set out below, these payments will cease if a Federal Government proposal to put a stop to these payments, is implemented. An anti-detriment payment is an extra amount that is paid on top of an APSS death benefit when a member dies and the extra amount is broadly equal to the 15% contributions tax that would have applied on the contributions made to fund the deceased member's benefit. Anti-detriment payments can only be paid if the Trustee is satisfied that it will be able to claim a tax deduction in relation to the making of that payment.

Where payable, anti-detriment payments are paid to an eligible dependant of the deceased member (such as a spouse, former spouse or a child). Generally, death benefits paid to an Estate are not eligible for an anti-detriment payment unless the Trustee of the APSS has been provided evidence showing that the Estate has distributed the assets to an eligible dependant.

You should be aware that the Federal Government announced in May that it proposes to abolish anti-detriment payments from 1 July 2017, however legislation has not yet been passed. If this legislation is passed (that is, legislation that either prevents the Trustee from making anti-detriment payments or prevents the Trustee from claiming a tax deduction in relation to the making of these payments), the Trustee of the APSS will cease anti-detriment payments in accordance with the applicable legislation.

In the 2016/2017 financial year, and based on our current understanding of how the Federal Government will implement its proposed changes to the anti-detriment payment regime, anti-detriment payments are expected to be paid to eligible dependants of members who die between 31 August 2016 and 30 June 2017 in around December 2016 and June 2017. However, this would change if the Federal Government's proposal is implemented differently.

More information?

If you have any questions or require further information, please call *SuperPhone* on **1300 360 373** Monday to Friday 9am to 5pm (AEDT).

Yours sincerely
APSS Member Services