

Significant Event Notices

Whenever there is an important change to information disclosed in your APSS Product Disclosure Statement (PDS) a 'Significant Event Notice' (SEN) needs to be sent to you. Certain SENs must be sent at least 30 days before the 'event' in question, while others may be issued up to 12 months after the event. In a very busy year in superannuation, we've collated the changes that you need to know about in this one SEN rather than sending you multiple letters. If you have questions about these changes, just email sr@apss.com.au or phone **1300 360 373**.

This is an important update for all APSS Pension members on:

- More choice in how often you get paid
- Fee cap on account balances under \$6,000
- Fee cap on account balances of \$750,000 or more
- Changing the way we communicate with you

More choice in how often you get paid

You will have more flexibility around the frequency of your Pension payments from 1 November 2019, when you can choose to receive your APSS Pension payments approximately every fortnight.

Your other payment frequency choices (i.e. to get payments monthly, quarterly or yearly) remain unchanged (as do your choices regarding how much you get paid and how your payments are withdrawn from your account).

If you want to change how often you get paid, please remember that your instructions must be provided at least 5 business days ahead of your next payment.

To make use of this new payment frequency, please contact us closer to 1 November 2019 by email to sr@apss.com.au or call 1300 360 373 and we'll let you know how to do it.



Fee cap on account balances under \$6,000

Under the the Government's 'Protecting Your Super' package (PYSP), which became law in February 2019 and took effect from 1 July 2019, the total combined amount of administration fees (where relevant), investment fees and indirect costs charged to you (as detailed in the table below) will be capped at 3% of the account balance for an APSS Pension account with an account balance of less than \$6,000 at the end of the financial year.

To assist you in understanding this change, below, we have extracted the fees and costs table from the *Your APSS Pension PDS*. On this table, you will find all the details of the administration fees, investment fees and indirect costs which are subject to the fee cap (as at the most recent PDS dated 1 July 2019). These fees and costs may change with future PDS updates, available at apss.com.au via the 'Product disclosure' section under the 'Publications & Forms' tab. Note that the following table also includes reference to the introduction of another fee cap, described on the next page.

Type of fee	Amount	How and when paid
Investment fee ^{1*}	Depends on your chosen investment option, and is based on a percentage of your account balance invested in the relevant investment option: Cash: 0.03%, Conservative: 0.16%, Balanced: 0.25%, High Growth: 0.31%	Deducted from Investment returns before Crediting Rates are worked out.
Administration fee ^{1**}	\$1.50 per week per account, plus 0.12% of your account balance each year (subject to a fee cap). ^{***}	Deducted from your account monthly or on a pro-rata basis for part months when you leave the APSS.
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Advice fees relating to all members investing in a particular product or investment option	Nil	Not applicable
Other fees and costs	Other fees, such as Activity fees, may also be charged. More information about such fees and costs is provided in the <i>Additional Explanation of Fees and Costs</i> on pages 13-15 of this PDS.	
Indirect cost ratio ^{1^}	Depends on your chosen investment option, and is based on a percentage of your account balance invested in the relevant investment option: Cash: 0.02%, Conservative: 0.38%, Balanced: 0.70%, High Growth: 0.70%	Deducted from Investment returns before Crediting Rates are worked out.

¹ If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

*The investment fees for the High Growth, Balanced, Conservative and Cash investment options reflect the actual investment fee amounts, and the Trustee's reasonable estimates of such amounts where actual figures were not available, incurred in the 2018-19 financial year for the relevant option.

**Not applicable for Employee Members of the APSS (e.g. Employee Members transitioning to retirement).

*** The percentage-based administration fee is not charged on any amount of your account balance in excess of \$750,000.

^The indirect cost ratios for the High Growth, Balanced, Conservative and Cash investment options reflect the actual indirect costs incurred, and the Trustee's reasonable estimates of indirect costs where actual figures were not available, incurred in the 2018-19 financial year for the relevant option.

Fee cap on account balances of \$750,000 or more

In addition to the fee cap described on page 2, there's another type of fee cap on administration fees to be aware of. This fee cap is, however, a change made by the APSS Trustee and not part of the PYSP reforms.

This fee cap, approved by the Trustee at its 7 June 2019 meeting, was introduced on 1 September 2019 to avoid excessive administration charges on higher account balances.

The fee cap will have the effect of limiting the percentage-based component of the administration fee for account balances exceeding \$750,000 (meaning that the percentage-based administration fee will not be charged on any amounts in excess of \$750,000). Currently, most APSS Pension members pay an administration fee of \$1.50 per week (per account), plus 0.12% of their total account balance each year. This fee is deducted from your account monthly or on a pro-rata basis for part months where applicable.

For those members with account balances exceeding \$750,000, the administration fee from 1 September 2019 will change to \$1.50 per week (per account), plus 0.12% of the account balance, up to a cap of \$750,000 each year. The manner in which the fee is deducted from the account will not change.

This means that, if your account balance was \$1 million, from 1 September 2019, you would only be charged \$1.50 per week (per account), plus 0.12% of \$750,000 per annum, as opposed to \$1.50 per week (per account), plus 0.12% of \$1 million each year. That is to say that the additional \$250,000 would not attract that 0.12% percentage-based administration fee each year.

This new administration fee cap is referenced in the table on the previous page by a triple-asterisk footnote.

Changing the way we communicate with you

Starting with this SEN, we are changing the way we communicate with our members. Here's what this important change in our communication approach will mean for you from September 2019:

- If we have your email address, or we receive an email address for you in the future, we'll provide you with important documents, information and notifications about your account electronically.
- You'll receive an email when important documents and other communications are available on our website or by logging in to your APSS MemberAccess account. We'll let you know where to find the information and how to access it.
- For any communications that have personal details, such as your annual benefit statement, we'll ask you to login to your APSS MemberAccess Account.

You'll receive all the same documents and information as before, but certain information about your account will no longer be sent to you in the mail unless you choose for it to be posted to you. Exceptions include your annual benefit statements and most letters concerning the administration of your account, which we will, for the foreseeable future, continue to provide to you in hard copy. If you would prefer to receive these documents and other future communications another way (such as in hardcopy), please let us know. Also, if you would like us to send these documents and other communications to another email address or postal address, please let us know and we will arrange this for you, at no cost. All you need to do is:

Email us at: sr@apss.com.au

Call us: 1300 360 373 between 9am and 5.30pm (Sydney time) weekdays (or if calling from overseas, please dial +61 2 8571 6780)

Write to us at: APSS, Locked Bag A5005, Sydney South NSW 1235

If you elect to receive these documents and other communications another way within 7 days of receipt of this notice, we will send them to you in hard copy, as your election will also apply to this SEN.

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The APSS Trustee may give you any notices and documents required by law, including ongoing disclosures, by sending you an email to an email address you or your employer have provided for you, by sending you an email or other electronic communication providing a website reference or hyperlink text to the notice, document or information, or by making the notice, document or information available online or such other website as notified to you from time to time. You will not receive a paper copy of any relevant notice or document, except where the APSS Trustee chooses to give you a paper copy, or you request a paper copy. You can elect to receive these notices, documents and future communications in hardcopy or via another email or postal address by contacting us at any time. A notice or document sent to you from us by electronic communication will be deemed to have been received by you at the time the relevant electronic communication enters your information system. Please note that if you have already opted out of receiving this information electronically, we will continue to send it to you through the post.