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Aon Master Trust

# DIRECTIONS

WINTER 2016

## IN THIS ISSUE

- ↳ Federal Budget 2016
- ↳ Opportunities
- ↳ Online benefit statements
- ↳ Key dates for end of financial year
- ↳ Transfers to Aon ERF
- ↳ 1 July 2016 indexed increases
- ↳ Funding compliance costs
- ↳ Need some help?

For factsheets go to [aonmastertrust.com.au/publications](http://aonmastertrust.com.au/publications) or contact us.

## FEDERAL BUDGET 2016

The 2016 Federal Budget proposes significant tax changes for super, most of which will take effect from 1 July 2017 if passed by Parliament.

They include:

- ↳ allowing all individuals to claim tax deductions on personal contributions
- ↳ removing the work test for people aged 65 to 74 to make contributions
- ↳ increasing access to the low-income spouse tax offset
- ↳ a new tax offset for low-income earners
- ↳ new concessional contribution 'catch-up' provisions
- ↳ removal of tax (and other) obstacles to the development of products that will address the risk of outliving retirement savings
- ↳ a life-time cap on non-concessional contributions (effective 3 May 2016)
- ↳ reducing the annual concessional contributions cap
- ↳ reducing the income threshold for 30% tax rate on concessional contributions
- ↳ taxing earnings on assets in transition-to-retirement income streams (concept of tax-free drawdowns from age 60 remains in place)
- ↳ limiting how much can be transferred from super to retirement income streams.

See the News column on our website for a Budget report and check back soon for what the Budget changes may mean for you.

## OPPORTUNITIES

With just one month of this financial year to go, you'll need to act quickly if you want to make the most of these super-building opportunities.

- ↳ Get **up to \$500** in super as a Government co-contribution.
- ↳ Boost your spouse's super and get a tax rebate of **up to \$540**.

See the factsheets on our website for eligibility and other information.

Remember: **BPAY®** is the easiest way to contribute.

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## ONLINE BENEFIT STATEMENTS

We're moving from postal to online benefit statements this year. It means faster, easier access with greater security and less filing for you to do. We'll email you to let you know when your statement is ready and where to find it online.

To check, provide or update your email address, log in at [aonmastertrust.com.au](http://aonmastertrust.com.au) and go to 'Personal details' or just call us on **1300 880 588**.

Note: We will post your statement to you if we don't have your email address, or if you tell us that you prefer a paper statement (you can do this by changing your communication preference under 'Personal details' online or by calling us).



**AON**

## KEY DATES FOR END OF FINANCIAL YEAR

### Processing hold 30 June – 5 July 2016

Please note that transaction processing will be put on hold from Thursday, 30 June 2016 to Tuesday, 5 July 2016 (inclusive), allowing us to test, check and audit final unit prices. This rigorous process is an essential step in determining members' super account balances for 30 June 2016 benefit statements. This hold applies to all transaction requests, including contributions, rollovers, investment switches, benefit quotations\* and payments, and online services.

Transaction requests received after Wednesday, 29 June 2016 will be processed as quickly as possible, in order of date received, once processing resumes. We process within time limits that conform to standards maintained by the trustee, using the price applicable on the date of processing.

\* We will be able to provide an approximate benefit quotation as at 30 June 2016 only (please call us on 1300 880 588 or email [contactaon@pillar.com.au](mailto:contactaon@pillar.com.au) to request a quotation).

### Important cut-off dates

**Contributions and rollovers:** As you'll appreciate, the end of financial year is a very busy time. To help us ensure that your account is up to date for 30 June 2016 benefit statement purposes, we encourage you to get your contributions and rollovers to us, together with the required documents, by Friday, 24 June 2016. If you make a BPAY or EFT contribution, please check the clearance time with your bank to ensure your payment reaches our bank account by 24 June 2016.

While they may not appear on your 30 June 2016 benefit statement, contributions that we receive up to and including Thursday, 30 June 2016 will be reported to the Australian Taxation Office as 2015/16 financial year amounts for annual contribution caps, Government co-contribution, spouse contribution and other super rebate purposes.

**Benefit payment and investment switch requests:** To allow us to process these requests so that they appear on your 30 June 2016 benefit statement, we must receive them, together with any required supporting documents, by Friday, 24 June 2016.

## AUTOMATIC TRANSFERS TO THE AON ELIGIBLE ROLLOVER FUND (ERF)

If you have been a member of the Aon Master Trust for more than 12 months and your balance falls below \$2,000, your account balance may be transferred to the Aon ERF†. You will be invited to top up your account to avoid the transfer. The trustee may also transfer you to the Aon ERF under 'lost member' provisions.

If you are transferred to the Aon ERF, your Aon Master Trust membership, insurance and all other benefits will cease, and your account

will be invested in a defensive investment strategy, which is likely to produce lower long-term investment returns than a balanced or growth strategy. Your account will receive investment earnings and be charged fees by the Aon ERF.

† The Aon ERF is a public offer superannuation fund designed to be a temporary repository for small or lost superannuation balances. It aims to reunite members with their lost super and encourage them to consolidate their super benefits into their nominated 'active' super account. The Aon ERF cannot accept contributions. For more information, go to [erf.aon.com.au](http://erf.aon.com.au).

## 1 July 2016 indexed increases

- The member fee will increase (in line with increases in Average Weekly Ordinary Time Earnings) from \$7.03 to \$7.14 per month.
- To ensure they keep pace with inflation (CPI), the current scales of minimum levels of cover for death and total and permanent disablement will increase by 1.3%.

### Is your insurance cover right for you?

You can check your current cover by logging in at [aonmastertrust.com.au](http://aonmastertrust.com.au). Talk to your adviser or contact us if you'd like some advice.

## Funding compliance costs

On 1 July 2016 the trustee will discontinue the 0.05% pa deduction that commenced in July 2013 to fund an increase in the Operational Risk Reserve. That increase was in line with new prudential standards introduced by the Government requiring super fund trustees to 'reserve' funds to cover the costs of any adverse operational events that may occur, and for such funding to be met by 30 June 2016.

However, due to the ongoing costs to the trustee of complying with other aspects of the prudential standards being higher than anticipated, a new (but lower) levy of 0.02% pa will apply from 1 July 2016. This levy will be deducted from the unit price of each managed investment option and, if you have a direct investment option (DIO) account, will be added to the asset fee deduction from your DIO cash account.

## NEED SOME HELP?

At no additional cost to you, our intra-fund advice team can structure your Aon Master Trust account to help achieve your superannuation goals. For help with contributions, investments, insurance and your overall retirement adequacy, contact us on 1300 880 588 or email [contactaon@pillar.com.au](mailto:contactaon@pillar.com.au)

### Contact us

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