



## **MEDIA RELEASE**

3 June 2019

### **Zero administration fees for low balance members from 1 July 2019**

With the government's *Protecting Your Super* ("PYS") reforms due to take effect from 1 July 2019, Prime Super has assessed the impact of these initiatives on its membership and is pleased to announce that from 1 July 2019, members with balances below \$6,000 will not be charged administration fees.

CEO Lachlan Baird said, 'There has been speculation that the *Protecting Your Super* reforms will force fees up as super funds are required to transfer large numbers of inactive account balances to the ATO. Prime Super is in a position that allows a fee reduction for members with low balances.

'This change to the fee structure will deliver a very positive outcome to those with an account balance of \$6,000 or less and the fee structure for all other members will remain unchanged.'

Another PYS initiative is to ban all exit fees, including part withdrawals. Prime Super has not charged exit fees since 1 July 2013. There will be no change to this practice as a result of this measure.

- ends -

### ***Protecting Your Super reforms***

From 1 July the government is bringing in a range of reform measures to protect members from erosion of their super balances. The reforms include

- *no exit fees* for members who leave the super fund.
- *fee limit on low-balance accounts* - annual administration and investment fees can't exceed 3% pa of the balance of accounts where the balance is less \$6,000.
- *inactive account transfers to ATO* - accounts with less than \$6,000 that are inactive for 16 months will be transferred to the ATO. The ATO will attempt to merge it with your other active super account. If you don't have another active account, the ATO will keep your super safe.

- *cancellation of insurance* - super funds will cancel insurance on accounts that haven't received contributions for at least 16 months. Your fund will contact you if your insurance is about to end. If you want to keep the insurance through your super, you must tell your super fund or make a contribution to that account. You may want to keep your insurance if you don't have any through another fund or insurer and you have a particular need for it (e.g. you have children or other dependants or work in a high-risk job).

## **About Prime Super**

A public offer fund, Prime Super is open to everyone. With a more than 20-year history beginning with a focus on regional Australia, the Fund has provided superannuation, retirement and insurance solutions to Australians in a range of industries such as agriculture, health, aged care, recruitment and education for more than 20 years.

Today the Fund manages approximately \$5 billion in funds for some 125,000 members and has 11 investment options to provide a wide range of choice for members. Results released for March 2019 show that Prime Super delivered top quartile performance in its MySuper option - where more than 90 per cent of members are invested - over three (rolling), five and seven years. (*SuperRatings Fund Crediting Rate Survey – Balanced – March 2019*).

An award-winning fund, Prime Super is one of only six super funds to be awarded a 5-Star Rating for Outstanding Value Account Based Pension from Canstar for our retirement income stream product. Prime Super also secured the 2018 SelectingSuper award for Best Performance for a Property option.

To find out more about Prime Super go to [www.primesuper.com.au](http://www.primesuper.com.au)

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