

ANZ Smart Choice Super - Important changes and information

30 JUNE 2015

The following investment and regulatory information is relevant for members with an ANZ Smart Choice Super account. For further information please refer to the ANZ Smart Choice Super product disclosure statement (PDS) and Additional Information Guide available from anz.com/smartchoicesuper

New investment menu for ANZ Smart Choice Super

ANZ Smart Choice Super now includes an even larger range of carefully selected 'Choose your own' investment options across a wide selection of investment managers and asset classes – designed to suit different levels of risk and potential returns (see following table).

Choose your own						
Diversified – Risk Based	ANZ Smart Choice Conservative	ANZ Smart Choice Growth	ANZ Smart Choice Moderate	Legg Mason Diversified	OptiMix Balanced	UBS Defensive
	OptiMix Conservative	OptiMix Growth	OptiMix High Growth	OptiMix Moderate	Schroder Real Return	UBS Balanced
Cash	ANZ Smart Choice Cash					
Fixed Interest	ANZ Smart Choice Global Fixed Interest	Bentham Global Income	PIMCO Diversified Fixed Interest	Schroder Fixed Income		
Absolute Return Fixed Income	Kapstream Absolute Return Income					
Australian Property	SG Hiscock Property Securities					
International Property	ANZ Smart Choice Global Property	CBRE Clarion Global Property Securities				
Australian Equities	ANZ Smart Choice Australian Equities	Bennelong Australian Equities	BT Smaller Companies	Fidelity Australian Equities	Karara Capital Emerging Companies	OptiMix Geared Australian Shares
	Perpetual Australian Shares	Schroder Australian Equity	UBS Australian Shares	UBS Sustainable Investments Australian Shares	UBS Select Leaders	
Australian Equity Income	Merlon Australian Share Income	UBS Blue Chip Imputation				
International Equities	ANZ Smart Choice Global Smaller Companies	ANZ Smart Choice International Equities (Hedged)	ANZ Smart Choice International Equities (Unhedged)	Arrowstreet Global Equity (Hedged)	Magellan Global	
	MFS Global Equity	Platinum International	Vontobel Global Shares	Walter Scott Global Equity (Hedged)		
Emerging Market Equities	MFS Global Emerging Markets Shares	Platinum Asia				
Alternatives	GMO Alternatives Growth	Rare Infrastructure Value				

For full details about the ANZ Smart Choice Super investment menu, fund profiles and manager profiles, please review the latest ANZ Smart Choice Super product disclosure statement (PDS) and Additional Information Guide available from anz.com/smartchoicesuper

What happens if your employer terminates their ANZ Smart Choice Super plan?

This is relevant if your employer has negotiated a tailored insurance arrangement with OnePath Life Limited (OPL).

In the event that your employer establishes a new default employer plan with another super fund, your ANZ Smart Choice Super insurance will be converted to a fixed amount of Choose Your Own cover, and you will be charged at the Choose Your Own cover rates contained in the ANZ Smart Choice Super Insurance Guide for Standard Employers. If however, you are provided with insurance cover through the new default employer plan, you will not be entitled to retain your insurance cover through ANZ Smart Choice Super, and you will need to contact the Trustee to cancel your insurance cover.

Cancellation will be effective the date that your account was delinked from the employer plan, and any Insurance fees subsequent to the delink date will be refunded to your ANZ Smart Choice Super account. Any claim that you make through your ANZ Smart Choice Super insurance cover for an event which occurs after the effective date that your account is delinked will be declined by the insurer. Once the Trustee receives an official written request from your employer to terminate the employer plan in ANZ Smart Choice Super, you will receive a letter from the Trustee advising you of this and the implications upon your insurance cover; importantly, that your tailored cover has been converted to Choose Your Own cover. It will also inform you that you are not entitled to retain this cover if you hold insurance through the employer's new default superannuation plan, and the requirement for you to cancel your ANZ Smart Choice Super cover as soon as possible.

ANZ Smart Choice Super insurance lapsing

This is relevant for all insurance arrangements held through an ANZ Smart Choice Super account.

Previously you were advised that you would receive 60 days advanced notification in the event that your insurance was going to lapse. This notification period will now be approximately 30 days advanced warning.

Commencement of Cover in ANZ Smart Choice Super – Lifestage and Default Tailored insurance cover:

For cover to start, we must receive an employer contribution for you within 120 days of you first being eligible to join ANZ Smart Choice Super. If we do not receive a contribution within this time frame, you will receive a notification giving you approximately 30 days for your employer to make a contribution. If by the end of the notification period we do not receive an employer contribution sufficient to cover all insurance fees due, you will have no entitlement to a benefit, and cover will not commence.

When does cover cease? – all ANZ Smart Choice Super insurance cover:

Insurance Cover will generally cease on the 31st day after the due date of any outstanding insurance fees that remain unpaid. You will receive a notification giving you approximately a 30 day warning of your cover lapsing. In the event that you do not pay all outstanding insurance fees by the conclusion of the notification period, your cover will lapse.

Early access to superannuation for people with terminal medical condition from 1 July 2015

The Government has amended the provision for accessing superannuation for people suffering a terminal medical condition. This amendment will extend the life expectancy period from 12 months to 24 months.

Possible implications to consider

If an individual failed to obtain the required medical certification due to the restrictions of the 12 month rule, consider obtaining new medical certification. Whilst the change will allow earlier access to an individual's super it may not provide earlier access to any terminal insurance benefits as part of their super.

If you have insurance within your super, it is important to understand the terms and conditions. Consider maintaining some money in your super account to keep the account open and to pay insurance premiums. Withdrawing your full balance could result in the loss of valuable insurance cover. Refer to your financial planner.

Reminder for members of Non-OnePath Life insured plans

The Trustee takes this opportunity to remind members that where their insurance cover is provided with a non-OnePath Life insurer, that, upon leaving their employer, their cover will not automatically continue upon delinking from their employer plan and accordingly, they must effect a Continuation Option with the non-OnePath Life insurer within the time specified by the insurer (normally within 60 days of ceasing employment). Alternatively, members are able to apply for new cover with OnePath Life Limited. For more information, please refer to the Product Disclosure Statement (PDS) you received when you joined your employer's super plan or call Customer Services.

Update to disclosure for ANZ Smart Choice Super

Please read this product update carefully as the information in the next section replaces the content under the heading 'No nomination, defective nomination or cancelled nomination' in the ANZ Smart Choice Super Additional Information Guide – Employers and their employees dated 11 November 2013.

No nomination, defective nomination or cancelled nomination

If you choose not to make a nomination, do not make a valid nomination, cancel your existing nomination or to the extent your nomination is defective, the Trustee will pay your death benefit to your Legal Personal Representative*, if your estate is solvent. If there is no Legal Personal Representative, or your estate is insolvent, the Trustee will pay your death benefit to your spouse.

If you do not have a spouse, the Trustee will pay your death benefit to one or more of your dependants (as determined by the Trustee) and if no dependants, the Trustee will pay your death benefit in accordance with the relevant law.

* Legal Personal Representative means an executor of the will or administrator of the estate of a deceased person, the trustee of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by a person, however:

a. subject to paragraph (b) below, a person does not have a Legal Personal Representative unless:

- i. a grant of probate has been made;
- ii. letters of administration have been issued; or
- iii. such equivalent authority as the Trustee determines for jurisdictions outside Australia has been conferred on a person; and

b. if the Trustee is reasonably satisfied that the value of your estate is less than the amount which the Trustee from time to time specifies as the 'probate limit', then the Trustee may treat a person who does not meet the criteria in (a) but who the Trustee is reasonably satisfied will, in practice, be informally performing the role of executor or administrator of your estate as if they were your Legal Personal Representative.

Changes to dishonoured cheque processing procedure

In response to the declining usage of cheques, the Australian Payments Clearing Association has mandated that banks switch from paper to electronic image exchange as the mechanism to manage cheque payments.

As a result, if dishonoured, the physical cheque will no longer be returned to the customer. The customer will now receive a letter that contains an image of the dishonoured cheque. The new process is effective from 25 May 2015.

As a result of the physical cheque not being returned, the cheque re-presentation process can no longer be supported, and has been removed from ANZ's operating procedures.

Qualifying Recognised Overseas Pension Scheme changes

Her Majesty's Revenue & Customs (HMRC) has recently advised of changes in UK pension laws that impact how Qualifying Recognised Overseas Pension Schemes (QROPS), like the OnePath MasterFund, can retain their qualifying status.

From 6 April 2015, the changes mean that recognised overseas pension schemes have to ensure that pension benefits payable to the member are not payable before the member reaches normal minimum pension age unless the ill-health condition is met.

Unfortunately, the UK requirements may not be compatible with Australian superannuation law relating to the release of superannuation monies. As a result, at the time of publication, the OnePath MasterFund is no longer accepting transfers of monies from UK pension schemes.

HMRC has confirmed that members who transferred pension savings into the OnePath MasterFund prior to 6 April 2015 will remain subject to UK tax on the same basis as if the scheme had retained its qualifying status. They will be able to remain as members and receive a pension paid from the benefits transferred without automatically incurring additional UK tax charges.

ANZ Wealth continues to work with industry bodies and Government who are consulting with HMRC to determine if an exception from the UK requirement can be made available for Australian superannuation funds so they can retain their qualifying status. Further information, when available, will be advised via our website.

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Except as described in the relevant Product Disclosure Statement (PDS), an investment with the issuer is not a deposit or other liability of ANZ or its related group companies and none of them stands behind or guarantees the issuer or the capital or performance of an investment. An investment is subject to investment risk, including possible repayment delays and loss of income and principal invested.

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