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September 2019
Important changes to your super

Changes in legislation

New rules and regulations for super from the Australian Government came into effect on 1 July 2019, which may affect your account with Cbus.

Inactive low account balance transfers
Super funds are now required to transfer the accounts of certain members to the ATO. This could apply to you if:
- you don’t have insurance through your super
- your account balance is less than $6,000
- during the past 16 months your account hasn’t had a contribution or rollover*, changes to insurance cover, changed investment options, or made/renewed a binding death benefit nomination.

When accounts are transferred to the ATO, they attempt to unite them with other super accounts you may hold.

Three ways to keep your super with Cbus
You should consider your personal financial circumstances, including the impact of fees on your account balance, but if you decide you wish your super to remain with Cbus, here are three simple things you can do:
1. Combine any other super you have into your Cbus account.
2. Make a personal contribution to your account – even as little as $5.
3. Tell us you want to keep your account with Cbus by completing the Inactive low-balance accounts form available at cbussuper.com.au/forms in the Choice of super fund section.

Fee cap and refund
A fee cap of 3% now applies to certain accounts. You might be eligible to receive a fee cap refund at the end of the financial year or when you exit Cbus if you have:
- less than $6,000 invested in the Growth (Cbus MySuper) investment option, and/or
- less than $6,000 in total invested in all other investment options.

The fee cap includes the total combined amount of administration fees, investment fees and other costs not directly charged to members as a fee and which relate to the administration or investment of the assets of Cbus.

Exit fees abolished
Super funds will no longer be able to charge exit fees. You can withdraw your money or consolidate super funds without paying exit fees to access your money.

Opt in to retain your insurance through Cbus
Unless you opt in to retain your insurance cover, existing death and TPD and income protection cover may stop if, in the past 16 months:
- your account hasn’t received any contributions, or
- you haven’t rolled over or consolidated another account into Cbus.

This will happen regardless of your account balance, which is a change particularly for Cbus Industry Super members, who used to keep insurance cover until their balance went down to $1,200. Full details can be found in your Cbus insurance guide at: cbussuper.com.au/forms

Depending on your membership category, in some circumstances, some or all of your cover may restart if contributions start again. Visit cbussuper.com.au/changes-to-your-super for details.

Consider what insurance cover is right for you and how insurance premiums can affect your account balance. To opt in, visit cbussuper.com.au/opt-in to keep your insurance.

Why insurance through Cbus?
- Cbus death and TPD insurance is designed for workers in the building and construction industries, including those working at heights and in hazardous environments.
- Eligible members receive automatic death cover until age 70.
- In 2017/18 Cbus paid out over $244 million in insured benefits.

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For transfers to the ATO, this means that you have less than $6,000 invested in the Growth (Cbus MySuper) or other investment option which has not received a contribution or rollover in 16 months.
Changes in Cbus

We have also made some changes to our policies, procedures and the way we do things at Cbus.

Transfer to an Eligible Rollover Fund (ERF)

Cbus’ policy on when some low-balance accounts will be transferred to an ERF has changed. An ERF is an account designed to receive super benefits of lost members and those with low account balances who are no longer receiving contributions.

Your super may be transferred to an ERF after 16 months of inactivity if you have less than $6,000 in your account and no insurance cover. This could happen if your account hasn’t had a contribution or rollover, you haven’t changed investment options or insurance cover, or you haven’t made or renewed a binding death benefit nomination within a 16-month period. Cbus will write to members with inactive accounts before transferring them.

For more information about ERFs, visit cbussuper.com.au/forms and search for the fact sheet How super works.

Eight years ago, Cbus member Karen Odermatt went to a Cbus retirement seminar. Her husband, also a Cbus member, was nearing retirement age, and had been invited to attend a session to start planning. Karen went along to the seminar too, so they could both be involved in planning for his retirement, and for hers. “I’m really glad we went back then,” Karen said. “The seminar made us feel like we had the information we needed about our options and what might be best for our family.”

Now that Karen is getting closer to retirement herself, she and her husband recently attended another Cbus retirement seminar. “We got lots of answers to questions we had, and the talk made us realise things we weren’t aware of. I was surprised at how much has changed in the legislation in eight years, and I’m glad I have the latest information.”

The couple asked for a referral from Cbus to a financial planner to get more personal advice. “Cbus helped us prepare our questions to make the most of our time, and told us the documents we would need. When we met with the financial planner, we got great personal advice and were asked very relevant questions.

“By the end of it, we were given three possible paths we could take with our finances, depending on where we wanted to move our money and focus our savings and investments. We discussed them with the financial planner and made some decisions right there in the meeting.”

With plans to retire still around six years off, Karen’s enjoying the compliance work she does at the CFMEU education and training unit. “I get to work with people who want to make a difference. It feels good to make things better for workers, make work sites safer.” She can relax, knowing there’s a plan for now and for the future when she decides to make the change to retirement.

“I’d highly recommend going through this process for anyone getting close to retirement. Now we have a goal to work towards.”

To attend a retirement seminar, visit cbussuper.com.au/tools-resources/retirement-seminars or to speak with a qualified adviser, call Cbus Advice Services on 1300 361 784 option 4.
Cbus online has had a refresh

A better online experience is here.

We’ve launched our new and improved Cbus online account and Cbus app to give you more access and control over your account than ever before.
Register online or log in now to experience the new features and continue using all the tools you need...

Check your balance
Keep track of your balance through your Cbus online account or Cbus app to find out how you’re tracking for retirement.

Check latest contributions
Once you know how much you’re eligible for, it’s easy to check that your employer is paying your super on time.

Update your details
Easily update your account details.

Get complete control of your account on mobile devices
The refreshed Cbus member app now allows you to do everything you can do through your desktop on your mobile device, giving you even more access and control of your account.

Increased security and easier login
Your Cbus online account now comes with better security than ever before. Cbus app users also get the benefit of added security and are able to choose to log in with a 4-digit PIN or set up touch or facial recognition for easy access.

For more information call us on 1300 361 784 or email cbusenq@cbussuper.com.au

Get the help you need for your super

Cbus front counter staff are available in six capital cities, five days a week, to help you with:

- Opening a super or income stream account
- Changing your details
- Setting up online access
- Benefit payments
- Insurance enquiries
- Printing and lodging forms
- Beneficiary nominations
- Voluntary contributions

Find a front counter near you: cbussuper.com.au/contact.
Can’t get to a capital city? Call us on 1300 361 784, Monday to Friday 8am to 8pm AEST/AEDT.
Cbus Property has built a reputation for the construction of highly rated, sustainable projects and also manages a portfolio of award-winning and highly sustainable properties on behalf of Cbus members. The significant returns generated by Cbus Property for Cbus members show why a focus on sustainability delivers over the longer term.

Buildings that achieve high ratings, along with achieving better returns, also attract high-quality tenants who are aware of their energy usage and carbon footprint. This has a significant impact on a building’s long-term sustainability and efficiency within an investment portfolio. Highly-rated developments are also viewed as being more attractive to lenders through a sustainability lens, as recently shown by Cbus Property being offered a concessional-rate $100m loan facility by the Clean Energy Finance Corporation (CEFC). The loan is conditional on achieving a range of best-practice sustainability outcomes.

Collins Arch is using technology such as energy-efficient facades and high-efficiency air conditioning and has capacity for electric vehicle charging. These are expected to deliver a minimum 20 percent reduction in the building’s carbon footprint. With its clean energy technologies, the Collins Arch development is an example of how Cbus Property is contributing to new environmentally-sustainable standards in cities through a low carbon approach to building design.

Cbus Property’s position as a market leader in sustainable building development was an attractive drawcard to the CEFC, who look for investments that have a strong focus on reducing greenhouse gas emissions. Premium sustainable building developments, like Collins Arch, are great long-term investments that will help maximise returns for Cbus members.

Cbus Property investments are part of the property asset class in the High Growth, Growth, Conservative Growth and Conservative investment options and these returns form part of the crediting rates allocated to accounts invested in these options.

Learn more about Cbus Property projects at cbusproperty.com.au
Investment performance update

The 2018/19 financial year closes up after mixed performance from global investment markets.

After a strong start in July and August, investment markets headed into a period of uncertainty in late 2018, fuelled by slowing global growth and rising US interest rates. There was also the ongoing threat of trade war between the US and China that did little to lift spirits. December didn’t see a ‘Santa rally’, with markets closing the year in negative territory.

This year, share markets got off to a very strong start after the US Federal Reserve revised its interest rate projections and Chinese authorities announced further stimulus. However, the last quarter of the financial year struggled to maintain momentum as markets continued to be weighed down by ongoing concerns about economic growth and, after much talk, President Trump finally delivered a further increase on tariffs for some Chinese exports to the US.

Closer to home, with interest rates and wage growth at historical lows, Australians headed to the polls for a federal election in May. The Coalition achieved a surprise victory, which resulted in a 1.7% bounce from Australian share markets on the first trading after the election. Throughout the year, property and infrastructure assets produced steady returns. With the rise in share prices over the last six months of the financial year, global shares were the best performing asset class.

Despite the challenging economic conditions, Cbus delivered a return of 6.99%\(^\circ\) for the Growth (Cbus MySuper) option for the year ending 30 June 2019. This return follows a couple of years of strong performance, which are reflected in Cbus’ very favourable longer-term results.

![Performance to 30 June 2019](image)

Past performance is not a reliable indicator of future performance.

\(^\circ\) The return for the Growth (Cbus MySuper) option is based on the crediting rate, which is the return minus investment fees, the Trustee Operating Costs and taxes. Excludes account keeping administration fees.


It pays to focus on the long term

Your balance can go up and down a lot in the short term, but it’s the return over many years that makes a difference to your future.

And for over 35 years, Cbus has returned an average of 9.23%\(^\circ\) a year.

\(^\circ\) The average annual return shown is from inception to 30 June 2019 based on the crediting rate of our Growth (Cbus MySuper) option.

Visit our website to learn more about our investment strategy at [cbussuper.com.au/investments](http://cbussuper.com.au/investments)
Myth busting: Cash payment vs. super income stream

While some people prefer to take all their super in a lump sum cash payment when they retire, a super income stream is a great way to get the most out of your retirement savings. For the Fully Retired option, there are more benefits than you might think.

MYTH  ❌  FACT
My money is safer in my bank account.

While your money is still in your super, it can keep earning investment returns over the life of your income stream. Even the lowest-risk option – Cash Savings – has earned an average of 2.44% returns over the past seven years – better than what your average bank savings account has given. And if you do earn interest on money in your bank account, that can be subject to tax at marginal tax rates, whereas investment earnings in a Fully Retired Super Income Stream are tax-free.

MYTH  ❌  FACT
My money is locked away in a super income stream and I can't get to it if I need it.

In the Fully Retired option, you can choose to withdraw some or all of your super any time at no extra cost. If you set up an income stream and change your mind later, you can withdraw the whole amount. You can also change the frequency of your income stream payments, and the amount of each payment at any time (subject to government limits). Just let us know what you’d like to do.

MYTH  ❌  FACT
I've already got all the tax benefits I can from my super when I withdraw it.

In an income stream, you don't pay any taxes on your income payments after age 60. And in the Fully Retired option you don't pay any tax on your investment returns either.

MYTH  ❌  FACT
I don't have enough in my super to set up an income stream.

You can set up an income stream with as little as $10,000 in your account. If you're receiving a full or part pension from the government, a super income stream could supplement that payment and mean a better lifestyle in retirement.

See what an income stream could mean for your retirement – try out our retirement spending planner at cbussuper.com.au/calculators or learn more about your options at cbussuper.com.au/retirement.
Your coordinators

Local Cbus Coordinators give you personal, face-to-face support. Get in contact today if you need help or to organise a workplace information session.

Cbus, Locked Bag 5056
Parramatta NSW 2124
1300 361 784
(8am to 8pm AEST/ AEDT – within Australia. Open Monday to Friday, closed national public holidays).

cbussuper.com.au

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