

February 2023

cbus news



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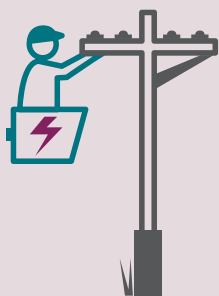
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Get the latest news. *Fast.*

Here's a **snapshot** of things you might need to know.



Our fund is set to grow even bigger

Last year we signed a merger agreement with EISS Super, which was a key milestone on our path to merge in May this year.

While Cbus Super members won't be impacted directly, we are confident the merger will further strengthen our position as one of the leading funds for the industries that build and shape Australia.

And by creating a larger fund, we expect members of both funds to access greater benefits of scale, leading to better retirement outcomes for all.

More seniors eligible for the Seniors Health Card

The income threshold for the Commonwealth Seniors Health Card has increased from \$61,284 to \$90,000 for singles and from \$98,054 to \$144,000 (combined) for couples.

Visit servicesaustralia.gov.au to see if you could be eligible.



Pensioners can work a little more

If you're an eligible pensioner, you can earn an extra \$4,000 between 1 December 2022 and 31 December 2023 before it affects your pension entitlement.

Thanks to this one-off credit announced in the last Budget, you can earn up to \$11,800 before your pension is reduced.

Visit servicesaustralia.gov.au to learn more about your Work Bonus income bank.



Minimum income stream payments set to double from July 2023

The Government sets a minimum you must be paid from your income stream each year. This minimum is calculated as a percentage of your balance and is dependent on your age.

To help retirees through the last few years of volatility, the Government temporarily reduced this minimum by 50%. However, from 1 July 2023 the default minimum rates will reapply.

This means if you're on the current minimum payments for your income stream, your regular income could double from 1 July 2023.

Log in to your account to check your income stream payments.



We're looking out for your interests

Our primary focus is to get the best outcomes for you – our members. As we start 2023, we're pleased to share some major progress.

Welcoming the Housing Accord

The National Housing Accord was announced in the October 2022-23 Budget. This Accord brings together all levels of government, investors like super funds, and the construction industry with an aspirational target of delivering one million new, well-located homes over five years from 2024. As long-term supporters and investors in social and affordable housing, we welcomed the announcement.

"The Accord has the potential to super charge investor participation in social and affordable housing, provide attractive returns for our members and address the affordable housing gap. Construction of social and affordable housing creates jobs and keeps the economy moving, and we look forward to playing our part."

Cbus Super CEO, Justin Arter

Making sure workers are covered

The Federal Government's review of the unintended consequences of super laws called the Your Future, Your Super reforms, was a major focus of our advocacy efforts.

We want to ensure that every building and construction worker is covered from day one on site.

We're advocating for an amendment to the super 'stapling' laws. This is where the Australia Tax Office links a worker to their existing fund if they don't actively choose another. If a construction worker is 'stapled' to the fund they joined at their first job, they could be paying for insurance that won't cover them if they're seriously injured.

We're one of a handful of funds that can provide proper insurance coverage in our industries and one of a few funds offering automatic insurance through super to young or low-account balance workers in hazardous or high-risk jobs.

Having access to automatic insurance is fundamental for members in dangerous conditions such as working with heavy machinery or working from heights.

We'll keep advocating for good policy that recognises the importance of insurance for our members.

Cbus Super Chair joins the Treasurer's Investor Roundtable

Reflecting the important role that Cbus Super plays in investing in the Australian economy, our Chair Wayne Swan was asked to join the investor roundtable announced by the Treasurer in October last year.

It was formed to identify and unlock investment opportunities in national priority areas, one of which is housing.



Protect your data and information

You may have noticed an increase of data breaches being reported in the news over the past months. That's why we've put extra measures in place to help protect your super.

What to do if you're impacted by a data breach

If an organisation lets you know about a data breach involving your personal information, there are some things you can do to help protect yourself*.

Contact information

e.g. home address, email or phone number



Change your email account passwords. If you emailed yourself passwords, change these as well. Enable multi-factor authentication if possible.

Take care with emails and phone calls as you may be targeted by scammers. Do not share your personal information until you are certain about who you are sharing it with.

Financial information

e.g. credit card or online banking



Change your online banking account password and your banking PIN.

Advise your financial institution that your information has been involved in a data breach.

Check your account statements. If you spot any purchases you didn't make, report these immediately to your financial institutions.

Request a copy of your credit report to check if it included any unauthorised loans or applications.

Government-issued identity documents

e.g. driver's license or Medicare details



Contact the agency that issued the identity document for advice using the contact details on their website.

Health information

e.g. health care records or prescriptions



Contact your health service provider using the contact details on their website.

Tax-related information

e.g. tax file number



Contact the Australian Tax Office using the contact details on ato.gov.au. They can monitor any unusual or suspicious activity with your tax file number.

* Source: Australian Government Office of the Australian Information Commissioner oaic.gov.au/privacy/data-breaches/act-quickly-if-you-are-affected-by-a-data-breach

Get scam savvy

In 2022, Australians lost over \$500 million* to scams and two-thirds of this was to investment scams.

That's just what was reported too. Many victims are too embarrassed to admit they've been conned, so this number is probably much bigger.



What you can do

It's not all doom and gloom, though. While the fraudsters may be getting smarter, there are some things you can do and watch for to protect your super, other assets and identity from theft.



Head to scamwatch.gov.au to stay up-to-date with the latest tricks scammers are trying and for more tips on how to protect yourself, and keep your money and identity safe.



Don't let your nest egg fall prey to predators

Lately, you may have read or heard more about self-managed super fund (SMSF) scams in particular. These scams usually start with a cold call or email from a person or company you don't know. They may claim to be a financial adviser and promise high returns if you move your super to a SMSF. The fraudsters can be sophisticated, and many have cloned credentials from legitimate companies, so it can all look very real.

Once they hook you in and convince you that an SMSF with their company is a better option, they'll have you move your super to what looks like a genuine account, but is actually the scammer's account. Cbus Super will do as much as it can to protect you, but if we receive instructions to rollover your money along with all the required documents and ID, once it's been transferred out, there may be nothing we can do, and your super will be gone.

Self-managed super funds may not be super for you

While many SMSF opportunities may not be scams, they still may not be in your best interests, despite their claims.

Managing an SMSF can be costly and time-consuming. Even if you get help from a professional (like a financial adviser, accountant or solicitor), you're still responsible and personally liable for the fund's decisions, and making sure it complies with super and tax laws.

Plus, if your SMSF falls victim to theft or fraud, you won't be protected in the same way as you would be in an APRA-regulated fund like Cbus Super.

Once expenses and taxes are taken into account, the returns may not be as attractive as they first seem. And remember, no one can guarantee returns. If it looks too good to be true, it probably is.

How we're working to protect you

With increases in data breaches, identity theft and super scams, we need to make sure we're talking to the right people. This means we may ask you for a lot of information, especially when it comes to making payments.

We've also strengthened the security we already have in place, including increased monitoring of transactions and accounts. We do this to protect you, your loved ones and your money.



* Source: scamwatch.gov.au/scam-statistics

Leaving your legacy

As we get older, many of us start to think about our lives and the legacy we'll leave our loved ones.



While assets like your super and other investments make up your financial legacy, you may feel like you'd like to leave those dearest to you other things that they can remember you by. People choose to leave a legacy for many reasons, but one of the major factors is that they want to make a contribution to and impact on future generations.

Your financial legacy

Did you know that your super doesn't automatically form part of your estate? That means, if we don't hold a valid beneficiary nomination, we have to follow super and tax laws to determine who receives your balance when you die. If things have changed and you'd like to update your beneficiary nominations, it's important to let us know.

Types of beneficiary nominations

There are different types of beneficiary nominations you can make to suit your needs.

Reversionary beneficiary nomination (spouse only)

Vito and Samara are married. When Vito opens his income stream account, he nominates Samara to be his reversionary beneficiary. This means Samara will be able to choose to continue the income stream or request a lump sum payment when Vito dies. Provided either Vito or Samara are age 60 or over at the time of Vito's death, the income stream will be tax free*. If they're both under age 60, it will become tax free when Samara turns age 60.

How to update: You'll need to open a new income stream and transfer your current balance into it in order to remove or update a reversionary beneficiary, so please call us on **1300 361 784** for help.

Binding and non-binding beneficiary nominations (dependents, spouse or a personal legal representative)

Tabitha lives with her partner Manuel. She has two children from a previous relationship, Stephanie and Claude, and is a stepmother to Manuel's son, Alex.

She wants her benefit to be distributed to her children as well as her partner when she dies, so she decides against nominating a reversionary beneficiary. This is how she would like her benefit distributed:

Manuel	Partner	20%
Stephanie	Daughter	30%
Claude	Son	30%
Alex	Stepson	20%

Tabitha can choose to make either a binding or non-binding nomination, depending on how much certainty she wants over who receives her benefit when she dies†.

Get more certainty with binding nominations

If Tabitha wants greater certainty over who will receive her benefit and in what proportions, she should make a binding beneficiary nomination. To ensure it remains valid, she needs to confirm or update her binding nomination at least once every three years.

How to update: Visit cbussuper.com.au/forms to access and complete a *Binding death benefit nomination for your Cbus Super Income Stream* form. The form also includes detailed information and rules about binding nominations.

Keep it simple with a non-binding nomination

If Tabitha doesn't want to commit to regularly confirming her nomination and is happy to let us know her wishes less formally, she can make a non-binding beneficiary nomination.

We'll consider the nomination when she dies, but as it is non-binding, we must follow super and tax laws when determining how it is paid. This means we may pay someone else or in different proportions.

For example, if Manuel and Tabitha separate before she dies and Tabitha hasn't updated her nomination, we may decide to distribute some or all of Manuel's portion to the other beneficiaries, or someone else.

How to update: Simply log in to your account.

* Samara may be subject to extra tax if her tax-free retirement accounts exceed the transfer balance cap, which is currently \$1.7 million.

† If any one of Tabitha's beneficiaries is not a dependent for tax purposes, the benefit they receive may be subject to tax.



Your personal legacy



Write your story

You've likely learned a lot of lessons and enjoyed many experiences in the course of your life. These have not only shaped the person you are, but sharing these can have a profound impact on those around you. Writing down your life's story is a wonderful gift to share with your children or grandchildren and something that can be passed down for generations. If writing isn't your strong point, you could consider leaving an audio or video journal.



Capture the moments

The old saying that a picture is worth a thousand words has been around for over a hundred years and with good reason. Photos and videos capture moments in ways that words cannot. Whether it was your wedding day back when you were young, or the joy of holding your grandchild for the first time, these precious moments can be relived not only now, but once you're gone. Put these memories into an album or collection for all to enjoy.



Foster relationships

Did you know that people who have healthy relationships are more likely to feel happier and satisfied with their lives? Spending time with those you love will not only help you lead a fulfilled life, but it will help create lasting memories for both you and them.

These relationships can be connections with anyone – family, friends or the community. Whether it's babysitting the grandkids every Monday, Sunday fishing with friends or volunteering at your local community centre on a Wednesday, these activities have the potential to enrich the life of you and those around you. And that's what they'll remember for years to come.

A quality retirement for this quality controller

After almost 50 years in the workforce, Michel Daaboul has just started his well-earned retirement. Michel transitioned his Media Super account to a Cbus Super Income Stream and couldn't be happier with his experience as a member of the Fund.

A printer for life

Michel immigrated to Australia from Lebanon in 1973 when he was 15. Just ten days after he arrived, Michel found his first job at a small goods factory and at 18 he moved into the printing industry.

Little did he know this was the start of a lifelong career in print. He moved to his second print business in 1983 and found his niche in quality control.

"I started as a general hand and the guys gave me a chance to learn something new, and I started doing quality control 36 years ago."

13 is lucky for some

Although he'd enjoyed his job, Michel knew retirement was approaching when his body started slowing down. Michel started working with his last employer on Tuesday 13 September 1983 and was intending to retire Tuesday 13 September 2022, marking 39 years to the day.

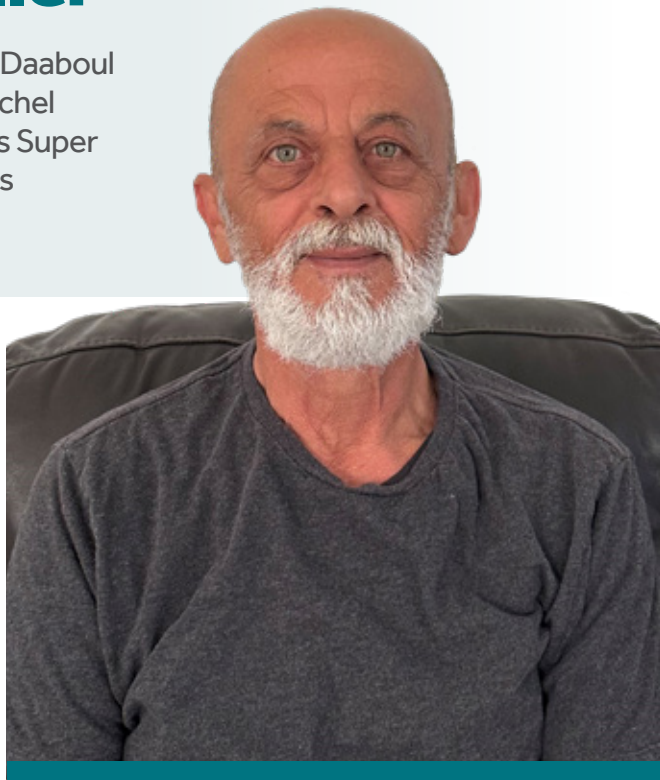
As luck would have it, his employer was restructuring, so his role was made redundant. "What are the chances? They say 13 is an unlucky number. Well, for me it wasn't," Michel laughs.

Our coordinators are here to help

Michel had a Media Super account when his role was made redundant and he decided to retire. Now that Media Super and Cbus Super have merged, the Cbus Super Income Stream is the retirement product available to all Media Super members. So, Michel set up an account and couldn't be happier with the transition process. "I was actually a bit apprehensive going into the whole thing, but I was so surprised with how well it worked out."

Cbus Super workplace coordinators, Ray and Nick, came to visit Michel's worksite around the time he was finishing up work, so he asked them for help.

Nick and Ray then visited Michel at home to discuss his needs and help him set up a Cbus Super Income Stream. "I asked for a lump sum and then the rest to go into an income stream. They talked me through everything I needed to do and explained it so clearly."



Michel was pleased with how quick and easy it was moving from his Media Super account to his Cbus Super Income Stream.

"I received my lump sum almost straight away and then my payments started a few weeks after I retired. I'm extremely happy with the service from both Media Super and Cbus."

Plans for a quiet retirement

Michel's retirement will be modest, but that's the way he likes it. No big holidays or grand plans – he just wants to relax and spend time with his family, especially his grandchildren.

"I love the quiet life. I've got my garden and I like to grow veggies. I go to a club with my mates each week and have a couple of beers. It's a pretty simple life."

Michel helps his wife look after their grandchildren one day a week. His grandchildren are toddlers, but Michel says they can keep up. "We've handled four of them on our own before!"

Investing for the long-term

The last few years have seen many unique events take place, causing longer periods of market volatility.

Even assets considered less likely to fall in value during tough times have been impacted. We know this can be unsettling, especially if you're in or nearing retirement. You've worked hard to build your savings and want to ensure it's there to support you throughout retirement.

It helps to remember that even in retirement, your investment timeframe can be long. Taking some investment risk – and benefiting from the potential growth that comes with it – is one of the only ways to get the long-term returns you need to make your money last.

Doing nothing may just be the best thing you can do

It's important to avoid making rash decisions like switching to Cash in volatile times. Decisions like these can 'lock in' your losses and make it very difficult for your retirement savings to recover. Investing in Cash may feel like a safer option in the short-term, but it can have a detrimental effect on your super's ability to see you through your retirement and leave you worse-off in the long run.

The below chart shows three different approaches a member could have taken back when the Global Financial Crisis (GFC) hit in 2008. As you can see, over both the short and long term, switching did not produce a better return.

A little risk isn't such a bad thing

Your balance and income are impacted by a range of factors.



The rising cost of living

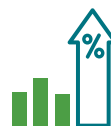
While it may be tempting to switch 100% of your super into the 'safest' option of them all – Cash – the interest earned from Cash investments generally doesn't keep up with the rising cost of living, so you may be worse off.



Drawing down your super

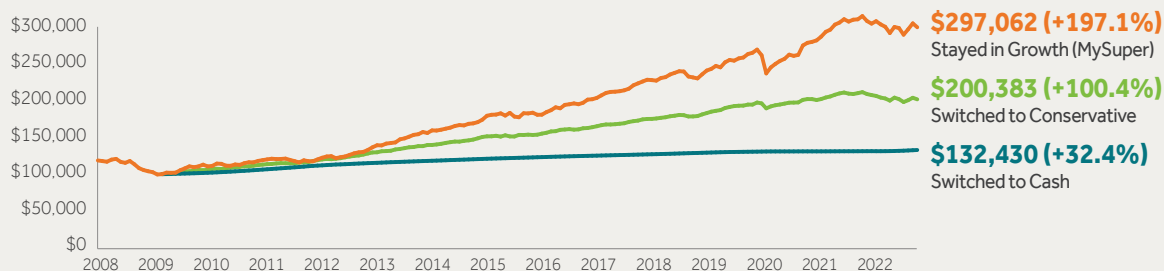
Through your Cbus Super Income Stream, you draw regular income from your account, which in turn reduces your balance.

Consider how staying the course can help your balance in the longer-term and as you get older.



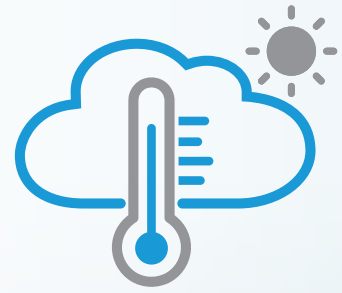
Compound interest

Even in retirement, your super needs – and will – continue to work for you now, and for your years ahead. So, having even a small allocation in something with higher risk/higher return can help you continue to build your retirement savings.



These figures are for illustration purposes only and are based on the crediting rate, which is the return minus investment fees, taxes, and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs deducted directly from members' accounts. Calculations are based on historical crediting rates from 30 June 2008 to 31 December 2022, switching on 31 March 2009 with a super account balance of \$100,000. Past performance is not a reliable indicator of future performance.

Our investments and climate change



We believe climate change is one of the most significant challenges we face as a society today, and that tackling it needs to be done collaboratively with a focus on real-world impact.

As responsible investors, we can achieve the best financial outcomes for our members by incorporating the risks and opportunities that climate change creates within our investment decisions, and by helping to shape how the world transitions through our engagement and advocacy work.

Our climate change goals

Net zero portfolio carbon emissions by 2050

Our net zero target refers to the Fund's financed emissions. Based on how much we've invested in a company or asset, we're responsible for a share of that company's emissions; these are our financed emissions.

Our net zero target currently refers to our share of the Scope 1 and 2 emissions* of the companies and assets in which we invest. This target currently includes over 70% of Cbus Super's portfolio including listed shares, property and infrastructure.

Contribute to a 45% reduction in real world emissions by 2030†

Our 2030 target focuses on a connection to real-world decarbonisation. We use carbon intensity (tonnes of CO₂ per \$M invested) to track our progress because this allows us to account for growth in our portfolio over time.

The challenge with carbon intensity is that it can be influenced by changes in asset valuations as investment markets fluctuate. To better connect to real world impact, we adjust for changes in asset values when we assess our progress each year.

1% allocation to climate change investments

Our 1% allocation to climate change investments allows us to invest in the technologies needed for a low-carbon economy. It also aims to finance the transition, by supporting companies and assets in hard-to-reduce sectors that need investment to facilitate their decarbonisation.

This dedicated allocation doesn't represent our only exposure to climate investments, but it does act to increase our focus on this space and to continually expand knowledge of climate investments across our managers.

Engage with our top 20 Australian listed emitters

Our engagement strategy is updated annually and covers approximately 50% of our financed emissions. We engage with our highest emitters through direct engagement and by working alongside others.



More information can be found in the [Responsible Investment Supplement](#) of our latest *Annual Integrated Report* – available at cbussuper.com.au/AnnualReport.

* Scope 1 emissions are direct emissions from activities that a company controls (e.g. using gas for heating, emissions from fleet vehicles). Scope 2 emissions are indirect emissions related to the electricity that a company purchases and uses. Emissions are created when the electricity is produced.

† Compared to a 2019 baseline.

Market ups and downs are a normal part of investing

Financial markets globally faced a range of challenges over the course of 2022. While these have impacted investment returns across the super industry, your retirement savings are designed to ride the ups and downs and have long-term goals in mind.



Factors impacting returns include:

- **Rapid rising of interest rates** by the Reserve Bank of Australia and central banks overseas in response to rising inflation
- **Impacts to energy, gas and commodity markets** as a result of the Russia/Ukraine crisis
- **Further pressure on global supply chains** in the wake of the COVID-19 pandemic.

Despite some early signs that inflation may be nearing its peak, the investment environment is likely to remain challenging as we enter 2023 and several central banks have indicated the likelihood of further interest rate rises this year.

The challenges of controlling inflation whilst keeping job growth strong, and managing the impacts of geopolitical conflict, means we anticipate further ups and downs in the market.

All investments involve some risk

Combined, these events have increased market volatility and affected short-term investment returns across a wide range of investments and asset classes, including falls in Australian and global shares and in Australian and global fixed income.

We know these periods can be unsettling, but they are to be expected and are a normal part of investing for the longer-term.

Long-term focus of super

While short-term returns have been impacted across the superannuation industry our Conservative Growth option has delivered strong longer-term outcomes for members and continues to outperform the industry median over 5 and 7-year periods*.

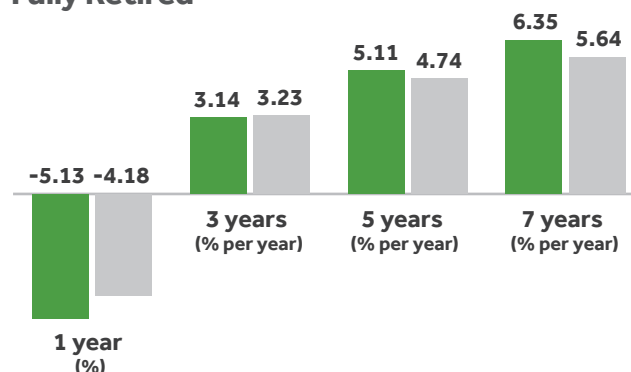
Even in retirement, your super remains invested, so by staying the course, you'll have benefited from investment returns that are in the top quartile of super funds

As always, our number one goal is to help you protect your hard-earned savings to secure a better retirement.

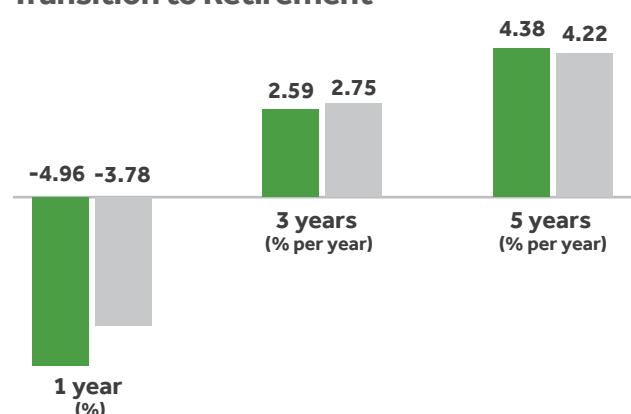
Performance (%) to 31 December 2022

- Conservative Growth (default)[†]
- SuperRatings fund median[‡]

Fully Retired



Transition to Retirement



Past performance is not a reliable indicator of future performance.

* The Conservative Growth option obtained a top quartile performance ranking over 5 and 7-year periods ending 31 December 2022. SuperRatings PFCRS SRP25 Conservative Balanced (41-59) Index Survey.

† The return for the Conservative Growth option is based on the crediting rate, which is returns minus investment fees, taxes and until 31 January 2020, the percentage-based administration fee. Excludes fees and costs that are deducted directly from members' accounts.

‡ The average median return is taken from the SuperRatings PFCRS SRP25 Conservative Balanced (41-59) Index Survey (December 2022) for the Fully Retired option, and SuperRatings SR25 Conservative Balanced (41-59) Index Survey (December 2022) for Transition to Retirement option. SuperRatings is a ratings agency that collects information from super funds to enable performance comparisons – visit superratings.com.au.

Award-winning super, built for your industry

Our Fund is proud to be named SuperRatings* Career Fund of the Year 2023.

This award recognises us as the leading industry super fund for the building, construction and allied industries.

It acknowledges Cbus Super's strong focus on engagement with and advocacy for our members and our highly competitive returns and fees.

The award also celebrates our insurance offering, which we tailor to suit our members. Our members who work in high-risk jobs are automatically offered insurance through their super. This includes those who are young or with low account-balances, who ordinarily wouldn't be covered.

Please visit
cbussuper.com.au/awards
for details of these and more
of our Fund's awards.



Contact us

Find us on



1300 361 784 8am to 8pm (AEST/AEDT)
Monday to Friday, closed on national public holidays



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Log in to chat to us online



Visit us in person in Adelaide, Brisbane, Melbourne,
Perth and Sydney. Details: **cbussuper.com.au/contact**

Cbus has fact sheets available in your language to help you understand your superannuation. You can download a copy at **cbussuper.com.au**

Cbus提供中文说明书，帮您了解退休金。您可以访问 **cbussuper.com.au** 下载说明书。

Cbus ima prospekte na vašem jeziku kako biste mogli lakše razumjeti sve što je vezano za vašu mirovinsku štednju (superannuation). Primjerak ovog prospekta možete učitati na internetskoj stranici **cbussuper.com.au**

Η Cbus έχει ενημερωτικά φυλλάδια στη γλώσσα σας για να σας βοηθήσει να καταλάβετε τα πάντα για τη συνταξιοδότησή σας. Μπορείτε να βρείτε και να κατεβάσετε ένα αντίγραφο στη διεύθυνση **cbussuper.com.au**

لدى سيبياس صحائف حقائق بلغتك لمساعدتك على فهم ادخارك التقاعدي. بإمكانك زيارة موقع **cbussuper.com.au** لتنزيل نسخة.

Cbus ha a disposizione delle schede informative nella vostra lingua per aiutarvi a comprendere tutto quello che riguarda il vostro pensionamento. Potete scaricare una copia sul sito **cbussuper.com.au**

Cbus는 연금에 대한 이해를 돕고자 한국어로 된 안내서를 마련했습니다. **cbussuper.com.au** 로 가서 안내서를 다운로드 받으실 수 있습니다.

Cbus raspolaga со брошури на вашој јазик за да ви помогне да разберете сè околу вашите пензиски влогови. Доколку сакате да преземете копии од овие брошури, посетете **[ro cbussuper.com.au](https://cbussuper.com.au)**

Cbus нуди информативне листове на вашем језику који вам помажу да разумете све што се тиче вашег пензијског фонда. Примерак можете преузети на интернет презентацији **cbussuper.com.au**

Cbus tiene hojas de datos en su idioma que le permitirán comprender su super. Usted puede descargar una copia en **cbussuper.com.au**

Cbus có các tờ thông tin bằng ngôn ngữ của quý vị để giúp quý vị hiểu về hưu bổng của mình. Quý vị có thể truy cập trang web **cbussuper.com.au** để tải về bản sao.

* The rating is issued by SuperRatings Pty Ltd ABN 95 100 192 283 AFSL 311880 (SuperRatings). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and SuperRatings assumes no obligation to update. SuperRatings uses objective criteria and receives a fee for publishing awards. Visit **superratings.com.au** for ratings information and to access the full report. © 2023 SuperRatings. All rights reserved.

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