Retirement Strategy Summary

February 2025

Purpose

Cbus Super' Retirement Strategy strives to improve Cbus Super and Media Super members' retirement outcomes, over and above addressing the requirements of the Retirement Income Covenant (RIC). The RIC requires super funds to consider strategies to better support members through retirement including these three objectives:

1. **maximising** retirement income,	2. **flexible access** to capital and	3. **managing** risks to the stability and sustainability of retirement income.

We have tailored strategies for groups of members that share similar circumstances and have been grouped into three key cohorts.

We will track the success of the strategy each year and will undertake a complete revision of the strategy every three years.

Background

Cbus Super was established in 1984. Created by workers for workers. We are a proud Industry Super Fund, championing the people who help build Australia and those that work in the print, media, entertainment and arts industries. Everything we do is to benefit our members – and only our members – so they can eventually enjoy their retirement making hard work pay off.

As one of Australia's largest super funds, we provide superannuation and retirement accounts to more than 900,000 members and manage over $94 billion of our members' money (as at 30 June 2024). Cbus Super currently offers a Super Income Stream (SIS) for retired members, and also provides members with access to retirement planning seminars to help members better understand the retirement process.

A 2022 survey demonstrated that more than 3 in 4 Cbus members currently work in the building, construction and allied industries with the majority working in blue collar roles[1].

Survey data also demonstrates that Cbus members within the building and construction industry often experience broken work patterns particularly in their later working life, resulting in less consistent super contributions and a phased retirement whereby they may spend periods retired before re-entry to the workforce. Cbus members are also more likely to have multiple employers within a 12-month period[2], and have a higher likelihood of unpaid super, with more than 40% of apprentices, labourers and machinery operators experiencing unpaid super[3].

These factors can mean that:

- Cbus members tend to have lower balances than the average population at retirement[4]
- With low super balances the majority of Cbus members cannot afford to retire before reaching Age Pension age[4]
- The Age Pension is central to Cbus members' retirement outcomes with superannuation providing vital access to capital in retirement, particularly in the years between preservation age and Age Pension age[4]

1. Understanding our Cbus members, Kantar, Oct 2022
2. The Life and Times of Cbus Members , Core Data, Feb 2020
3. Super Scandal: Unpaid Super Guarantee in 2016-17, ISA, May 2019
4. Older Cbus Members and Retirement, Empirica Research, March 2024

United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as Trustee for the Construction and Building Unions Superannuation Fund ABN 75 493 363 262 offering Cbus Super and Media Super products (Cbus, Cbus Super and/or Media Super)

What we want to achieve

Analysis and research insights have helped us better understand member needs and the problems faced by members in retirement. The key problems to be solved for our members are:

- Improve members' readiness for retirement, including their knowledge, understanding of important information for retirement, and preparation
- Improve access to government entitlements
- Improve member flexibility to access capital in retirement

Strategic focus areas

The focus areas of our strategy aim to:

- Address the key member problems identified from analysis and research insights
- Align with the enterprise strategy and priorities, by focusing on strengthening foundational capability

Our strategic focus areas are:

1. **Proactive Guidance:** Improve our ability to proactively provide tailored guidance to members through communications and content.

2. **Integrated and tailored service:** Deliver a consistent, tailored and holistically integrated service offer that helps members prepare for retirement

3. **Flexibility:** Enhance our product and operations to increase members' flexibility and advocate for regulatory settings to better accommodate our members' needs in retirement.

Retirement Strategy Objectives

Cbus Super's Retirement Strategy sets out a plan to improve financial outcomes for our retired members and meet the broader needs of members and their partners, while also fulfilling the core requirements of the RIC.

The Cbus Retirement Strategy sets out four additional strategic objectives and will track and report on the progress of these objectives:

- Deliver engagement and service support tailored to member needs
- Improve confidence in retirement, as measured by the Cbus Retirement Readiness Index
- Improve retirement outcomes delivered to members, by supporting the maximisation of income and supporting flexibility for both accumulation and SIS products
- Support members in accessing the products and services which address their needs in retirement

Tailored strategies based on members' circumstances

Detailed member data analytics and research was used to build a strong evidence-based understanding of the needs and circumstances of our members approaching retirement or in retirement. This analysis was refined into three key member retirement cohorts that enables us to better respond to the significant diversity in our membership while developing a tailored strategy which aims to drive improved outcomes for the members of each cohort. Our analysis highlighted that meeting member retirement income needs is heavily dependent on eligibility for the government Age Pension and as such we segment our membership into three retirement cohorts, distinguished by their financial circumstances at retirement including estimated Age Pension entitlements.

United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as Trustee for the Construction and Building Unions Superannuation Fund
ABN 75 493 363 262 offering Cbus Super and Media Super products (Cbus, Cbus Super and/or Media Super)

Retirement Strategy Summary

The graphic below summarises our cohort-level approach, member needs from their fund, and the metrics we will use to measure success:

	Full Age Pension	Part Age Pension	Self-Funded
Portion of our older membership	**Majority**	**Some**	**Few**
Cohort goals	**Maintain their lifestyle in retirement:** Get the Age Pension and maximise other government entitlements	**Maintain their lifestyle in retirement:** Get the Age Pension and make the most of their super	**Maintain their lifestyle in retirement:** Optimise their super and non-super assets
Needs from super fund*			
Age Pension assistance	Very high	High	Low
Manage non-super assets	Low	Medium	High
Maximise Income	Low	Medium	Medium
Flexibility	High	Medium	Low
Longevity, inflation and investment risk mitigation	Low	Low	Medium

Metric areas

- Tailored Engagement and Service interactions
- Retirement Readiness Index
- Improved retirement outcomes
- Growth in members and FUM

* Needs inferred from member research and internal analysis of administration data on member transactions and behaviours

United Super Pty Ltd ABN 46 006 261 623 AFSL 233792 as Trustee for the Construction and Building Unions Superannuation Fund
ABN 75 493 363 262 offering Cbus Super and Media Super products (Cbus, Cbus Super and/or Media Super)