# Bulletin 2: Successor Fund Transfer Update

**Transfer Process**

Since the last Bulletin, progress has been made toward implementing the successor fund transfer (SFT) of NTGPASS retained accounts. Before the SFT can occur, the following steps need to happen:

* Establish legal framework
* Satisfy the trustees for both NTGPASS and Sunsuper that members will receive equivalent rights on the transfer of their benefits to Sunsuper
* Satisfy NTGPASS trustees that the SFT is in the best interests of members
* Draft and execute a transfer deed
* Provide members with comprehensive details of the services being offered by Sunsuper

Details on each of these steps are below.

**Legal framework**

The Superannuation Legislation Amendment Bill 2015 was introduced into the Legislative Assembly on 26 August 2015. This Bill contains the legal framework to allow the SFT to proceed. The Bill also includes amendments to the *Superannuation Act* and NTGPASS Rules that make clear that following the SFT retiring members will no longer have the option to retain their benefits within NTGPASS.

It is anticipated that the Bill will be passed in the November 2015 Legislative Assembly sittings.

**Equivalent rights analysis**

Solicitors for Sunsuper have begun preparing an “equivalent rights” analysis. Before the SFT can take place the trustees for both NTGPASS and Sunsuper will need to be satisfied that Sunsuper will be providing NTGPASS retained members with rights in respect of their benefits that are at least equivalent to those provided under the NTGPASS rules.

**Best interests of members**

In order for the trustees of NTGPASS to consent to the SFT, those trustees also need to be satisfied that the SFT is in the best interests of members overall.

The Superannuation Office has prepared a high level comparison of what is being offered by Sunsuper against what NTGPASS retained members are currently being provided. A summary of that comparison is attached to this Bulletin.

**Transfer deed**

Solicitors for Sunsuper have prepared a draft transfer deed setting out the terms of the SFT. This draft deed is currently being considered by solicitors for NTGPASS.

It is anticipated that the final deed may be signed in December 2015.

**Communication with members**

Retained members will continue to receive targeted communication up until the SFT occurs, including a Significant Event Notice a minimum of 30 days before the transfer date. Members will also receive comprehensive details of the services being offered by Sunsuper.

**Timing of transfer**

At this stage, it is still anticipated that the SFT will occur in early 2016.

**Next Bulletin**

The next Bulletin will be issued in the first half of November 2015

Best Interests Comparison

|  |  |
| --- | --- |
| NTGPASS | Sunsuper |
| FeesPresently $3/week, irrespective of account balance. | $1.50/week, plus 0.10% p.a. on the first $800 000 of a member’s account balance. Members with balances below $78 000 will be better off. For members with balances above this amount, Sunsuper are capping fees to $3/week for a period of 3 years, ensuring they are no worse off than present. |
| Online servicesMinimal. Some members are able to access statements from previous years (if they are still NTPS employees). Otherwise online services solely provide a source of forms, fact sheets and annual reports. | Extensive. Members can access real-time account balances, make investment switches, use retirement calculators, set up account-based pensions and undertake online education. |
| Choice of investments6 diversified options. | 21 options available, comprising 6 diversified options (including the Lifecycle Investment Strategy which progressively changes the ratio between growth and defensive investments after a member reaches age 55), 13 Single Asset Class options, and 2 “Special options” (a Socially Responsible Investment Option and a Capital Guaranteed Option). Within the diversified and single asset class options, members can also select; actively managed, passively managed and for international shares; hedged and unhedged options.Members can utilise up to 10 investment options at one time.  |
| Switching between investmentsPaper only. As set out on NTGPASS forms, switches may take 7 to 30 days to process.Members are provided with one free switch each financial year, with subsequent switches charged at $35. | Switches processed same day when done via Member Online before 3pm. 2 days for paper-based switches.No fee is charged for investment switches. |
| InsuranceNone available. | Cost competitive death, disablement and income protection insurance is automatically available for members up to age 65.  |
| Early release of benefitsTerminal illness – allowedTotal and permanent disablement – allowedCompassionate grounds – not allowedSevere financial hardship – not allowed | Terminal illness – allowedTotal and permanent disablement – allowedCompassionate grounds – allowedSevere financial hardship – not allowed |
| Financial adviceNone available. | Available over the phone via the Member Advice Centre. General and/or personal advice provided by the Centre is given free of charge to members.Sunsuper also has face meetings using its own team of financial planners, as well as external financial planners (appointed to its National Advice Panel (NAP)). The NAP includes Darwin firm, All Financial Services. The cost of comprehensive financial plans prepared in conjunction with meetings with Sunsuper and members of its NAP are generally capped to $1 200.  |
| Permitted contributionsEmployer/super guarantee contributions not permitted.Cannot accept salary sacrificed contributions.Retained accounts for former employees can only accept contributions for the member themselves.Spouse accounts can accept contributions from both the member and their spouse. | Can accept employer/super guarantee contributions.Can accept salary sacrificed contributions.Can accept personal contributions from members and their spouses. |
| Pension productClosed in April 2014, with accounts transferred to AustralianSuper on 1 February 2015. | Offers an account-based pension product. |