

Annual report

For the financial year ending 30 June 2019
National Mutual Pro-Super Fund

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Welcome from the Chairman



I'm pleased to present N.M. Superannuation Proprietary Limited's annual report for the year ended 30 June 2019.

I joined the board of N.M. Superannuation Proprietary Limited (Trustee Board) in September 2018 and stepped into the role of Chairman in May 2019.

I accepted the role because I believe that we have an important role to play in the financial wellbeing of our members. I acknowledge that it has been a challenging year with significant public and regulatory scrutiny, but I want to assure you the Trustee Board is focused on meeting the expectations you had when you joined the fund.

Our renewed approach

The Trustee Board, along with AMP, are focusing on changing and improving through a number of areas, including:

- maintaining an autonomous and effective trustee
- producing sustainable outcomes for members
- delivering competitive investment returns
- developing successful and appropriate strategic partnerships.

We've recently appointed two highly accomplished directors Catherine McDowell and Stephen Roberts and intend to expand the Board from four to seven people.

And I extend my personal thanks to the retiring directors Louise Dudley, Cathy Doyle, and in particular the previous Chair Rick Allert, for their commitment and service.

Your feedback is welcome

Thank you for choosing AMP to help you achieve your financial goals. Keep reading to find more information on the fund and it's management plus recent industry developments.

If you have any questions about your super account please contact us on 131 267.

Tony Brain

Interim Chair, N.M. Superannuation Proprietary Limited

Important information

The purpose of this report is to provide information about the operations of the fund, including:

- management
- compliance with relevant statutory requirements, and
- any changes or developments that may affect member's benefits.

You will receive your annual statement soon after 30 September each year. It is recommended that you read this report in conjunction with your latest annual statement.

In this annual report unless specified otherwise:

- 'AMP Life' means AMP Life Limited (ABN 84 079 300 379, AFSL No. 233671)
- 'N.M. Super' means N.M. Superannuation Proprietary Limited (ABN 31 008 428 322, AFSL No 234654)
- 'we', 'us', 'our' and 'the trustee' mean N.M. Superannuation Pty Limited (N.M. Super)
- 'you', 'your' refers to the member of the plan or holder of the account
- 'fund' means the National Mutual Pro-Super Fund.

Super fund information

The trustee

The trustee of the fund is N.M. Super, which is a wholly owned subsidiary of AMP Life¹. N.M. Super has been granted a licence by the Australian Prudential Regulation Authority (APRA) to act as trustee.

The trustee:

- is responsible for all aspects of the operation of the fund
- is responsible for ensuring that the fund is properly administered in accordance with the trust deed and policy documents, and
- ensures that the fund complies with relevant legislation, that all members' benefits are calculated correctly and that members are kept informed of the operations of the fund.

The trustee may amend the trust deed of the fund following changes to the law or to introduce new features. The trustee can only amend the trust deed of the fund with the consent of AMP Life. For a copy of the trust deed of the fund please contact us, or download from amp.com.au/trustee-information.

The trustee also maintains indemnity insurance for protection against losses that may occur as a result of a claim against it for breach of professional duty.

The board of directors

The directors of N.M. Super are also directors of AMP Superannuation Limited, which is another superannuation trustee and also part of the AMP group. The boards of each trustee maintain a framework for the management of conflicts of interest and conflicts of duties, which is documented in the **Conflicts Management Policy**. The framework provides for the identification, recording, management and monitoring of conflicts in accordance with applicable laws and regulations. The directors during the fund's financial year were:

Rick Allert (AO), Independent Non-Executive Chairman FCA

Louise Dudley, Independent Non-Executive Director BCom, CA, GAICD

Darryl Mackay, Non-Executive Director BSc, FIAA, MAICD

Tony Brain, Interim Chairman B Com, CAANZ, ASFA Certificate IV Superannuation, GAICD, FAIST

Cathy Doyle, Independent Non-Executive Director B SocSc, Grad Dip Psy, Grad Dip VET, MBA, GAICD, GAIST, Cert Governance.

N.M. Superannuation Pty Ltd - Board meeting attendance 12 months to 30 June 2019

	Held while member	Attended while member
Rick Allert (retired 09/05/2019)	20	20
Louise Dudley (retired 14/06/2019)	24	23
Darryl Mackay	25	25
Tony Brain	21	21
Cathy Doyle	20	20

More information on the trustee, including profiles of the directors and governing policies, is available at amp.com.au/trusteedetails.

¹ In July 2019, the ownership of N.M. Super changed to AMP Wealth Management Holdings Pty Ltd, which is a member of the AMP group.

Overview of the fund

The fund commenced on 21 September 1988 for the purpose of providing members and their dependants with financial benefits upon death or total and permanent disablement.

All benefits under the fund are provided by means of individual life insurance policies.

One or more of any of these policies is held under a Pro-Super Agreement to which you, the trustee and in applicable circumstances, appropriate third parties such as your employer is a party. Each policy is a permanent Whole of Life or Endowment insurance policy which is split into its insurance cover and investment component under the terms of the agreement.

The trustee is entitled to the proceeds (including any disability benefits where these are covered) of the insurance component of the policy in the event of your death or total and permanent disablement.

The cash value of the policy includes any bonuses that have accrued and is owned by you or one of the other parties (excluding the trustee), as set out in the particular agreement referred to above. The investment component is not a superannuation arrangement and is not held within the fund.

You are recorded as the 'life insured'. As such, you are also regarded as being a member of the fund.

Being the life insured, you are the person whose life is protected by insurance according to the circumstances detailed in the policy.

It is the trustee's responsibility to ensure that all benefits arising from the insurance cover component of the policy are paid to you in the event of a disability claim (where disability is covered), or to your dependants in the event of your death in accordance with the governing rules of the fund and requirements under superannuation law.

A copy of each policy on your life has previously been issued to the legal owner of the policy. We suggest you take time to read the terms and conditions detailed by the insurer in this policy as they affect issues such as the continuation of the policy and the amount payable under it.

Financial condition of the fund

As benefits paid to each member are wholly determined by reference to the life insurance policies issued by AMP Life, under superannuation legislation we are not required to provide the financial reporting in this annual report.

If you require a copy of the financial report for the fund, please contact us and a copy will be provided free of charge.

Amendments to the trust deed

The trustee may amend the trust deed of the fund following changes to the law or to introduce new features. There were no trust deed amendments during this year.

A copy of the trust deed is available at amp.com.au/trusteedetails.

Relationship between the trustee and other service providers

From time to time, the trustee may engage companies within and outside of the AMP group to provide services in relation to the fund. The trustee may change these service providers at any time without notifying you.

Benefits provided under the fund

As trustee of the fund, it is our responsibility to ensure that all benefits arising from the fund are paid to members, or to members' dependants or their legal personal representative (in the event of death) in strict conformity with the trust deed of the fund and the requirements of all applicable laws.

The benefit that will ultimately be paid to a member (or to their dependant(s) or legal personal representative) will equal the value of the applicable life insurance policy at the time the benefit is payable, less any government tax, outstanding contributions or charges.

To determine what amounts are payable to you and under which circumstances these amounts will become payable, we recommend that you refer to your last annual statement and speak to your financial adviser or contact our Customer Service Centre on 131 267.

Who is the benefit paid to if you die or become disabled?

The fund is a death or death and total and permanent disablement style superannuation arrangement. In broad terms, this means that you are insured up to the extent of the insurance component of your policy against death, or death and total and permanent disablement, if applicable.

To determine the amounts payable to you, and under what circumstances these amounts will become payable, we recommend that you refer to your last annual statement or ask your financial adviser.

In accordance with the trust deed, the trustee will decide who will receive any death benefits from the fund. Members can indicate their preference to the trustee, but the trust deed requires the trustee to make the final decision. To indicate your preference, please contact your financial adviser or call the Customer Service Centre on 131 267.

The trustee will pay your death benefits to one or more of your dependants or to your legal personal representative at the trustee's sole discretion.

It is essential that you keep the trustee fully informed of your current preference for the payment of your benefits in the event of your death.

Contributions to the fund

All contributions made to the fund by you or your employer within the last fund year have been credited to your account, as shown on your annual statement, and used to maintain your insurance cover under the policy.

You and your employer may be eligible for a tax deduction on contributions that have been made to the fund. This will depend on your personal and employment circumstances. More information can be obtained from your financial adviser or tax adviser.

Super news

Update on government legislation

Please be advised that whilst the following updates are as a result of changes to superannuation and taxation law, not all are available or applicable to the fund.

For more information, please contact your financial adviser or AMP.

Changes to personal income tax rates

The government previously announced and legislated tax cuts in the 2018 budget. In the 2019 budget, the government proposed a combination of changes to tax offsets, marginal rates and income tax brackets, which have become law.

For the 2018/19 to 2021/22 financial years (inclusive), tax payable by low to middle income earners will reduce by up to \$1,080 (up from the \$530 in the 2018 federal budget), when compared to the 2017/18 financial year.

Further changes have been legislated to reduce tax payable by individuals from 1 July 2022 as outlined in the table below.

Marginal tax rate (%) ⁽ⁱ⁾	Thresholds - income range from 1 July 2018 (\$)	Thresholds - income range from 1 July 2022 (\$)
0	0 – 18,200	0 – 18,200
19	18,201 – 37,000	18,201 – 45,000
32.5	37,001 – 90,000	45,001 – 120,000
37	90,001 – 180,000	120,001 – 180,000
45	>180,000	>180,000
Low and middle income tax offset	Up to 1,080	n/a
Low income tax offset	Up to 445	Up to 700

(i) Excluding 2% Medicare Levy

Additional changes to tax rates have been legislated from 1 July 2024 onwards. For further information see ato.gov.au.

Superannuation Guarantee (SG) rate – no change

The SG rate will remain at 9.5% until 30 June 2021, and will then increase by 0.5% each year until it reaches 12% from 1 July 2025.

Super thresholds for the 2019/20 financial year

The following super and taxation threshold amounts apply during the 2019/20 financial year.

Threshold	From 1 July 2019
Standard concessional contributions cap (per annum)	\$25,000
Non-concessional contributions cap	
– Standard (per annum) ⁽ⁱ⁾	\$100,000
– Bring forward (over 3 years) before age 65 ⁽ⁱⁱ⁾	\$300,000
SG maximum contribution base (per quarter)	\$55,270
Government co-contributions ⁽ⁱⁱⁱ⁾ (per annum)	
– Lower income threshold	\$38,564
– Higher income threshold	\$53,564
Tax free part of genuine redundancy and approved early retirement scheme payments (per payment)	
– Base limit	\$10,638
– Plus for each completed year of service	\$5,320
Low rate cap amount (lifetime limit)	\$210,000
(previously known as post June 1983 low tax threshold) Applies to the taxable component of taxed super fund benefits for members from preservation age to age 59	
Untaxed plan cap amount	\$1,515,000
Applies to the taxable component of untaxed super fund benefits	
Employment termination payment cap (ETP) (per annum)	\$210,000
Capital gains tax (CGT) cap amount (lifetime limit)	\$1,515,000
Transfer balance cap	\$1,600,000
Defined Benefit income cap	\$100,000
Maximum adjusted taxable income for the full government low income super tax offset (LISTO)	\$37,000

(i) The cap is nil for members with a total superannuation balance of over \$1.6 million (at 30 June of the year before making the contribution).

(ii) There are restrictions on the ability to trigger bring forward rules for certain people with total superannuation balances of more than \$1.4 million (at 30 June of the year before making the contribution).

(iii) The maximum entitlement remains at \$500 and applies where at least \$1,000 non-concessional contributions have been made in the financial year and the person does not exceed the lower income threshold.

Product information

Members over age 65

In accordance with the terms of Pro-Super Agreement, the trustee will terminate the membership of members on turning age 65.

Other information

Super searches

AMP can conduct SuperMatch searches through the ATO with your authorised consent. The search requires the use of your tax file number (TFN), first name, surname and date of birth to locate details of any super held on your behalf by the ATO and/or the details of any other super accounts you may have with other institutions.

AMP will notify you if the search has been successful or not. We can also assist you in consolidating your super into your AMP super account(s) should you consent to doing so. You can complete a super search or consolidate online at amp.com.au/consolidate.

Compensation

There may be circumstances in which the trustee needs to pay compensation to members. There are four key principles that guide the trustee's payment of compensation to current and former members:

- the trustee should not benefit
- other members do not bear the cost of compensation
- compensation is paid to members in a manner that minimises the cost and inconvenience to those members receiving the compensation, and
- communication should be provided to affected members in all circumstances where the member would reasonably expect to be notified.

The trustee may decide not to pay compensation to current or former members where it considers the individual compensation amounts small.

Enquiries and complaints process

If you need any additional information about the operation or management of your account, or if you have a concern or complaint, then please:

- contact your financial adviser
- call us on 131 267
- email us at askamp@amp.com.au, or
- write to us at:

AMP Customer Service
PO Box 14330
MELBOURNE VIC 8001

Our customer service officers are available to answer your enquiries and respond to your complaints. We will try to resolve your enquiry or complaint as quickly as possible. To help us do this, please give us as much information as possible about your enquiry or complaint.

We have established procedures to deal with any complaints. If you make a complaint, we will:

- acknowledge its receipt and ensure an appropriate person properly considers the complaint, and
- respond to you as soon as we can.

If your complaint cannot be resolved at first contact, then we will keep you advised at regular intervals of the status of your complaint.

If we cannot resolve your complaint to your satisfaction or you have not had a response from us within 90 days, then you may have the right to lodge a complaint with the Australian Financial Complaints Authority (AFCA).

The AFCA scheme has replaced the Superannuation Complaints Tribunal (SCT), Financial Ombudsman Service (FOS) and Credit and Investments Ombudsman (CIO). AFCA will provide fair and independent financial services complaint resolution that is free to consumers.

AFCA is an independent tribunal set up by the Australian government to resolve most complaints that members, former members, or beneficiaries in relation to death benefits, have with their superannuation funds.

AFCA reviews the decisions of superannuation trustees as they affect an individual member. It is independent from us. Even so, please try to resolve your complaint directly with us before contacting AFCA.

Contact details for AFCA are:

Web: afca.org.au

Email: info@afca.org.au

Telephone: 1800 931 678 (free call)

Mail: GPO Box 3, Melbourne VIC 3001

Time limits on making complaints to AFCA

Time limits apply to certain complaints to AFCA. If you have a complaint, you should contact AFCA immediately to find out if a time limit applies.

AFCA legacy complaints

From 1 July 2019 until 30 June 2020, AFCA will have jurisdiction to consider eligible complaints dating back to 1 January 2008. This is subject to conditions such as: that the complaint must not have been previously settled between the parties or previously been decided by court, tribunal, AFCA or a predecessor scheme; the financial firm must be a member of AFCA and the complaint not relate to the Privacy Act or a super death benefit.

Contact us

phone 131 267
fax 03 8688 5799
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email askamp@amp.com.au
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