

9 October 2014

**Private & Confidential**

[Title] [FirstName] [Surname]  
[Address1]  
[Address2]  
[SUBURB] [STATE] [Postcode]  
[COUNTRY if not Australia]

Dear [Title] [Surname]

**Important change to your TAL superannuation account**

**Removal of Member Protection**

**Product:** [Product Name]

**Member Number:** [Policy number]

The removal of Member Protection in 2013 was an important change to superannuation law and will change the way that administration fees are charged to your account.

**What is Member Protection?**

Prior to 1 July 2013, if Member Protection applied to your account, superannuation providers could not charge administration fees in excess of the investment return credited to a member with a low balance account ('Low Balance Account') in a financial year. For this purpose, a Low Balance Account is a member's account where:

- at the end of that financial year, the balance of the account was less than \$1,000; and
- Award or Superannuation Guarantee contributions have been credited to the account.

This requirement was called 'Member Protection'.

**How did TAL implement Member Protection?**

Your [Product Name] is issued from the TAL Superannuation and Insurance Fund ('Fund'). As TAL charges administration fees to members' accounts throughout the Fund's financial year (which ends on 30 September), Member Protection was applied to Low Balance Accounts after the end of the Fund's financial year through a rebate called the 'Member Protection Rebate'.

The Member Protection Rebate refunded the difference between the administration fees charged and investment returns received in a Fund financial year to Low Balance Accounts. For members who left the Fund, the Member Protection Rebate was applied on a pro-rata basis on exit.

**When will Member Protection be removed?**

Although the Federal Government removed Member Protection effective 1 July 2013 as part of the MySuper reforms, TAL has continued to provide Member Protection Rebates to Low Balance Accounts for the Fund financial years ended 30 September 2013 and ending 30 September 2014.

For members who stay in the fund after 10 November 2014 the Member Protection Rebate will cease effective 30 September 2014. For members who leave the Fund on or before 10 November 2014 the Member Protection Rebate will continue until the date they leave the Fund.

**What does this mean for you?**

Benefit withdrawal requests from eligible members received on or before 10 November 2014 will receive the Member Protection Rebate. Benefit withdrawal requests received on or after 11 November 2014 will not receive the Member Protection Rebate. The full cost of administration fees will be charged to Low Balance Accounts for the Fund financial year ending 30 September 2015 and for members who leave the Fund on or after 11 November 2014.

**How will small accounts be protected in the future?**

Small accounts will still be protected against erosion by fees and charges, as:

- inactive accounts and accounts of uncontactable members with balances of less than \$2,000 are transferred to the Australian Taxation Office (ATO) as 'lost' super;
- accounts held by the ATO will not incur any fees; and
- accounts held by the ATO will earn interest at a rate equivalent to the Consumer Price Index.

**Here to help**

If you have any questions please contact your financial adviser or call us on 1300 209 088 [Country if not Australia +61 (0)2 9996 8400], Monday to Friday between 8.30am – 5.30pm (AEST/AEDT).

Alternatively, email customerservice@tal.com.au quoting member number [Policy number].

Thank you for choosing TAL for your investment needs.

Yours sincerely



Brett Clark  
Deputy Group CEO & CEO TAL Life  
TAL Life Limited