Australian Super - change to OSA/FDS process for fixed term fees

Following on from our recent changes to "Fixed Term Arrangement" for Australian Super clients who hold an accumulation account with at least some of the funds in the Balanced option, as at the date of the fee request we have received feedback from Australian Super that the agreement we have been using does not meet their requirements.

After discussions with the Assurance team at Australian Super, they have confirmed that they were uncomfortable with the word "ongoing" appearing in the agreements that we have been using. Whilst the legislation does not specify that the word "ongoing" should not appear, this is the position Australian Super has taken.

Taking on board their feedback, we have designed a new "Service Agreement" that will be acceptable to Australian Super. This will be used in the following ways:

Clients who have signed an agreement since 1st July 2021

Unfortunately, any new or existing clients (accumulation, Balanced) that have signed the previous agreement since 1st July 2021. So, what does this mean for you:

(a) You will obtain a new signed Service Agreement.
(b) The commencement date can still be the same as the commencement date they signed for originally, so there will be no changes to anniversary dates.
(c) There is no need to sign a new fee consent form for Australian Super.

New Clients from 22/10/2021

Use the new Service Agreement for new clients where required. For accumulation clients who don't have any "Balanced" investment options or pension clients, you may use the normal OSA using the wizard in X Plan. Some advisers have indicated they prefer to use the fixed term for <u>all</u> Australian Super clients for simplicity, and this is acceptable.

Our suggestion for using the Service Agreement is:

1. Update the template with your letterhead, adviser and CAR details to create your own more complete template.
2. for each client, fill in the relevant client details, service details and fee details.
3. Have this signed by the client along with the fee consent form for Australian Super.

Clients on an existing OSA who will need to transition to the new Service Agreement

1. In XPlan, generate an FDS only, to cover the previous 12 months (or relevant service period). Do <u>not</u> create a renewal notice.
2. Create a new Service Agreement as for new clients (see above) and provide to the client with the fee consent form for Australian Super.
3. When the Service Agreement expires (in 12 months time), send a standalone FDS again, along with a new Service Agreement and Fee Consent.

As noted in the New Clients section above, if your accumulation client does not have any "Balanced" option, then you may use the normal Enhanced FDS (with renewal) and ongoing fee consent for Australian Super

Webinar

A webinar has been scheduled for Tuesday at 12.30pm Sydney time to discuss these changes and answer any queries. Please click here to register:

https://us02web.zoom.us/meeting/register/tZ0sf-irqTosHdd9Vk36Wl8IIBmwpWYXQBm