

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS

REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS SUPERANNUATION SECTOR

Sunsuper

SS16QW: Transferring to MySuper products

- a) What was the period of time you took to complete the transfer of your members' accrued default amounts (ADAs) into MySuper products following the commencement of the MySuper regime on 1 January 2014?
- b) How did that duration reflect the best interests of your members?
- c) Was there anything that prevented you from transferring accounts sooner?
- d) Please quantify the fee revenue lost if you had transferred members by 30 June 2014, 2015, 2016 and 2017 respectively.

Answer:

- a) Sunsuper received APRA approval to offer a MySuper product on 28 February 2013 and transitioned all accrued default amounts (ADAs) to its new MySuper product on 4 October 2013 which was immediately on the commencement of the product.

This applied to all Sunsuper for life plans (standard and corporate plans).

- b) Following approval from APRA, the Sunsuper Board approved Sunsuper's Transition Plan in June 2013. This Transition Plan conveyed Sunsuper's intention to move all members to the MySuper product as soon as it was feasible.

Superannuation funds were required to:

- give 90 days' notice for the MySuper Transition involving the transfer of all ADA amounts to the MySuper default investment; and
- identify and report to APRA all ADAs on a quarterly basis from 30 September 2013.

Thus, the transition was undertaken at the earliest practicable opportunity in the interests of members'.

- c) It was not technically feasible to commence the MySuper product from 01 October 2013 because a weekend was needed to process the transfer of all members' ADAs to the Lifecycle Investment Strategy, and hence the MySuper commencement date was determined to be Friday, 04 October 2013.
- d) All Sunsuper ADAs were transitioned to the MySuper default investment before 1 July 2014, therefore this question is not relevant to Sunsuper.