

**Australian Securities and Investments Commission**  
**Corporations Act 2001 — Paragraphs 926A(2)(a) and 951B(1)(a) — Amendment**

**Enabling legislation**

1. The Australian Securities and Investments Commission makes this instrument under paragraphs 926A(2)(a) and 951B(1)(a) of the *Corporations Act 2001*.

**Title**

2. This instrument is ASIC Class Order [CO 14/870].

**Commencement**

3. This instrument commences on the date it is registered under the *Legislative Instruments Act 2003*.

Note: An instrument is registered when it is recorded on the Federal Register of Legislative Instruments (**FRLI**) in electronic form: see *Legislative Instruments Act 2003*, s 4 (definition of **register**). The FRLI may be accessed at <http://www.frli.gov.au/>.

**Amendment**

4. ASIC Class Order [CO 11/1227] is amended as follows:
  - (a) in paragraph 4, after “paragraphs 6 and 7”, insert “and, to the extent applicable, paragraphs 6A and 6B”;
  - (b) in sub-subparagraph 5(b)(ii) omit “65”, substitute “67”;
  - (c) in subparagraph 6(a):
    - (i) omit “\$10,000”, substitute “three significant figures”; and
    - (ii) after “statement”, insert “to the effect”; and
    - (iii) omit “65”, substitute “67”;
  - (d) in subparagraph 6(b):
    - (i) omit “\$1,000”, substitute “three significant figures”; and
    - (ii) after “statement”, insert “to the effect”;

- (e) after paragraph 6 insert:
- “6A. The estimate may include an amount (*age pension amount*) representing the amount (if any) that would be payable to the member as an age pension if the following applied in relation to the member:
- (a) the member qualifies for an age pension under section 43 of the *Social Security Act 1991*;
  - (b) the member has a partner;
  - (c) the member and their partner jointly own their own home;
  - (d) the member and their partner each have a single superannuation fund retirement benefit equal to the lump sum and these benefits are applied on the date of the estimate to purchase superannuation pensions that provide each of the member and their partner with income in that year equal to the annual income stream amount;
  - (e) the member and their partner have no other assets or income affecting the amount of the age pension payable to the member or their partner, including any other superannuation accounts.
- 6B. If the estimate includes the age pension amount:
- (a) the estimate may also include the amount (*total annual amount*) which is the sum of the annual income stream amount and the age pension amount; and
  - (b) the estimate must include the statements specified in paragraph 10A.”;
- (f) in paragraph 7 omit “lump sum and annual income stream amount”, substitute “lump sum, annual income stream amount, age pension amount and total annual amount”;
- (g) in paragraph 8:
- (i) omit “65” wherever it occurs, substitute “67”; and

- (ii) omit the formula for “**F**”, substitute:
  - “**F** = (a) where the trustee charges administration fees in relation to the member on a relevant basis—the total in dollars of the administration fees charged in relation to the member on that basis during the year ending on the date of the estimate; or
  - (b) otherwise—0.”; and
- (iii) in the formula for “**adjusted current contributions**”, omit “contributions tax, insurance premiums and”, substitute “contributions tax and insurance premiums, and excluding”; and
- (iv) omit the formula for “**f**”, substitute:
  - “**f** = (a) where the trustee charges administration fees in relation to the member based on a percentage of the balance of the member’s account with the fund or different percentages of different parts of that balance—the annual or annualised percentage rate at which administration fees have been charged in relation to the member on that basis during the year ending on the date of the estimate; or
  - (b) otherwise—0.”; and
- (v) in Note 2, omit “deducted” wherever it occurs, substitute “charged”; and
- (vi) in Note 2, item (c), omit “deductions were made”, substitute “fees were charged”; and
- (vii) in Note 3, omit “rate of return will be 3%”, substitute “investment return (before administration fees, but net of investment and other fees and tax) will exceed inflation by 3% per annum”; and
- (h) in paragraph 9, in the Note:
  - (i) omit “65”, substitute “67”; and
  - (ii) omit “by age 90”, substitute “after 25 years”; and
  - (iii) omit “a real investment return, net of fees, of 3% per annum”, substitute “an investment return (before administration fees, but net

of investment and other fees and tax), exceeding inflation by 3% per annum”;

(i) omit subparagraph 10(a), substitute:

“(a) **“What this estimate means**

The projection is just an estimate, not a guarantee. The actual money you get in your retirement may be very different from this estimate.

The superannuation amounts are shown in today’s dollars. The age pension estimate is shown based on current pension amounts.

This estimate does not consider any other superannuation accounts that you may hold or other assets that you own.””;

(j) omit subparagraph 10(b), substitute:

“(b) **“How the estimate is worked out**

This estimate has been worked out using these assumptions and figures:

- \$ *[insert member’s current balance (see paragraph 8)]* in your super fund now
- your wages will increase at the same rate as inflation
- investment earnings of 3% per year after inflation and investment fees
- annual administration fees and costs of *[insert the figure (as a dollar amount or as a percentage or as a combination of both as relevant) representing the administration fees charged in relation to the member during the year ending on the date of the estimate]* (note that this amount may change over time)
- your rate of super contributions during the previous year will continue unchanged until retirement
- you retire at age 67
- you want your super to last for 25 years, that is, until age 92. Around one in six men and one in four women who reach age 67 will live beyond age 92
- annual insurance premiums of *[insert a dollar amount representing the insurance premiums the member has been charged during the year ending on the date of the estimate]* (note that this amount may change over time), and
- current tax and superannuation laws remain unchanged.

These are standard assumptions and have been set with input from the Australian Government Actuary. They may not match your actual circumstances either now or in the future. Also the figures used may differ from those shown in your member statement. The annual income shown does not include any deductions for any income tax you may have to pay.

If you want to know more about the way this estimate has been worked out, or the assumptions, contact [*insert contact phone number*] or visit [*insert website address*].””;

- (k) in subparagraph 10(c), omit “the total fees deducted from your account”, substitute “the total fees charged in relation to your account”;
- (l) in paragraph 10, in Note 2, omit “deducted”, substitute “charged”;
- (m) after paragraph 10 insert:

“10A. Where the estimate includes an age pension amount, the estimate must include all of the following text in close proximity to the age pension amount:

“This amount represents the amount payable to you and does not include any estimate of the age pension payable to your partner. It assumes that at retirement your partner has the same amount of super as you, that you and your partner jointly own your own home and that you and your partner have no other assets or income, including other superannuation accounts.

You may not be eligible for some or all of this age pension amount if you (or your partner) have income or assets in addition to these superannuation amounts or your home.

Age pension rates and eligibility rules may change between now and when you retire. The age pension amount shown at retirement age may also change during retirement as your personal circumstances change.

The Department of Human Services rate estimator lets you estimate your payment rate of age pension, based on your current or proposed circumstances. It does not work out if you will be eligible for a payment. To use the rate estimator go to [humanservices.gov.au/estimators](http://humanservices.gov.au/estimators).””;

- (n) in paragraph 11:
- (i) omit the definition of *administration fees*, substitute:  
*“administration fees* has the same meaning as in section 29V of the *Superannuation Industry (Supervision) Act 1993*.”; and
  - (ii) insert “*age pension* means an age pension under Part 2.2 of Chapter 2 of the *Social Security Act 1991*.”; and
  - (iii) insert “*age pension amount* has the meaning given to that term in paragraph 6A.”; and
  - (iv) insert “*annual income stream amount* has the meaning given to that term in subparagraph 6(b).”; and
  - (v) insert “*lump sum* has the meaning given to that term in subparagraph 6(a).”; and
  - (vi) insert “*partner* has the same meaning as in subsection 4(1) of the *Social Security Act 1991*.”; and
  - (vii) in the definition of *relevant basis*, omit “the deduction of administration fees, the deduction of fees”, substitute “the charging of administration fees, the charging of fees”; and
  - (viii) insert “*total annual amount* has the meaning given to that term in subparagraph 6B(a).”.

Dated this 7<sup>th</sup> day of November 2014

Signed by Stephen Yen PSM  
as a delegate of the Australian Securities and Investments Commission