



# PRIME SUPER

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## MySuper Policy

June 2023

<b>VERSION</b>	6
<b>PREPARED BY (TEAM)</b>	Risk and Compliance
<b>DATE APPROVED</b>	June 2023
<b>APPROVED BY</b>	ACRC
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<b>NEXT REVIEW</b>	June 2026 or as required

<b>ISSUE DATE</b>	<b>VERSION</b>	<b>REVIEWED BY</b>	<b>SUMMARY OF CHANGES</b>
June 2018	4	Trish Matthysz	Annual review
June 2020	5	Michelle Ward	Biennial review and reformat
<b>June 2023</b>	6	Head of Legal	Scheduled review

# 1 Glossary

accrued default amount	Meaning given under section 20B of the SIS Act
APRA	Australian Prudential Regulation Authority
choice product	A class of beneficial interest in a regulated superannuation fund that is not a MySuper product <sup>1</sup>
Director	A director of Prime Super Pty Ltd
Fund	Prime Super
Member	A member of the Fund
MySuper Member	A member invested in the MySuper option
MySuper option	The investment option offered by Prime Super as its MySuper product, subject to authorisation by APRA
MySuper product	A class of beneficial interest in a regulated superannuation fund that an RSE licensee is authorised under section 29T of the SIS to offer as a MySuper product <sup>2</sup>
RSE	Registerable Superannuation Entity
SIS Act	<i>Superannuation Industry (Supervision) Act 1993</i> (Cth) and Regulations
Trust Deed	The Trust Deed of Prime Super, originally dated 16 November 1993, as amended from time to time
Trustee	Prime Super Pty Ltd

<sup>1</sup> SIS Act, s 10 (definition of "choice product" para(1)).

<sup>2</sup> SIS Act, s 10 (definition of "MySuper product" para (1)).

## **2 About this policy**

Prime Super Pty Ltd is responsible for the efficient and prudent management of the Fund, of which it is Trustee.

This policy supplements the Trust Deed and sets out the rules governing interests<sup>3</sup> held by MySuper Members, and the terms which are applicable to the MySuper product (subject to Part 2C of the SIS Act).

Where there is any inconsistency between this policy and Part 2C of the SIS Act or equivalent legislation, Part 2C of the SIS Act or the equivalent legislation will take precedence, to the extent of any inconsistency.

Unless defined in the glossary, the terms used in this policy have the same meaning as in the Trust Deed.

Part 2C of the SIS Act applies in respect of the Fund's MySuper option in addition to the terms specified under this policy.

## **3 MySuper investment option**

Sections 12.6 and 21.8 of the Trust Deed allow the Trustee to adopt and offer to Members the choice of different investment options, including a range of pre-mixed and individual asset class options.

The Trustee is authorised by APRA to offer the MySuper option.

## **4 Characteristics of MySuper**

Section 29TC of the SIS Act prescribes the rules that apply to a MySuper product.

In accordance with that section, the following rules apply to the Fund's MySuper option:<sup>4</sup>

- a) A single diversified investment strategy is to be adopted in relation to assets of the Fund, to the extent that they are attributed to the MySuper option.
- b) All MySuper Members are entitled to access the same options, benefits and facilities except to the extent that a benefit is provided by taking out risk insurance.
- c) Amounts are attributed to MySuper Members in a way that does not stream gains

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<sup>3</sup> Includes certain existing interests in regulated super funds called "accrued default amount" under the SIS.

<sup>4</sup> SIS Act, s 29TC(1).

or losses that relate to any assets of the Fund to only some MySuper Members, except to the extent permitted under a lifecycle exception under section 5 of this policy.

- d) The same process is to be adopted in attributing amounts to MySuper Members, except to the extent that a different process is necessary to allow for fee subsidisation by employers or to comply with section 99G of the SIS Act (fee cap on low balances).
- e) If fee subsidisation by employers is permitted, that subsidisation does not favour one MySuper Member who is an employee of a subsidising employer over another MySuper Member who is an employee of that employer.
- f) The only limitations imposed on the source, or kind of contributions made by or on behalf of MySuper Members, are those permitted under section 6 of this policy.
- g) A beneficial interest of the MySuper option cannot be replaced with a beneficial interest of another class in the Fund, unless:
  - (i) the MySuper Member consents in writing to that replacement no more than 30 days before it occurs, or
  - (ii) the MySuper Member is deceased and the interest is replaced with a beneficial interest of another class in the Fund of a kind, and in the circumstances, prescribed by the regulations.
- h) A beneficial interest of the MySuper option (the 'old interest') cannot be replaced with a beneficial interest (the 'new interest') in another superannuation entity, unless:<sup>5</sup>
  - (i) the replacement is permitted, or is required, under a law of the Commonwealth, or
  - (ii) the person who holds the old interest consents in writing to the replacement with the new interest no more than 30 days before it occurs.
- i) To the extent that assets of the Fund are attributed to the MySuper option, a pension is not payable out of those assets by the Trustee on the satisfaction of a condition of release of benefits specified in a standard made under paragraph 31(2)(h) of SIS by a MySuper Member, unless the payment is derived from a benefit of the kind mentioned in subparagraph 62(1)(b)(ii) of SIS Act (i.e. benefits payable when a person ceases work due to ill health) provided to the Fund by an insurer.<sup>6</sup>

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<sup>5</sup> SIS Act, s 29TC(1)(h).

<sup>6</sup> SIS Act, s 29TC(1)(i).

- j) No MySuper Member is precluded from holding a beneficial interest of another class in the Fund because they are a MySuper Member.
- k) No Member is precluded from being a MySuper Member because the Member holds a beneficial interest of another class in the Fund.

## **5 Lifecycle exception**

A 'lifecycle exception' is a rule under the governing rules of the Fund that allows gains and losses from different classes of asset of the Fund to be streamed to different subclasses of MySuper Members:<sup>7</sup>

- a) on the basis, and only on the basis, of the age of those members
- b) on the basis of the age of those members and other prescribed factors, or
- c) on the basis of the age of those members and other prescribed factors in specified circumstances.

As at the date of this policy, the Trustee has not made any provision for a lifecycle exception.

However, the Trustee may incorporate a lifecycle exception at any point in time provided it is not restricted from doing so under the law.

## **6 Source of contributions**

A limitation on the source or kind of contributions made by, or on behalf of, MySuper Members is permitted for the purposes of paragraph 4(f) of this policy if:<sup>8</sup>

- a) the limitation is of a kind prescribed under the SIS Act, or
- b) the limitation is imposed by, or under, the general law or another law of the Commonwealth.

## **7 Fees and charging rules**

The Trustee may only charge a fee for the MySuper product:

- a) if the fee is of a kind permitted under the SIS Act<sup>9</sup>, and

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<sup>7</sup> SIS Act, s 29TC(2).

<sup>8</sup> SIS Act, s 29TC(3).

<sup>9</sup> SIS Act, s 29V.

- b) the fee is charged in a manner that is consistent with the charging rules prescribed by the SIS Act<sup>10</sup>.

## **8 Minimum standards**

Any minimum standards that are applicable to a MySuper product under the law shall apply to the MySuper option.

## **9 Other provisions of the law**

All relevant provisions prescribed by the law with which the Fund or the Trustee must comply, shall apply to the MySuper option.

The Trustee may incorporate anything into this policy which is permitted or not restricted under the law.

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<sup>10</sup> SIS Act, s 29VA.