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November 2015

Financial Adviser Fee Factsheet

Sunsuper members can allow a Financial Adviser to deduct an advice fee from their Sunsuper account if the advice services provided meet the sole purpose test requirements of the *Superannuation Industry (Supervision) Act 1993*.

How to register as a Financial Adviser:

To enable an advice fee to be paid, a Financial Adviser will first need to register with Sunsuper. This is a simple process which requires the following:

- Financial Adviser registration form, along with: a **legible copy** of the Financial Adviser's driver's licence or passport.

We will hold the above information on file, and won't require this again unless the Financial Adviser changes Practice or AFSL.

Requesting an advice fee to be paid:

After registering as a Financial Adviser with Sunsuper, to request an advice fee to be paid from a Sunsuper member's account, the following needs to be provided:

- Advice fee request form (signed by Financial Adviser and the member), along with:
 - a copy of the invoice for the advice services provided to the member (addressed to "Sunsuper Pty Ltd as Trustee of the Sunsuper Superannuation Fund").

In some instances we may request a copy of the SoA and/or RoA prior to deducting an advice fee.

For a copy of the relevant forms, please visit sunsuper.com.au/advisers or contact us on **1800 142 470**.

Once all relevant forms and documentation have been completed, please email them to adviser_services@sunsuper.com.au or post them to Sunsuper, Reply Paid 2924, Brisbane Qld 4001.

What advice fee can be paid from a Sunsuper account?

When deducting an advice fee from a Sunsuper member's account, the Trustee of the Sunsuper Superannuation Fund is subject to the sole purpose test requirements contained in the *Superannuation Industry Supervision Act 1993*.

The Trustee of the Sunsuper Superannuation Fund considers that the advice services provided must have a direct, reasonable, and

transparent connection to the purpose of retaining the member's interest in the Sunsuper Superannuation Fund.

If the advice services provided do not wholly meet the sole purpose test (advice in relation to Trauma Insurance cover for example) then the invoice for the advice services must be apportioned. Sunsuper only permits advice fees to be deducted from a member's account for the portion of the advice services that are connected to the member's interest in the Sunsuper Superannuation Fund.

In exercising its responsibilities under the sole purpose test requirements, Sunsuper may apply its discretion in respect of enabling advice fees to be deducted from a member's account.

Please also note, Sunsuper does not allow payments for ongoing financial advice services from a member's account (either monthly or annually) under standard registration arrangements. Sunsuper only allows payments for one-off upfront advice fees where the Financial Adviser has provided personal advice recommendations in a SoA and/or RoA.

Examples of advice that can be paid from a Sunsuper account:

- Insurance within the fund
- Investment choice
- Additional contributions
- Consolidation of funds into a Sunsuper account
- Retirement planning projections
- Super beneficiaries

Examples of advice that cannot be paid from a Sunsuper account:

- Trauma and Business Insurance
- Managed funds
- Negative gearing
- Credit advice
- Interests and features in any other superannuation fund other than Sunsuper
- Rolling out the full balance of a Sunsuper member's account/s

This is not an exhaustive list, but rather provides guidance around Sunsuper's obligations under the sole purpose test.

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Does sending in these forms also give the Financial Adviser authority on the member's account?

No, the Financial Adviser would be required to submit written authorisation for Third Party Authority. Written authorities can be uploaded online through our website, or sent in via fax or post. Uploading written authorities via our website will generally result in a quicker service.

How is the fee paid?

Our preferred payment method is via EFT however, it will depend on the information you have provided on the invoice.

The advice fee is deducted directly from the member's account, not from the Fund's reserves. The payment is not a commission paid by Sunsuper to the Financial Adviser or their AFS Licensee.

Sunsuper does not apply a tax rebate for an advice fee being deducted from a member's account, and it does not claim a tax deduction for the Sunsuper Superannuation Fund for the payment of an advice fee. This is primarily on the basis that establishing and implementing a financial plan is not tax deductible. Whilst it is possible for ongoing financial advice fees to be tax deductible, Sunsuper does not allow payments for ongoing financial advice services from a member's account (either monthly or annually) under standard registration arrangements.

Ongoing service fees

As mentioned previously, Sunsuper does not allow payment of ongoing financial advice service fees under standard registration arrangements. However, in the instance where a Financial Adviser is reviewing a Sunsuper member's account, the Financial Adviser is allowed to request payment of an advice fee as long as the advice has been documented in a SoA and/or RoA.

The advice provided in the SoA and/or RoA may be either; a recommendation that nothing needs to be altered on the Sunsuper account, or recommendations of either minor or substantial changes to the Sunsuper account. Where an RoA has been prepared, Sunsuper does not require the RoA to be physically handed to the client.

Is there a minimum balance the member must have in their Sunsuper account?

Yes, to charge the advice fee to a Sunsuper member's account they must have a balance of \$3,000 after the advice fee has been charged. For example, if your advice fee is \$1,000 the member's balance must be at least \$4,000 for the advice fee to be approved. This is to protect the loss of any insurance cover the member may have and to keep the member's account "active".

Please note that payment cannot be made:

- (a) if the Sunsuper member's account balance of \$3,000 is not maintained,
- (b) after the Sunsuper member's account has been closed, or
- (c) prior to us receiving any rollover funds into a prospective Sunsuper member's account.

Are you sending transactional forms to Sunsuper on behalf of your client?

While we are able to receive the required information to process an advice fee via email, we will require original documents in order to process the particular forms listed below, and these forms will need to be posted to **Sunsuper, GPO BOX 2924,**

Brisbane QLD 4001:

- ATO Release Authority (e.g. Division 293 or Excess contributions tax) - this needs to be received via the post if the payment is to the member
- Change of Details form - only if certified ID is required
- Compassionate Grounds form
- Departing Australia Superannuation Payment form
- Income account Additional Withdrawal form
- Income account request form
- Retirement and Unrestricted Super form
- Transfer of Insurance Cover form
- Transfer to another super fund form
- Voluntary Contribution form - however, members can use Bpay

For more information on deducting your advice fee from a Sunsuper member's account, contact us on **1800 142 470**.