

# Essential Super.

## A guide to your statement.

Your Essential Super statement has important information about your super, so it's a good idea to take some time to read through and understand it.

### Quick tips

When you receive your statement:

- check your personal details are correct
- check if we have your Tax File Number (TFN) recorded
- check the spelling of your beneficiaries if you have any recorded
- take some time to understand the transactions on your account.

#### Don't forget to:

Check to see if your regular contributions from your employer have been received. To provide your account details to your employer, simply log on to the CommBank app or NetBank and select your Essential Super account to download a pre-populated Super Choice Form.

### Where to find your statement

To view your latest super statement, select your Essential Super account in NetBank or the CommBank app and click on the **Statements** icon.

#### Recent changes to the Essential Super PDS

We've made some changes to the Product Disclosure Statement for Essential Super and it's important you take a moment to understand these.

You can find a summary here [commbank.com.au/essential-super-key-changes](http://commbank.com.au/essential-super-key-changes)

### How to read your statement

#### Your account valuation

Your super can be invested in one or more investment options. Your account valuation will show information about where your super is invested and the value in each investment option.

#### Where your money is invested

Investment option	Value as at 31 Mar 2016	Return (% p.a.)				Inception date
		1 year	5 year	10 year	Since inception	
Cash Deposit Option	\$24,592.04	2.52	–	–	2.54	31 May 2013
Balanced Option	\$45,004.50	10.54	–	–	8.85	31 May 2013

#### Value

The total amount of super in the investment option on the last day of the statement period.

#### Remember

The total amount of your super is determined by units. When a contribution is made the money is used to purchase units. The number of units you hold in a fund will not reduce unless you sell these units by withdrawing, switching into another investment option or by paying fees/premiums/taxes. However, the unit price for the investment option will go up and down due to market movements and this will affect the total value of your super. For all options except the Cash Deposit option, the value of the account is calculated by multiplying the amount of units by the unit price. You can check how many units you hold and the current unit price by accessing your Essential Super account through NetBank.



## Your insurance details

If you have insurance cover through your Essential Super account it will be displayed in this section.

Your insurance			Your beneficiaries		
Your cover		Premium	Name	Relation	Benefit
Death cover	\$150,000	\$14.63	No beneficiary	—	—
Total & permanent disablement cover	\$150,000	\$10.50	Your do not have a valid nominated beneficiary.		

### Your cover

The type of insurance cover you have.

### Cover amount

The amount of cover you are currently insured for.

### Your premium

This is a monthly amount you pay for your insurance cover.

### Remember

You can add, change or cancel your cover any time by clicking your Essential Super account in NetBank and selecting Insurance or call us on **13 4074**.

If you have more than one Essential Super account you will only be paid one insurance benefit, even if you have insurance and are paying premiums in relation to more than one account. If we identify that you have more than one account, in most cases we will consolidate your accounts into one.

## Your non-lapsing death benefit nomination

If you've nominated someone to receive your super and insurance benefits when you pass away, their full name and relationship with you will show in this section along with the percentage benefit you've allocated to them.

To nominate someone or change your nomination, download the **Non-lapsing death benefit form**.

## Your account summary

Your account summary displays an overview of your account transactions for the six-month statement period. You can check your account summary and transactions any time by accessing your Essential Super account through NetBank.

Credit	\$	Debit	\$	=	\$
What your employer put in for you	3,283.87	Fees & taxes	518.00	Changes in your balance	+ 3,047.23
Extra super you put in	0.00	Insurance premiums	0.00		
Super you rolled over	0.00	Withdrawals	4,504.70		
Other	4,755.80	Other	0.00		
Investment return	30.34				

### Change in your balance

Reflects the changes to your super balance in the last 6 months. It calculates the difference between the opening and closing balance after adding and subtracting all transactions that have occurred during the statement period.

## Your account transactions

Your account transactions show a detailed summary of all transactions on your account for the six-month statement period.

Date	Investment option	Transaction type	Before tax (gross) \$	Tax \$	After tax (net) \$
1 Jul 2022	Cash Deposit option	Fee Cap Refund	14.41	-2.16	12.25
20 Jul 2022	Cash Deposit option	Account Administration Fee	-5.00	0.75	-4.25

### Investment option

Your account transactions not only show the type and amount of the transaction but also the investment option the transaction has affected.

## Common transaction types

<b>Employer Concessional</b>	Contributions made by your employer from your pre-tax salary.
<b>Personal Non-concessional</b>	Contributions you've made into your super from your after-tax money.
<b>Tax of 15%</b>	The tax charged on a contribution made from your pre-tax salary (concessional contributions).
<b>Net application</b>	The amount of super invested in your account after the 15% contribution tax has been taken out of your contribution.
<b>Tax deducted as no TFN held</b>	The extra tax charged if your Tax File Number (TFN) isn't recorded on your account.
<b>Rollover</b>	Amount of super transferred from other super funds.
<b>Switch</b>	Occurs when you change from one investment option into another.
<b>Interest</b>	The monthly interest paid into your account if you have money in the Cash Deposit option.
<b>Account administration fee</b>	The monthly fee charged from your account.
<b>Insurance premium</b>	Monthly cost of your insurance cover.

### Remember

If you haven't supplied us with your TFN you could be paying extra tax on your super contributions. Update your TFN easily through the CommBank app, NetBank or provide it to us over the phone by calling **13 4074**, Monday to Friday.

## Your fee summary

The fee summary shows both direct and indirect fees that have been charged to your Essential Super account for the six-month statement period. For more information on fees please see the **Essential Super Reference Guide**.

### Fees and costs summary

#### Fees deducted directly from your account **\$52.72**

This amount has been deducted directly from your account (reflected in the transactions listed on this statement).

	Before tax (gross)	Tax	After tax (net)
Administration fees and costs	\$30.00	\$4.50	\$25.50
Fee cap refund	-\$14.41	-\$2.16	-\$12.25
<b>Total</b>	<b>\$15.59</b>	<b>-\$2.34</b>	<b>\$13.25</b>

#### Fees and costs deducted from your investment **\$5.32**

This approximate amount has been deducted from your investment and covers amounts that have reduced the return on your investment and that are not reflected as transactions listed on this statement or in the Additional explanation of fees and costs.

	Before tax (gross)	Tax	After tax (net)
Administration fees and costs	\$6.26	\$0.93	\$5.32
<b>Total</b>	<b>\$6.26</b>	<b>\$0.93</b>	<b>\$5.32</b>

#### **Total fees and costs you paid \$18.57**

#### Fees charged

Includes the direct fees deducted from your account such as the \$4.25\*/month administration fee.

#### Indirect costs of your investment

Includes fees that are not directly deducted from your account. You won't see these fees in your account transactions as they are reflected in the daily unit price of your investment option.

\* Monthly fee: \$5. The amount deducted from your account will be \$4.25 each month, as we give you the benefit of the tax deduction.

# Fees and costs disclosure.

## Background

- The Australian Securities & Investment Commission's Regulatory Guide 97 (RG 97) sets out guidelines on how fees and costs are shown in your super statements.
- The aim is to make the fees, charges and costs associated with investing clearer and more transparent for you. They haven't changed, they're just displayed differently on your statement.

## What's new in your super statement?

- Since December 2017, your statements show the before-tax, tax and after-tax amounts for every transaction on your account. Previously, only the after-tax amounts were shown.
- It's a good idea to focus on the after-tax amounts – these are the amounts that generally impact your account balance.
- We're also providing additional tax information in the 'Fees you paid' section at the end of your statement.

## Here's how it works

Your statement will now show fees as before-tax (gross), tax and after-tax (net) amounts. Before December 2017, only after-tax (net) amounts were shown.

$$B - T = A$$

**B: Before-tax (gross)** The total amount of the transaction, without any tax adjustment.

**T: Tax** Tax applies to each transaction.

**A: After-tax (net)** The actual amount of the transaction that impacts your account balance.

### Your account transactions

We are required to show you the Gross and Tax amounts for all fees, charges and transactions on your account. Please note your account balance is only impacted by the amount shown in the 'Net' column. To find out more visit [commbank.com.au/essentialsuper-statementguide](http://commbank.com.au/essentialsuper-statementguide)

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#### After-tax (net) amount

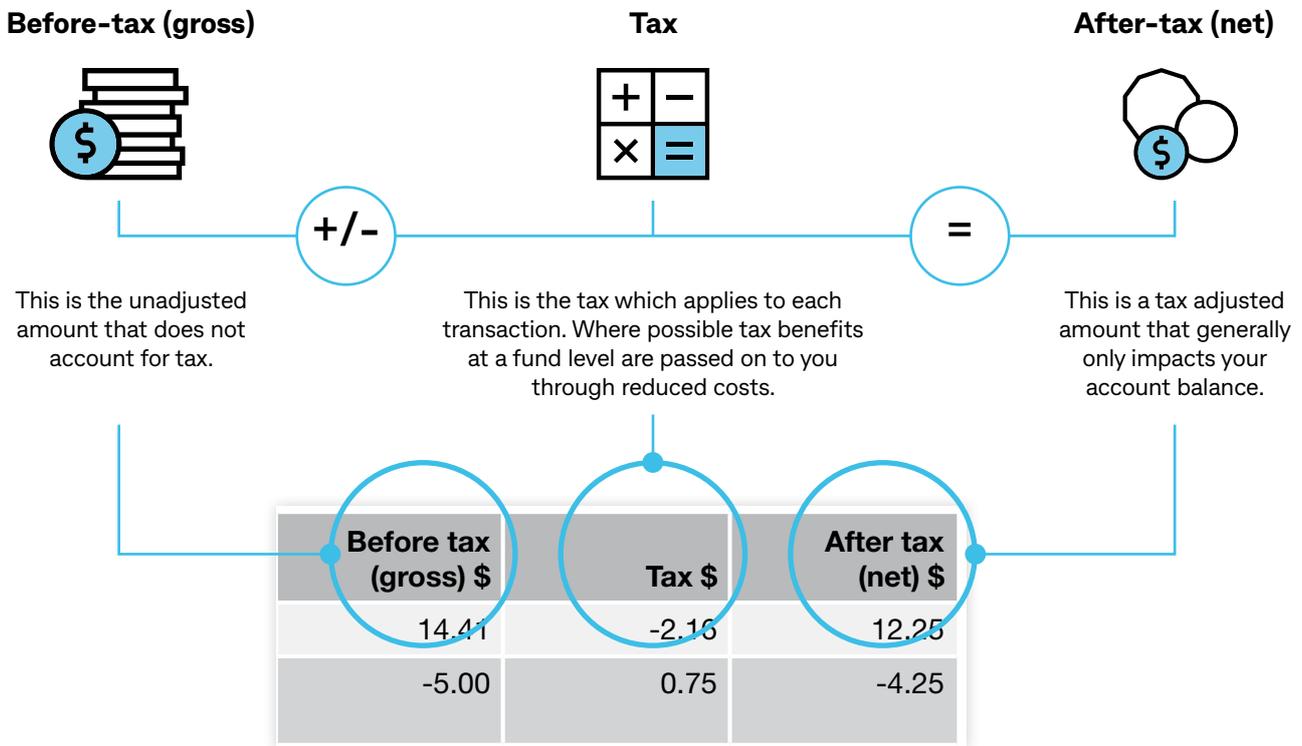
This is the amount that affects your account balance.

In the tax column, if the tax on a particular transaction is:

- Paid by the fund and **offset to you** through the fees you're charged, it will appear as a credit amount
- Charged back to you when you **receive a rebate**, it will appear as a debit amount.

# Understanding your transactions.

How is tax applied to my account transactions?



## Your questions answered.

### Q1: Why am I paying tax on all my transactions?

A tax amount has always been applied to your transactions. The disclosure guidelines require us to show these amounts in your statement transaction listing.

Where possible, we pass on any tax benefits received by the fund to you through reduced costs. You'll see this reflected in the 'after-tax (net)' amount shown in the statement.

If you receive any rebates on your account, you incur tax on this amount, which is also reflected in the 'after-tax (net)' amount of the rebate you receive.

### Q2: Does the before-tax amount show an increase in fees?

No. It's important to remember that your account balance is generally only impacted by the after-tax (net) amount. Your statement simply shows a more detailed transaction list, displaying before-tax (gross), after-tax (net) and tax amounts costs.

The 'Fees you paid' section also provides before-tax and tax amounts on estimated transaction and indirect costs that apply to your account during the reporting period.

### Q3: How is my super invested?

As an Essential Super member, you may be invested in the Lifestage option like over 90%<sup>1</sup> of our members. This means that not all your super is invested in shares. If you have invested

in a LifeStage option, your super is invested in a portfolio of assets including growth assets like shares and conservative assets like cash and fixed interest. This option is invested in a variety of assets, designed to diversify risk.

### Q4: What do I do if my super balance has declined?

It's important not to panic, super is a long-term investment. Although financial markets have fallen in the short term, historically over the long-term they typically recover. It is important to take a long-term perspective with your super. If you are unsure about what action to take, a financial adviser may be able to help you.

### Q5: How is my super money taxed?

Super tax rules are extremely complex. Your super money can be taxed at three stages: when it goes into the fund (contributions), while it is in the fund (investment earnings) and when it leaves the fund (super benefits).

Under current tax legislation, the super contributions you make before tax (called concessional contributions) are taxed at the fund level, at a rate of up to 15%. There are many rules surrounding these taxes and a variety of factors which may impact the amount of tax that applies to your account.

You can find out more about how super is taxed by reading the **Product Disclosure Statement**. Speak to your accountant or financial adviser for more information on super tax.

<sup>1</sup> As at 30 June 2021.

#### Q6: How do I know if my account has been taxed correctly?

Your statement shows the tax paid on all your account transactions during the reporting period. As a responsible entity, we're legally required to comply with Australian taxation rules and regulations. We appoint an independent auditor and provide regular reporting on compliance.

If you need to raise a query, we'll investigate it thoroughly and provide you with a refund if we've made an error.

#### Q7: Under: 'Your account transactions', it shows a tax amount, why is the tax showing as a credit amount?

The tax benefit amount shown is often a credit amount. An explanation of tax benefits is provided in your statement.

In a nutshell, tax benefits received by the fund for deductible fees, insurance premiums or rebates are passed on to you through reduced costs. This is reflected in the 'after-tax (net)' amount shown in your statement.

For example if your before-tax (gross) insurance premium amount is set at \$100, we may be able to pass on a 15% tax benefit at fund level. In this scenario, the after-tax premium amount you pay reduces to \$85.

#### Q8: Can I claim the tax you've taken as a deduction on my tax return?

The fees payable by the fund, such as administration fees are passed on as an upfront deduction on your account. As a result, the fees charged to you already include the tax deduction and cannot be claimed in your personal tax return.

Please speak to your accountant or financial adviser for more information.

#### Q9: Does the tax I'm paying at a fund level impact my personal tax status?

The tax shown in this statement reflects the super fund trustee's obligations to comply with super law as it applies to your super account.

The impact of this tax on your personal tax status will always be specific to your individual financial circumstances.

We suggest that you talk to your accountant or financial adviser at tax time.

#### Q10: What do you mean by 'indirect costs' and are these a new charge?

When it comes to your super fund, the indirect costs now shows you the costs of running your investment portfolio – you don't pay these as a direct fee but they do impact the performance of the fund.

Indirect costs are not new. They have always been part of the cost of running your investment portfolio. They are now listed separately for greater transparency.

Indirect costs can include any of the following:

- expenses paid out of the fund's assets
- costs linked with derivatives and other investment vehicles, and
- transaction costs such as brokerage fees.

The approximate amount shown in your statement has been deducted from your investment and covers amounts that have reduced the return on your investment but are not charged as a fee.

#### Q11: What are borrowing costs?

Borrowing costs include all costs of borrowing such as interest, legal fees and other related costs. These costs may be in relation to short-term settlement borrowing, borrowing to achieve investment objectives (including geared options) and the cost of securities borrowing.

Funds with exposure to gearing and long/short funds will generally have borrowing costs.

Borrowing costs will be impacted by factors such as the amount borrowed by the fund, the currency of borrowings and the interest expense of the borrowings.

These costs are deducted at least monthly from the relevant option's unit price and are an additional cost to investors.

### Need more information?

#### Check out these links:

- [How is super taxed](#)
- [Changes to how super funds report fees and costs](#)



Call us **13 4074**, our contact centre operating hours are at the bottom of [commbank.com.au/essentialinfo](https://commbank.com.au/essentialinfo)



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The insurance cover is provided under policies issued to the Trustee.

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