
BT Insurance

Income Protection as Superannuation and Income Protection Assured as Superannuation

Annual Report

30 June 2023



**Income Protection as Superannuation
and Income Protection Assured as
Superannuation**
Annual Report for the year ended
30 June 2023

This annual report dated 31 December 2023 has been prepared and is issued by BT Funds Management Limited ABN 63 002 916 458, AFSL No.233724, RSEL0001090 ('Trustee'), the trustee of Income Protection as Superannuation and Income Protection Assured as Superannuation (USI 90 194 410 365 010), which is part of the superannuation fund known as Asgard Independence Plan Division Two ABN 90 194 410 365, RSE R1055580. Income Protection as Superannuation refers to BT Income Protection as Superannuation, Westpac Income Protection as Superannuation and St.George Income Protection as Superannuation. The insurer of Income Protection as Superannuation is TAL Life Insurance Services Limited ABN 31 003 149 157, AFSL No. 233728.

The Trustee is an approved trustee under the Superannuation Industry (Supervision) Act 1993 (Cth).

Any general advice provided in this document does not take into account your personal objectives, financial situation or needs. Before acting on the information you should consider the appropriateness of the information or advice having regard to these factors.

The Trustee (is a subsidiary) of Westpac. Apart from any interest investors may have by way of their investment in the Fund, is not an investment in, deposit with or any other liability of Westpac or any other company in the Westpac Group. These investments are subject to investment risk, including possible delays in repayment of withdrawal proceeds and loss of income and principal invested. Westpac and its related entities do not stand behind or otherwise guarantee the capital value or investment performance of any investments in, or acquired through, the Fund.

The Insurer is TAL Life Insurance Services Limited ABN 31 003 149 157 AFSL 233728 (TLISL). TLISL is part of the TAL Dai-ichi Life Australia Pty Limited ABN 97 150 070 483 group of companies (TAL). TAL companies are not part of the Westpac Group.

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Welcome

Dear member,

On behalf of the Trustee, BT Funds Management, I am pleased to present to you the 2023 Annual Report for Income Protection as Superannuation and Income Protection Assured as Superannuation.

Your Income Protection as Superannuation or Income Protection Assured as Superannuation policy provides you with important insurance cover and can be an attractive way of funding your Income Protection cover.

In this report, we highlight the key features of your policy, including details of:

- the premiums you pay, including policy fees;
- the payment of your insurance benefits;
- when your insurance stops; and
- financial information.

Please take time to review this Annual Report and your Annual Statement which you would have recently received.

These documents provide details on contributions made to your Income Protection as Superannuation or Income Protection Assured as Superannuation policy and premiums deducted.

If you have any questions, simply call one of our Customer Relations Consultants on 1300 553 764 between 8.00am and 6.30pm (Sydney time), Monday to Friday.

I would like to take this opportunity to thank you for your continued support throughout the past year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Newman', followed by a horizontal line.

Aaron Newman
General Manager, Individual Life

Change to Income Protection as Superannuation

Successor Fund Transfer

On 1 April 2023, BT Funds Management Limited ABN 63 002 916 458, AFSL 233724 (BTFM), the Trustee of Retirement Wrap ABN 39 827 542 991, RSE R1001327, transferred all member interests via a successor fund transfer (SFT).

While this transfer will mean Income Protection as Superannuation and Income Protection Assured as Superannuation now form part of the superannuation fund known as Asgard Independence Plan Division Two, this change did not impact the terms and conditions of your insurance cover.

Asgard Independence Plan Division Two is a regulated superannuation fund like the Retirement Wrap and BTFM is also the Trustee of Asgard Independence Plan Division Two.

Developments in superannuation

2023/24 superannuation thresholds

The superannuation contributions caps and various other superannuation thresholds that apply for the current financial year are as follows:

Concessional contributions cap	\$27,500 ¹
Non-concessional contributions cap	\$110,000 ²
Capital gains tax (CGT) Cap (lifetime limit)	\$1,705,000
Government co-contributions	
– Maximum co-contribution ³	\$500
– Lower threshold	\$43,445
– Upper threshold (cut off)	\$58,445
Superannuation Guarantee (SG) rate⁴	11%
Low rate cap	\$235,000

1 Members with a total superannuation balance less than \$500,000 at the end of the previous financial year can make additional concessional contributions by utilising unused cap amounts accrued from 1 July 2018, for up to five financial years.

2 If you are under age 75 on 1 July 2022 and satisfy other conditions you may be able to make larger non-concessional contributions over two or three financial years. Once your total superannuation balance has reached \$1.9 million, your non-concessional contribution cap will be nil. Your total superannuation balance is assessed as at 30 June of the previous financial year.

3 The maximum co-contribution payable is phased out by 3.333 cents for every dollar of total income over the lower threshold, until it reaches zero at the upper threshold.

4 The SG rate will increase by 0.5% each financial year (11% from 1 July 2023 and so on) until it reaches 12% on 1 July 2025.

Pension drawdown rates

For the 2023–24 financial year, the 50% reduction in the minimum pension drawdown rate will no longer apply.

The table below illustrates the standard minimum pension factors.

Age	Default minimum drawdown rates (2023/24)
Under age 65	4%
65 to 74	5%
75 to 79	6%
80 to 84	7%
85 to 89	9%
90 to 94	11%
95 or over	14%

For Term Allocated Pensions, the drawdown rate can be between 90% and 110% (previously between 45% and 110%) of the minimum amount calculated using the payment factors.

Superannuation Guarantee increase

The rate of Superannuation Guarantee increased to 10% from 1 July 2021; the first increase since 1 July 2014. SG rates will increase incrementally each year until they reach 12% in 2025 as per the table.

1 July 2014 – 30 June 2021	9.5%
1 July 2021	10%
1 July 2022	10.5%
1 July 2023	11%
1 July 2024	11.5%
1 July 2025	12%

Indexation of the Transfer Balance Cap

On 1 July 2023, the general transfer balance cap was indexed from \$1.7 million to \$1.9 million. This is the cap on the amount that can be transferred into tax-free retirement phase income streams. This means that individuals who start a retirement phase income stream for the first time on or after 1 July 2023, they will have a personal transfer balance cap of \$1.9 million. Individuals who have transferred a balance to a tax-free retirement income stream before 1 July 2023 will have a personal transfer balance cap of between \$1.6 million to \$1.7 million depending on their circumstances.

Extension of downsizer scheme to those aged 55 and over

On 1 January 2023, the eligibility age to make a downsizer contribution to a complying superannuation fund reduced from 60 to 55. This means individuals aged 55 and older may be able to contribute up to \$300,000 from the proceeds of the sale (or part sale) of their home into their superannuation. Other rules governing the scheme remain unchanged. This includes the home having to be owned for at least 10 years. For more information on the scheme, please visit ato.gov.au.

Improving the flexibility of the First Home Super Saver Scheme (FHSSS)⁵

Changes to the FHSSS will allow individuals to amend or withdraw their applications at any time before receiving amounts, as well as allowing those who have withdrawn to reapply for FHSSS releases in the future. To facilitate this, the Commissioner of Taxation will be given the ability to return FHSSS amounts to superannuation funds. These returned FHSSS amounts will be treated as non-assessable non-exempt income and do not count towards individuals' contribution caps.

⁵ The changes will come into effect at a future date, which is yet to be specified.

Proposed changes to superannuation

The following proposed changes are not yet law and are subject to change.

Better targeted superannuation concessions

A new tax has been proposed to apply to certain superannuation earnings from 1 July 2025. If enacted, the proposed law will impose an additional 15% tax on earnings on Total Superannuation Balances over \$3 million. The tax is to be assessed to the individual member and can be paid by the member or from the fund where a release authority is obtained from the Australian Taxation Office.

Other useful information

This section contains important information about your Income Protection as Superannuation and Income Protection Assured as Superannuation policy.

Contribution caps and rules

Breaching contribution caps may result in you paying more tax than is needed. You should consider the amount and level of contributions you, your spouse or your employer make to all your superannuation accounts (including Income Protection as Superannuation and Income Protection Assured as Superannuation), so these caps are not breached.

Concessional contributions

For the 2023/24 financial year, your concessional contributions cap is \$27,500.

Non-concessional contributions

For the 2023/24 financial year, the annual non-concessional contributions cap is \$110,000. If you were under 75 on 1 July 2023, you may be able to contribute a higher level of non-concessional contributions by bringing forward your cap in respect of the next two financial years.

To continue to make contributions you must be eligible to contribute to superannuation, or to have contributions made to superannuation on your behalf. The rules that apply generally depend on your age and/or employment status. Please refer to the current BT Protection Plans Product Disclosure Statement and Policy Document (PDS) on our website <https://btlifeinsurance.tal.com.au/documents-and-forms> for further information.

Unclaimed money

Excess premiums will be paid to the ATO if:

- you're age 65 and over and the Fund hasn't received a contribution or rollover for two years and the Trustee is unable to contact you within five years since last contacting you, or
- you're a 'lost member', excess premiums are less than \$6,000, the Fund hasn't received a contribution or rollover within 16 months and insurance is not being provided in the account.

Temporary residents

The Australian Government requires the Trustee to pay temporary residents' unclaimed superannuation to the Australian Tax Office (ATO) after at least 6 months have passed since the later of:

- the date a temporary resident's visa ceased to be in effect; and
- the date a temporary resident permanently left Australia.

The ATO identifies and informs the Trustee of the impacted members on a twice yearly basis. Once your benefit has been transferred to the ATO you will need to claim it directly from the ATO (ato.gov.au).

If your benefit has not yet been transferred to the ATO, applications to claim your benefit can be made using the ATO Departing Australia Superannuation Payment (DASP) online application system. To access this system and full information regarding DASP procedures and current tax rates visit ato.gov.au

The Trustee is permitted under, and relies on, ASIC relief under Class Order CO 09/437 to not notify or provide an exit statement to a non-resident in circumstances where we pay unclaimed superannuation to the ATO under Division 3 of Part 3A of the Superannuation (Unclaimed Money and Lost Members) Act 1999.

Transfers to the Australian Tax Office

Your benefit may be transferred to the Australian Tax Office (ATO) in the following circumstances:

- if you request to transfer your benefit to another fund and that request cannot be processed due to insufficient information or the other fund returns the money to the Fund because they have been unable to process the request;
- if circumstances under 'Cooling-off' apply;
- in any other circumstances permitted under superannuation law.

If you cancel your insurance during the cooling-off period and any benefits are transferred to the ATO:

- you will cease to be a member of the Fund and any insurance cover provided will also cease on the date of transfer or at the end of the continuation period that may apply, if later;
- you will need to contact the ATO on 13 28 65 in regard to your benefit.

Premiums

The factors determining the amount of your insurance premium include, but are not limited to, level of insurance, gender, age, whether you are a smoker or a non-smoker, the cover selected and when it commenced, the frequency at which you choose to pay your contributions, and any special acceptance terms applied at the commencement of risk by TAL Life Insurance Services Limited.

Each premium payment includes a policy fee. At 1 October 2023, this fee (per payment) is:

- \$109.80 if you pay your premiums annually;
- \$59.82 if you pay your premiums half-yearly;
- \$29.91 if you pay your premiums quarterly; or
- \$9.97 if you pay your premiums monthly.

The policy fee increases at 1 October each year in line with the Consumer Price Index. Each year your annual statement shows the details of your insurance premiums paid in the financial year.

Payment of benefits

If your policy commenced prior to 1 July 2014, and a benefit becomes payable that under superannuation law is not releasable to you, you will need to transfer the amount to another superannuation account. You need to advise Asgard Independence Plan Division Two, within one month, of the name and details of the fund that you want your monies to be transferred to.

When your insurance stops

Your insurance may end at the earliest of:

- the review date following the date the Insured Person reaches the expiry age of the benefit;
- your death;
- the date we cancel your insurance because you have not paid your premiums or any other amounts which relate to this insurance;
- the date we cancel or avoid the policy as a result of an innocent or fraudulent non-disclosure and/or misrepresentation made by you prior to our acceptance of risk or during the making of a claim; or
- the date we cancel your insurance because of the Protecting Your Superannuation, or Putting Member's Interests First legislation; or
- the date we receive your notice to end your policy.

For a full outline of terms and conditions, please consult your version of the PDS, as terms and conditions may vary depending on the date your product was issued.

Other information

The Trustee is indemnified by a policy of insurance in respect of its duties as Trustee of the Fund.

TAL Life Insurance Services Limited is the insurer of Income Protection as Superannuation and Income Protection Assured as Superannuation. The Trustee is a wholly-owned subsidiary of Westpac Banking Corporation ABN 33 007 457 141 ('the Bank'). For more information, please refer to chapter 7, section 8 'Understanding Asgard Independence Plan Division Two' in the Protection Plans PDS.

An interest in Income Protection as Superannuation and Income Protection Assured as Superannuation and an interest in the Fund is not an investment in, deposit with, or other liability of the Bank. Neither the Bank or any member of the Westpac Group guarantees the benefits payable in relation to Income Protection as Superannuation and Income Protection Assured as Superannuation.

Retirement Income Covenant (RIC)

The BT Retirement Income Strategy is available on bt.com.au and can be downloaded from our Retirement Hub at bt.com.au/retirement. The Strategy aims to help you achieve and balance the following 3 objectives:

- Maximising the expected retirement income over the period of retirement;
- Managing the expected risks of the sustainability and stability of retirement income; and
- Having flexible access to expected funds over the period of retirement.

Complaints resolution

Delivering on our service promise

We're constantly striving to provide the best possible service, and we'll do our best to resolve any concern you have efficiently and fairly.

Our commitment to you

If you're ever unhappy about something we've done – or perhaps not done – please give us the opportunity to put things right.

Our aim is to resolve your complaint within 5 business days, and where possible we will resolve your complaint on the spot.

If we need some additional time to get back to you, we will let you know. Should we be unable to resolve your concern at your first point of contact, we will then refer the complaint to our dedicated Customer Managers in our Customer Solutions team.

Our Customer Solutions Customer Managers are here to find a solution for you and will ensure that you're regularly updated about the progress we are making to resolve your complaint.

You can contact us:

Over the phone

Please call us from anywhere in Australia on 1300 553 764.

By post

BT Life Insurance
GPO Box 5380
Sydney NSW 2001

For further information go to <https://www.btlifeinsurance.tal.com.au/complaint-handling-process>

If you are still unhappy

If you are not satisfied with our response or handling of your complaint, you can contact the external dispute resolution scheme, the Australian Financial Complaints Authority (AFCA).

Australian Financial Complaints Authority

The Australian Financial Complaints Authority (AFCA) provides a free and independent service to resolve complaints by consumers and small businesses about financial firms (e.g., banks), where that complaint falls within AFCA's terms of reference.

The contact details for AFCA are set out below.

Australian Financial Complaints Authority

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678 (free call)

Post: Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001

Further information

Other information concerning the Fund, as well as complete audited financial statements for the Asgard Independence Plan Division Two and the auditor's report is available from the Trustee:

BT
GPO Box 2675
Sydney NSW 2001

or by calling the Customer Relations Centre on 132 135.

This is a risk only product which does not have an investment component. All premiums are paid to TAL Life Insurance Services Limited in respect of the life insurance policies. The insurance benefits payable to each member are determined by reference to the benefits payable under the life insurance policy. As permitted by the Corporations Act, certain financial and investment information (such as audited financial statements) have not been included in this report as the Trustee wholly invests in life insurance policies.

Trustee details

BT Funds Management Limited
ABN 63 002 916 458
AFSL Number 233724
RSE Licence Number L0001090

Westpac Place
275 Kent Street
Sydney NSW 2000

Directors of the Trustee

The directors as at the date of this report are set out below:

Gai McGrath (Chairman and Independent, Non-executive Director)

Robin Burns (Independent, Non-executive Director)

Michael Cottier (Independent, Non-executive Director)

Doug Carmichael (Independent, Non-executive Director)

Anne Anderson (Independent, Non-executive Director)

Registered Office

Level 18
Westpac Place
275 Kent Street
Sydney NSW 2000

Financial Information

Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation

Statement of Financial Position as at 30 June 2023.

	As at 30 June 2023
	\$'000
Assets	
Cash and cash equivalents	-
Margin accounts	-
Unsettled sales	-
Accrued income	-
Receivables	-
Financial assets held at fair value through profit or loss	-
Tax refund due	4,356
Deferred tax assets	-
Total Assets	4,356
Liabilities	
Unsettled purchases	-
Payables	4,356
Deferred tax liabilities	-
Total liabilities (excluding member benefits)	4,356
Net assets available for member benefits	
Member benefits	-
Total net assets	-
Total net assets/liabilities	-
Equity	
Unallocated benefits/(deficits)	-
Total equity/(deficit)	-

For the period 1 April 2023 to 30 June 2023, Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation formed part of Asgard Independence Plan Division Two (Fund). This annual report contains unaudited abridged financial information for the financial year ended 30 June 2023. The full audited financial statements and auditor's report for Asgard Independence Plan Division Two are available on request by contacting 132 135.

Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation

Income Statement for the year ended 30 June 2023.

	Year ended 30 June 2023
	\$'000
Superannuation activities	
Interest income	-
Dividend income	-
Distribution income	-
Net gains/(losses) on financial instruments held at fair value through profit or loss	-
Other income	-
Total net income	-
Trustee's fees	-
Other expenses	-
Total expenses	-
Profit/(loss) from superannuation activities before income tax	-
Income tax expense/(benefit)	-
Profit/(loss) from superannuation activities after income tax	-
Less: net benefit allocated to members' accounts	-
Profit/(loss) after income tax	-

For the period 1 April 2023 to 30 June 2023, Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation formed part of Asgard Independence Plan Division Two (Fund). This annual report contains unaudited abridged financial information for the financial year ended 30 June 2023. The full audited financial statements and auditor's report for Asgard Independence Plan Division Two are available on request by contacting 132 135.

Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation

Statement of Changes in Member Benefits for the year ended 30 June 2023.

For the year ended 30 June 2023	Total
	\$'000
Opening balance of member benefits	-
Employer contributions	3,171
Member contributions	4,782
Transfers from other funds	20,712
Transfers from other funds - successor fund transfers	-
Superannuation co-contributions	-
Income tax on net contributions	4,350
Net after tax contributions	33,015
Benefit payments	(13,608)
Benefit payments - successor fund transfer	-
Insurance premiums charged to members' account	(32,320)
Insurance benefit credited to members' account	12,913
Adviser fees	-
Refund of adviser fees	-
Net benefits allocated to members' accounts, comprising:	
Net benefits allocated to members' accounts	-
Transfer from/(to) unallocated benefits/(deficits)	-
Closing balance of member benefits	-

For the period 1 April 2023 to 30 June 2023, Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation formed part of Asgard Independence Plan Division Two (Fund). This annual report contains unaudited abridged financial information for the financial year ended 30 June 2023. The full audited financial statements and auditor's report for Asgard Independence Plan Division Two are available on request by contacting 132 135.

Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation

Statement of Changes in Equity for the year ended 30 June 2023.

	Year ended 30 June 2023
	\$'000
Unallocated benefits/(deficits)	
Opening balance	-
Net transfers to/(from) unallocated benefits/(deficits)	-
Closing balance	-

For the period 1 April 2023 to 30 June 2023, Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation formed part of Asgard Independence Plan Division Two (Fund). This annual report contains unaudited abridged financial information for the financial year ended 30 June 2023. The full audited financial statements and auditor's report for Asgard Independence Plan Division Two are available on request by contacting 132 135.

For more information

Customer Relations Centre

132 135

8.00am to 6.30pm (Sydney time)

Monday to Friday



The information contained in this report does not constitute tax advice and is based on current tax laws and our interpretation. Your individual situation may differ and you should seek independent professional tax advice.

This information has been prepared without taking account of your objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs.

The current issuer of Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation is BTFM.

The Insurer of Term Life as Superannuation, Income Protection as Superannuation and Income Protection Assured as Superannuation is TAL Life Insurance Services Limited ABN 31 003 149 157, AFSL 233728.

A BT Protection Plans product disclosure statement (PDS) is available and can be obtained by calling 1300 553 764. You should obtain and consider the PDS before deciding whether to acquire, continue to hold or dispose of interests in Term Life as Superannuation and/or Income Protection as Superannuation. Read the disclosure documents (available at bt.com.au) for your selected product before deciding. Target Market Determinations for our products can be found at bt.com.au/tmd.

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