

# Fact Sheet > Super SA > Triple S FEES & COSTS

The information in this document forms part of the Triple S Product Disclosure Statement dated 25 March 2019

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### Consumer Advisory Warning

#### *Did you know?*

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period. For example reduce it from \$100,000 to \$80,000.

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

#### *To find out more*

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website, [www.moneysmart.gov.au](http://www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

### Fees and costs summary

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your account, from the returns on your investment or from the assets of Triple S as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees may also be charged but these will depend on the nature of the activity, advice or insurance chosen by you.

Information on how super is taxed can be found in the *Triple S PDS* and in the *Tax* fact sheet. Insurance fees and other costs relating to insurance are set out in the *Triple S PDS* and the *Triple S Insurance* fact sheets.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

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<sup>1</sup> If your account is closed during a year a minimum fee of \$10 is charged.

<sup>2</sup> For information on other fees and costs such as activity fees (Family Law) and insurance fees refer to the additional explanation of fees and costs on this page.

<sup>3</sup> The ICR represents all estimated investment management costs for the 2017-18 year. Investment costs vary from year to year.

Triple S Balanced option and other investment options		
Type of Fee	Amount	How and when paid
<b>Investment fee</b>	Nil	The applicable investment costs are included in the indirect cost ratio on page 3.
<b>Administration fee<sup>1</sup></b>	\$1.35 per week (\$70.20 per year)	Deducted from your account on a weekly basis.
<b>Buy-sell spread</b>	Nil	Not applicable
<b>Switching fee</b>	\$20 for each switch, cost of the first switch waived each financial year.	The fee for the second and subsequent switches are deducted from your account at the time of the switch. Switching fees are not applied when redirecting future contributions.
<b>Exit Fee</b>	Nil	Not applicable
<b>Advice fees</b>	Nil	You will only be charged an Adviser fee if you agree to receive financial advice. These fees will be discussed and agreed with you.
<b>Other fees and costs<sup>2</sup></b>		
<b>Indirect cost ratio (ICR)<sup>3</sup></b>	Ranges from 0.05 - 1.15%. The ICR is different for each investment option. See page 3 for details.	Fee deducted from the Scheme's investment returns before earnings are allocated to your account which occurs through unit prices (not deducted directly from your account).

## Additional explanation of other fees and costs

Fee or cost	Amount	How and when paid
<b>Family Law fees</b>	Request for Information: \$60 per request.	Payable on application by cheque or money order at the time of the request.
	On splitting of superannuation entitlement: \$89 per party.	Payable on application by cheque or money order at the time of the request.
<b>Insurance costs</b>	Refer to Insurance Premiums on page 5	Cost deducted from your Employer account each fortnight.

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### Investment fees

#### Indirect Cost Ratio

The indirect cost ratio (ICR) includes all costs that are not deducted directly from your account. This includes the cost of managing your investments.

The investment management cost includes fund manager fees (including performance fees and transaction and operating costs), asset consulting fees, custodian fees, investment-related legal advisory fees, and an administration fee that covers expenses incurred by Funds SA in managing the funds.

#### Indirect cost ratios for 2017-18

The ICR relating to a specific investment option reflects the actual investment management expenses and cannot be precisely calculated in advance. The amounts may vary from year to year.

As a guide, the table below shows these fees for the 12 months ending 30 June 2018.

The table also includes performance fees and transaction and operational costs. A performance fee is a fee paid to certain managers if their return performs above an agreed benchmark. A performance fee will not be paid if a matching period of underperformance has occurred in that year.

Transaction and operating costs include brokerage, stamp duty, transaction settlement costs, clearing costs, buy and sell spreads and market impact.

Both performance fees and transaction and operating costs are deducted from the assets of the investment option and reflected in the unit price.

For more information on investment options see the *Investment* fact sheet at [supersa.sa.gov.au](http://supersa.sa.gov.au).

**The amount you pay for specific investment options (2017-18)<sup>1 2</sup>**

Investment options	Base ICR	Investment performance fees	Transaction & operating costs	Total ICR
High Growth	0.67%	0.29%	0.19%	1.15%
Socially Responsible	0.84%	0.00%	0.23%	1.07%
Growth	0.67%	0.28%	0.18%	1.13%
Balanced	0.61%	0.23%	0.16%	1.00%
Moderate	0.52%	0.15%	0.15%	0.82%
Conservative	0.40%	0.00%	0.13%	0.53%
Capital Defensive	0.34%	0.00%	0.11%	0.45%
Cash	0.05%	0.00%	0.00%	0.05%

<sup>1</sup> The ICR represents actual investment management costs for the 2017-18 year and varies across investment options. Investment costs vary from year to year.

<sup>2</sup> Borrowing costs and property operating costs are identified separately in the text on page 4.



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### Fees and other costs

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the scheme assets as a whole. Taxes and insurance costs are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

The table on page 2 shows fees and other costs that you may be charged.

### Borrowing costs

Borrowing costs may arise where money is borrowed by fund managers, for example to purchase an asset, pay for expenses or in the course of borrowing securities. The borrowing costs for the investment options are estimated to range between 0% and 0.09% for each option. These costs are deducted from the assets of the investment option and reflected in the unit price.

### Property operating costs

As part of the ongoing management of property costs, certain expenses are generally incurred throughout the life of the investment, eg council and water rates, utilities, lease renewal costs and general property management costs. The property operating costs for the investment options are estimated to range between 0% and 0.25% for each option. These costs are deducted from the assets of the investment option and reflected in the unit price.

### Defined fees

A fee is an **activity fee** if it relates to costs incurred by the Super SA Board that are directly related to an activity of the Board:

- that is engaged in at the request, or with the consent, of a member, or
- that relates to a member and is required by law and those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

An **administration fee** is a fee that relates to the administration or operation of Triple S and includes costs incurred by the Super SA Board that relate to the administration or operation of Triple S and are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

A fee is an **advice fee** if it relates directly to costs incurred by the Super SA Board because of the provision of financial product advice to a member by:

- the Super SA Board; or
- another person acting as an employee of, or under an arrangement with the Super SA Board; and

those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

A **buy-sell spread** is a fee to recover transaction costs incurred by the Super SA Board, in relation to the sale and purchase of assets of Triple S.

An **exit fee** is a fee to recover costs of disposing of all or part of members' interests in Triple S.

The **indirect cost ratio (ICR)** for the Balanced investment option offered by Triple S is the ratio of the total of the indirect costs for the option, to the total average net assets of Triple S attributed to the investment option.

A fee is an **insurance fee** if it relates directly to either or both of the following:

- insurance premiums paid by the Super SA Board in relation to a member or members of Triple S;
- costs incurred by the Super SA Board in relation to the provision of insurance for a member or members of Triple S; and

the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit that is based on the performance of an investment rather than the realisation of a risk and the premiums and costs to which the fee relates are



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not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

For further information on insurance costs, please refer to the Product Disclosure Statement and the fact sheets on insurance available at [www.supersa.sa.gov.au](http://www.supersa.sa.gov.au).

An **investment fee** is a fee that relates to the investment of the assets of Triple S and includes fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees) and costs incurred by the Super SA Board that:

- relate to the investment of assets of the entity; and
- are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

A **switching fee** is a fee to recover the costs of switching all or part of a member's interest in Triple S from one class of beneficial interest to another.

### Insurance premiums

#### Death and Total & Permanent Disablement (TPD) Insurance

Death and TPD Insurance premiums are charged per unit per week and premiums will be deducted from your Employer Account. Premiums will depend on the amount and type of cover you have.

Standard Insurance - The first three units<sup>1</sup> of Standard Death and TPD Insurance cost \$0.75 per unit per week. Additional units cost \$1 per unit per week. The value of a unit of Standard Death and TPD Insurance cover is linked to your age. Once you reach age 35, the value of a Standard unit gradually decreases each year.

Fixed Benefit Insurance – The premium paid for Fixed Benefit Insurance will increase with your age. The value of a unit of Fixed Benefit Death and TPD Insurance is \$10,000.

Fixed Insurance (closed to new applications since November 2014) - The cost of Fixed Insurance units depends on your age when you bought the units.

#### Death Only Insurance

Death Only Insurance premiums are charged per unit per week. Spouse members who have been approved for Death Only Insurance have their premium deducted from the Spouse Contribution Account. If there are insufficient funds in this account, the premium is deducted from their Rollover Account or Co-contribution Account. Premiums will depend on the amount and type of cover you have.

Standard Insurance - Standard Death Only Insurance units costs \$0.50 per unit per week. The value of a unit of Standard Death Only Insurance cover is linked to your age. Once you reach age 35, the value of a Standard unit gradually decreases each year.

Fixed Benefit Insurance - The premium paid for Fixed Benefit Insurance will increase with your age. The value of a unit of Fixed Benefit Death Only Insurance is \$10,000.

Fixed Insurance (Closed to new applications since November 2014) - The cost of Fixed Insurance units depends on your age when you bought the units.

#### Income Protection Insurance premium

The cost of IP Insurance is a percentage of your salary based on your age and waiting period. Refer to the IP fact sheet for further information and premiums tables. If you are eligible, premiums are deducted from your Employer Account when employer contributions are received.

<sup>1</sup> The first six prescribed units for members of Triple S who are employed as SA Police Officers, SA Ambulance Operational staff and SA Ambulance staff who transferred into Triple S from the SA Ambulance Service Superannuation Scheme cost \$0.75 per unit per week.

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### Further information

The following fact sheets and Product Disclosure Statements (PDS) may be of particular assistance if read in conjunction with the information presented here:

- Death and TPD & Death Only Insurance
- Income Protection Insurance
- Tax
- Triple S PDS

### Contact us

#### Address

Ground floor,  
151 Pirie Street  
Adelaide SA 5000  
(Enter from Pulteney Street)

#### Postal

GPO Box 48, Adelaide, SA 5001

#### Call

(08) 8207 2094  
1300 369 315 (for regional callers)

#### Email

supersa@sa.gov.au

#### Website

www.supersa.sa.gov.au

## Financial Planning fees

You are encouraged to seek independent advice in relation to your financial planning needs. You can choose your own financial planner or you can access financial planning services from Industry Fund Services. If you choose Industry Fund Services, your first consultation is free of charge, as a member of Super SA. However, Industry Fund Services charges an hourly rate for the preparation and implementation of a financial plan. You should refer to the statement of advice at [www.ifs.net.au](http://www.ifs.net.au) for more information on these fees.

If you seek financial advice from Industry Fund Services you can request that Super SA deduct the cost from your account. Alternatively, you can agree to another payment method with them.

Spouse members have the same payment options listed above. If, as a spouse member you choose to have the fee deducted from your super account, you need to ensure that a minimum of \$1,000 remains in your account. Failure to do so will mean your payment request will be declined.

*Please note:* Super SA does not charge commissions or receive commissions from financial advisers, sales agents or any other person or entity.

## Disclaimer

The information in this document is intended to help you understand your entitlements in Triple S. Super SA does its best to make sure the information is accurate and up to date. However, you need to be aware that it may not include all the technical details relevant to the topic. For the complete rules of Triple S, please refer to the *Southern State Superannuation Act 2009* and *Southern State Superannuation Regulations 2009*. The Act and accompanying Regulations set out the rules under which Triple S is administered and entitlements are paid. You can access a copy from the Super SA website.

Triple S is an exempt public sector superannuation scheme and is not regulated by the Australian Securities and Investments Commission (ASIC) or the Australian Prudential Regulation Authority (APRA). Super SA is not required to hold an Australian Financial Services Licence to provide general advice about Triple S.

The information in this document is of a general nature only and has been prepared without taking into account your objectives, financial situation or needs. Super SA recommends that before making any decisions about Triple S, you consider the appropriateness of this information in the context of your own objectives, financial situation and needs, read the Product Disclosure Statement (PDS) and seek financial advice from a licensed financial adviser in relation to your financial position and requirements.

Super SA and the State Government disclaim all liability for all claims, losses, damages, costs or expenses whatsoever (including consequential or incidental loss or damage), which arise as a result of or in connection with any use of, or reliance upon, any information in this document.

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## Changes to fees and costs

Occasionally fees and costs may need to rise to cover costs. Super SA can increase or alter fees at its discretion without your consent. If there is a change or increase to fees, Super SA will give you 30 days notice of any changes being implemented. Changes other than fees will be notified within three months of the change.

Triple S is a not-for-profit scheme and Super SA endeavours to keep the fees and costs low for members, therefore it is not possible to negotiate lower fees.

## Member protection

Triple S members with account balances of less than \$1,000 are protected from having their balance eroded by administration costs. The member-protected administration fee is the lesser of investment earnings or \$1.35 per week, with a minimum annual administration fee of \$10. Member Insurance fees and taxes are not reduced for balances under \$1000.

## Tax

It's important to note that no tax is subtracted from the investment returns, as under Triple S rules you pay tax only when you leave the Scheme.

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To find out more visit [supersa.sa.gov.au](http://supersa.sa.gov.au)

