



Directions

February 2008

## Product and service enhancements

### Insurance transfers

Existing and new members of Corporate Super and Personal Super can now transfer their current insurance cover with another super fund to the Aon Master Trust. "Current insurance cover" includes private as well as employer-sponsored group insurance arrangements.

The terms and conditions of transfer are detailed on the [Individual insurance transfer questionnaire](#). Key points include:

- The member must apply within 60 days after joining the Aon Master Trust (Personal Super members) or within 60 days after the first employer contribution is received (Corporate Super members).
- Maximum cover that can be transferred is \$1 million each for death and TPD, and \$10,000 per month for income protection.
- The member must meet the eligibility criteria for insurance cover set out in the relevant PDS.
- Replacement cover is subject to:
  - the insurer accepting the member's application
  - the existing insurance cover with the former fund being cancelled
  - the underwriting terms provided by the previous insurer, including premium loadings, restrictions, exclusions or any other limitations imposed on the previous cover.

### Insurance-only product

Tax rule changes and the 2007 Simplified Super reforms have made insurance within a super fund a practical and tax-effective way for employers to provide employee cover. Employer clients who currently sponsor a non-super policy for their employees may be interested in a more tax-effective and practical alternative: insurance-only accounts in the Aon Master Trust.

- Death and TPD benefits from non-super employer-sponsored policies are now treated as Employment Termination Payments and are heavily taxed. FBT is often payable on the premiums.
- Death and TPD benefits from policies within super are taxed at super's concessional tax rates. Premiums, which are paid by the employer, are regarded as a super contribution so there is no need to pay FBT.
- Simplified Super has made insurance within super more flexible thanks to measures such as the abolition of reasonable benefit limits which previously restricted benefit amounts.

Essentially, the Aon Master Trust acts as the vehicle for owning the insurance policy. Each employee has an insurance-only account within the Aon Master Trust, quite separate to the employer's default super fund and the member's chosen fund (if any).

As the policy is regarded as a super asset, there's no FBT on the premiums, and any death or TPD claim proceeds will be taxed as a super benefit rather than as an Employment Termination Payment.

Speak to us about how this can work for your clients and prospects.

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## Transition to retirement

A great option for clients who like the thought of retiring but aren't ready to stop work entirely, our transition to retirement (TTR) pension offers a number of ways to combine work, super and income needs.

Key features include:

- the member can structure their working hours, pension income and super arrangements to suit themselves
- available when a member reaches their preservation age
- it's non-commutable, so lump sum withdrawals generally not allowed
- minimum investment of \$50,000 to open a TTR pension account in the Aon Master Trust
- tax-free pension income if the member is 60 or over
- 15% tax offset if the member is under 60.

[Get more info](#)

[Factsheet](#)

[Website](#)

## UK pension transfers

The Aon Master Trust can now accept pension transfers from the UK with access to favourable tax treatment in the UK and Australia.

Aon Master Trust Personal Super is registered in the UK as a qualifying recognised overseas pension scheme (QROPS), which means we can accept UK pension transfers. Our QROPS status also offers access to favourable UK tax treatment on the amount transferred (it could be tax-free). Tax concessions may apply in Australia too.

[Get more info](#)

[Guide](#)

[Member Directions](#)

[Website](#)

## Website update alerts

You may have noticed emails from the Adviser Services team at Aon, letting you know about updates to the Aon Master Trust website. It's where we post the latest news, and where we keep our forms, factsheets, publications and calculators – so it's important for you to know when things change.

## Continuing development and improvements

### Aon outsources administration

Aon has recently made the decision to outsource its superannuation administration services to the specialised provider Pillar.

This partnership is a positive move for Aon and its clients, as we look to leverage off Pillar's scale, technology platforms and specialised experience to continue to provide our clients with excellent superannuation administration services in this increasingly complex and competitive industry.

This move also underpins our continuing development of innovative and quality superannuation solutions through the Aon Master Trust, as seen in our market-leading product developments such as minimum level default insurance cover.

The transition will occur in the background and you will see minor changes to letterhead, forms, website logins and email addresses later in the year.

### Coming soon...

- Adviser online investment switches – enabling you to make online investment switches on behalf of clients who have given you written authority.
- Pension online features – adviser access enhancements including streamlined member policy information.
- Xplan and COIN data feeds – delivering a whole new world of efficiency to you and your business.
- Binding death benefit nominations – providing greater certainty and a more effective estate planning tool.
- Expanded pension investments – offering our transition to retirement and pension members a wider range of investment options.

## Legislative

### New identification (ID) requirements

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act), which was introduced to help the Government fight the funding of terrorism and money laundering activities, is now law.

Complying with the AML/CTF Act has required a number of changes to the Aon Master Trust's procedures, including enhanced ID procedures to verify a member's identity for certain transactions. Members must now provide certified ID when they:

- request a transfer, rollover or a benefit payment
- make an application to set up a UK pension account in Aon Master Trust Personal Super
- make an application to set up an Aon Master Trust Pension.

Some transactions also require the member's residential address.

We have updated a number of forms to cater for these requirements – see below.

[Get more info](#)  
[Factsheet](#)

## Form updates

### Investment switch form

A new stand-alone form for existing members who wish to make an investment switch. Includes clarified instructions for FROM and TO columns.

### Transfers in

To minimise delays in receiving transfers from other funds, we are now using the standard ATO form (Request to transfer whole balance of super benefits between funds). We have also incorporated the Aon Master Trust's compliance letter at the back of the form.

### Updated for AML/CTF ID and/or residential address requirements:

- Pension PDS/Application form
- Commutation request (Pension)
- Super benefit transfer or payment request (Corporate Super and Personal Super)
- Super contributions splitting from the Aon Master Trust (Corporate Super and Personal Super)

## For feedback, questions or more information...

Contact the Aon Adviser Team:

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### [aonmastertrust.com.au](http://aonmastertrust.com.au)

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