

Super News

May 2020

This edition of *Super News* updates you on the latest news about super and your Plan. In this issue, we let you know about:

- The results of the recent call for nominations for Member representative Trustees;
- An update on recent investment performance; and
- The Government's scheme to allow members affected by COVID-19 early access to their super, and Government sources of information on COVID-19.

New Member Trustee

The Plan has a new Member Trustee following the retirement of Joy Smith in February 2020. Welcome to Wayne Maurer, who has retired and is a Pension member of the Plan. Wayne and previous Member representative Trustee Melinda Kelly were appointed unopposed following a call for nominations from members in February 2020. They will be Member Trustees for a period of four years to February 2024. Congratulations to Wayne and Melinda.

The Plan is managed by four Trustees. Half of the Trustees are appointed by the employer and half are elected by members:

LDS Australia representatives	Member representatives
Rick Chadderton	Melinda Kelly
Paul Gray	Wayne Maurer

The Trustees thank Joy for her contribution to the Plan and extend their best wishes for her retirement.

Investment update

Over the quarter to 31 March 2020, economies and markets were hit hard by the rapid spread of the Coronavirus and the resulting lockdowns. International shares (as measured by the MSCI World Index ex Australia (hedged in AUD)) fell by 21.1% over the quarter. Most share markets ended the quarter in negative territory. Australian share markets lost 23.4% over the quarter, reversing the gains made over the year to December 2019.

Central banks have responded with interest rate cuts and quantitative easing programs. In Australia, the Reserve Bank of Australia cut interest rates twice during the quarter, reducing the rate from 0.75% to 0.25%, and introduced quantitative easing for the first time.

There was also a large stimulus response from the Australian Federal Government, headlined by the \$130 billion wage subsidy package commonly referred to as JobKeeper.

Recent investment performance

Due to the extreme volatility in the share markets, most of the Plan's investment options are currently experiencing negative returns as shown in the table below. You can review the latest performance of your super by logging into your account online at <https://super.towerswatson.com/super/deseret> or contact the Plan Helpline on **1800 115 885**.

The majority of the Plan's members receive defined benefits on retirement after age 55. Defined benefits depend mainly on your final average salary and number of years in the Plan, and investment performance is not applicable to these benefits. The Plan's investment performance is relevant for members who leave before age 55 and those with accumulation accounts (such as additional voluntary contributions, rollovers, and Retained Benefit and Account-Based Pension accounts).

You should remember for most members, super is a long-term investment. For these members, returns earned over a period of 10 years, instead of one or two years, are likely to better indicate your super's performance. Volatility is one of the characteristics of investing in shares. While current events are extraordinary, share markets have experienced similar shocks in the past and recovered, rewarding patient, long-term investors. If you have any questions about the appropriateness of how your super is invested, we encourage you to discuss your situation with a financial adviser.

Past performance is not necessarily a reliable indicator of future performance.

Investment option	3 months to 31 March 2020	Year to 31 March 2020	Five-year compound average net return to 31 March 2020 (per year)	10-year compound average net return to 31 March 2020 (per year)
High Growth	-15.8%	-7.7%	2.2%	5.7%
Market Linked ¹	-12.5%	-5.5%	2.6%	5.0%
Enhanced Yield ²	-0.5%	2.5%	2.4%	3.4%
Cash	0.2%	1.0%	1.6%	2.4%

¹ The Plan's 'declared' earning rate is that of the Market Linked option.

² Prior to 2012, Enhanced Yield was called the Conservative Growth option.

Returns are after tax and investment fees have been deducted. For Retained Benefit members an additional administration fee that has varied over time but is currently 0.45% p.a. is deducted from monthly crediting rates.

Early access to super for members due to COVID-19

On 23 March 2020, the Federal Parliament passed changes in support of superannuation members financially impacted by the Coronavirus. These changes provide eligible members with early access to their superannuation.

For eligible members, you can apply to the ATO for early access of a total of up to \$20,000 of your superannuation. You can access up to \$10,000 of your accumulation superannuation between 20 April and 30 June 2020, and a further \$10,000 between 1 July 2020 to 24 September 2020.

Any amount not accessed this financial year does not carry over to the following financial year. You can choose which fund or funds you draw your money from but can only withdraw a maximum of \$20,000 in two lump sums, one before 30 June 2020 and one after.

If you are eligible, no tax will be deducted from amounts withdrawn.

If you are a Retained Benefit member, your account will be closed if your withdrawal reduces your account to zero.

Am I eligible for early access?

To apply for early release of your super, you must satisfy any one or more of the following requirements:

- you are unemployed; or
- you are eligible to receive a JobSeeker payment, youth allowance for job seekers, parenting payment (which includes the single and partnered payments), special benefit or farm household allowance; or
- on or after 1 January 2020:
 - you were made redundant; or
 - your working hours were reduced by 20% or more; or
 - if you are a sole trader – your business was suspended or there was a reduction in your turnover of 20% or more.

How do I apply?

If you are eligible you can apply directly to the ATO through the myGov website at www.my.gov.au.

Further guidance is available on the ATO website at www.ato.gov.au. You may experience difficulties reaching the ATO by telephone.

Before taking any significant action regarding your super you should seek advice from a licensed financial adviser.

Government websites on COVID-19

You can find out more on COVID-19 by visiting these websites.

ATO: see the COVID-19 section under “Support for individuals and employees” to learn more about early access to your super. Visit www.ato.gov.au.

Treasury: at www.treasury.gov.au under “Economic Response to the Coronavirus” you can read about the Government’s support and payments for individuals and households.

Moneysmart: visit www.moneysmart.gov.au to see the “COVID-19 making financial decisions” page for financial tips.

Australian Government: the latest official COVID-19 news is at www.australia.gov.au



More information

To learn more about your benefits in the Plan, refer to the *About your super plan* booklet. Copies can be downloaded from the Plan website or can be obtained by calling the Plan Helpline on **1800 115 885**. The Helpline is continuing to provide services to members, however due to increased call volumes there may be some difficulties getting through or extended wait times. We appreciate your patience. The Helpline will attempt to assist all members.

You can also contact:

The Plan Administrator
Deseret Benefit Plan for Australia
PO Box 1442
Parramatta NSW 2124

Plan Helpline: 1800 115 885
Email: deseret.australia@towerswatson.com
Website: <https://super.towerswatson.com/super/deseret>

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Issued in May 2020 by the Trustees (ABN 67 352 679 623) of the Deseret Benefit Plan for Australia (ABN 58 632 310 300).