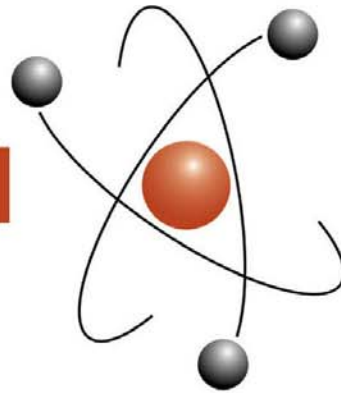


S U S T A I N



A B I L I T Y

ACTUARIES AND THE FUTURE

Contemporary Issues in Superannuation

**Steve Schubert, Andrew Boal,
Phil Collins, Diane Somerville**



Institute of Actuaries of Australia



Choice of Fund

- **Starts 1 July 2005**
- **There are risks of poor decisions based on poor advice**
- **Actuaries can play a key role in reducing that risk**
- **Practitioner forums in Sydney and Melbourne**



Choice – Key Actuarial Issues

- **DB Exemptions**
- **Benefit adjustments**
- **Quarterly surplus certification**
- **Advice to DB members about their benefits and implications of switching**
- **Value of insurance in default funds**
- **Impact of Choice on insurance terms**
- **Benefit projections and member advice**
- **Wide range of fund design advice**



Fee Disclosure

- **New requirements from 1 July**
- **Super funds and managed investments**
- **Strong link to Choice of Fund**
- **Actuaries may be involved in developing appropriate disclosures**



Fee Disclosure

•Periodic Statement:

- Itemised transaction list
- \$ amount of total fees paid by member
- Other \$ amounts not directly deducted including actual or notional amounts from common fund

•Product Disclosure Statement:

- Standardised ASIC fee disclosure model
- Additional information on fees and costs
- Worked example of fees and charges
- Consumer advisory warning box