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## EXPLANATORY MEMORANDUM TO PRACTICE GUIDELINE 499.02: PROJECTED RETIREMENT BENEFIT ILLUSTRATIONS

JANUARY 2018

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### About this Explanatory Memorandum

This Explanatory Memorandum has been prepared by the Superannuation Projections and Disclosure sub-committee (SPD) and the Superannuation Practice Committee to assist Members to understand changes to Practice Guideline 499.02, which is the Institute's guidance to Members in relation to providing retirement benefit Illustrations ("PG 499.02").

### Introduction

Practice Guideline 499.02 has been in existence since April 2009. This update has been prepared by the SPD to take account of developments in legislation, disclosure and online retirement applications.

### Changes

The changes are principally related to terminology and context.

The key changes made to the April 2009 version are:

1. Change the name of the Guideline to acknowledge the fact that retirement is a wider field than superannuation;
2. Update the terminology to give more clarity on discount rates (wage-adjusted and price-adjusted dollars);
3. Update references to ASIC regulations;
4. More clearly anticipate modelling of the post-retirement phase;
5. Provide more specific guidance on the application to online calculators; and
6. Strengthen the expectations on actuaries to follow the Guideline (and to explain any departure from it).



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Projected Retirement Benefit Illustrations  
January 2018

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### **Commencement date**

It is intended that the updated PG 499.02 will apply from 1 January 2018.

**END OF EXPLANATORY MEMORANDUM**