



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

September 2020

1. About this Explanatory Memorandum

This Explanatory Memorandum has been prepared by the Superannuation Projections and Disclosure sub-committee (SPD) and the Superannuation Practice Committee (SPC) to assist Members in understanding updates to *Practice Guideline 499.02: Projected Retirement Benefit Illustrations* (PG 499.02), which is the Institute's guidance to Members in relation to providing retirement benefit illustrations.

2. Outline of changes

The main changes to PG 499.02 are to:

1. update the terminology to give more clarity on discount rates (wage-adjusted and price-adjusted dollars); and
2. align PG 499.02 with the current drafting guidelines for Practice Guidelines and the new Code of Conduct which took effect from 31 March 2020.

3. Consultation

Given the nature of the changes, the SPC recommended and Council agreed that consultation with members via an Exposure Draft would not be undertaken.

4. Commencement date

The updated PG 499.02 takes effect from 1 November 2020.

END OF EXPLANATORY MEMORANDUM