

# Living Super

## Defined Fees Guide



1 July 2020

### About this guide

The information in this document forms part of the ING Living Super Product Disclosure Statement and the Living Super Product Guide both dated 1 July 2020.

It contains definitions of fees and costs as specified under the Superannuation Industry (Supervision) Act 1993 (SIS Act) and Corporations Regulations 2001.

### Activity fees

A fee is an activity fee if:

- a. the fee relates to costs incurred by the trustee/s of the superannuation entity that are directly related to an activity of the trustee/s:
  - i. that is engaged in at the request, or with the consent, of a member; or
  - ii. that relates to a member and is required by law; and
- b. those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

### Administration fees

An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

- a. borrowing costs;
- b. indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee/s of the entity or in an interposed vehicle or derivative financial product; and
- c. costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

### Advice fees

A fee is an advice fee if:

- a. the fee relates directly to costs incurred by the trustee/s of the superannuation entity because of the provision of financial product advice to a member by:
  - i. a trustee of the entity; or
  - ii. another person acting as an employee of, or under an arrangement with, the trustee/s of the entity; and
- b. those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

### Buy-sell spreads

A buy-sell spread is a fee to recover transaction costs incurred by the trustee/s of the superannuation entity in relation to the sale and purchase of assets of the entity.

### Exit fees

An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

### Indirect cost ratio

The indirect cost ratio (ICR), for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

**Note:** A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

## Investment fees

An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:

- a. fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- b. costs that relate to the investment of assets of the entity, other than:
  - i. borrowing costs;
  - ii. indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee/s of the entity or in an interposed vehicle or derivative financial product; and
  - iii. costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

## Switching fees

A switching fee for a superannuation product other than a MySuper product is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

## Insurance fees

An Insurance fee: is a:

- a. fee relating directly to:
  - i. insurance premiums paid by the Trustee/s of a superannuation entity for members of the entity;
  - ii. costs incurred by the Trustee/s of a superannuation entity in relation to the provision of insurance for members of the entity; and
- b. does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- c. the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an advice fee.

**For the curious:** This information was prepared on behalf of Diversa Trustees Limited ABN 49 006 421 638, AFSL 235153, RSE L0000635, the Trustee of the ING Superannuation Fund ABN 13 355 603 448 (Fund) and the issuer of interests in the Fund. ING Living Super is a product issued out of the Fund. ING, a business name of ING Bank (Australia) Limited ABN 24 000 893 292, AFSL 229823, is the Promoter of the Fund. Insurance cover is issued by MetLife Insurance Limited ABN 75 004 274 882 AFSL 238096 to the Trustee.