

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP171QW

Do you use an internal clearing house to receive the superannuation payments from employers, or their payroll representatives, before they are allocated to an individual member's account and/or fund?

If so:

- a. What is the name of the clearing house?
- b. Why do you use a clearing house?
- c. How much does it cost annually to use the clearing house?
- d. How much does it cost annually to each member to use the clearing house?
- e. What happens to interest accrued from funds held in the clearing house?
- f. What happens to non-interest income and/or capital gains accrued from funds held in the clearing house?

Answer

Do you use an internal clearing house to receive the superannuation payments from employers, or their payroll representatives, before they are allocated to an individual member's account and/or fund?

If so:

- a. What is the name of the clearing house?**

AMP offers its corporate clients (employer sponsored plans) access to the eSuper clearing house facility. eSuper is an AMP-branded version of the SuperChoice clearing facility.

- b. Why do you use a clearing house?**

A clearing house facility allows employers to make all contributions for their employees in a single payment, regardless of which funds the contributions are to be directed. For larger employers with employees contributing to many different funds, this is an efficient mechanism that can diminish the risk of contributions being paid to an incorrect fund or not being paid at all.

- c. How much does it cost annually to use the clearing house?**

eSuper is provided free of charge to employers.

- d. How much does it cost annually to each member to use the clearing house?**

Nil.

e. What happens to interest accrued from funds held in the clearing house?

Money paid to AMP via eSuper is cleared and released on same day.

f. What happens to non-interest income and/or capital gains accrued from funds held in the clearing house?

The funds aren't invested; accordingly, no non-interest income or capital gains are derived from funds passing through the clearing house.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP172QW

Do you use an external clearing house to receive the superannuation payments from employers, or their payroll representatives, before they are allocated to an individual member's account and/or fund?

If so:

- a. What is the name of the clearing house?
- b. Who owns the clearing house?
- c. Why do you use an external clearing house?
- d. How much does it cost annually to use the external clearing house?
- e. How much does it cost annually to each member to use the external clearing house?
- f. What happens to non-interest income and/or capital gains accrued from funds held in the external clearing house?

Answer

Do you use an external clearing house to receive the superannuation payments from employers, or their payroll representatives, before they are allocated to an individual member's account and/or fund?

If so:

- a. **What is the name of the clearing house?**

AMP receives money from funds/employers either using the AMP eSuper clearing facility (which is backed by SuperChoice) or directly via SuperChoice.

- b. **Who owns the clearing house?**

SuperChoice Pty Ltd

- c. **Why do you use an external clearing house?**

A clearing house facility allows employers to make all contributions for their employees in a single payment, regardless of which fund the contributions are to be directed to. For larger employers with employees contributing to many different funds, this is an efficient mechanism that can diminish the risk of contributions being paid to an incorrect fund or not being paid at all.

d. How much does it cost annually to use the external clearing house?

The clearing house facility is provided free of charge to employers.

e. How much does it cost annually to each member to use the external clearing house?

Nil.

f. What happens to non-interest income and/or capital gains accrued from funds held in the external clearing house?

The funds aren't invested; accordingly, no non-interest income or capital gains are derived from funds passing through the clearing house.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP173QW

If you use an internal clearing house please outline when money is received into the clearing house:

- a. On average, how long does it stay in the clearing house before it:
 - i. is allocated to a member's account and/or fund?
 - ii. is allocated to purchase units for a member's account and/or fund?
 - iii. appears in a member's account and/or fund statement and/or online record?
- b. What is the longest time that it has stayed in the clearing house before it:
 - i. is allocated to a member's account and/or fund?
 - ii. is allocated to purchase units for a member's account and/or fund?
 - iii. appears in a member's account and/or fund statement and/or online record?
- c. What is the shortest time that it has stayed in the clearing house before it:
 - i. is allocated to a member's account and/or fund?
 - ii. is allocated to purchase units for a member's account and/or fund?
 - iii. appears in a member's account and/or fund statement and/or online record?
- d. For interest accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:
 - i. the individual member's account and/or fund?
 - ii. a different account and/or fund? If so, what is its name?
- e. For non-interest income and/or capital gains accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:
 - i. the individual member's account and/or fund?
 - ii. a different account and/or fund? If so, what is its name?

Answer

If you use an internal clearing house please outline when money is received into the clearing house:

- a. **On average, how long does it stay in the clearing house before it:**
 - iv. **is allocated to a member's account and/or fund?**
 - v. **is allocated to purchase units for a member's account and/or fund?**
 - vi. **appears in a member's account and/or fund statement and/or online record?**

For funds received into AMP via the eSuper clearing facility:

- monies relating to a members account held by AMP are allocated to the member account the day received by AMP. The units are valued overnight and are visible in the member's account the following day;

- monies relating to accounts held with other superannuation funds are released on the same day to SuperChoice and are cleared to the relevant fund under SuperChoice's standard terms (not more than 3 business days).
- b. What is the longest time that it has stayed in the clearing house before it:**
- iv. is allocated to a member's account and/or fund?**
 - v. is allocated to purchase units for a member's account and/or fund?**
 - vi. appears in a member's account and/or fund statement and/or online record?**
- c. What is the shortest time that it has stayed in the clearing house before it:**
- iv. is allocated to a member's account and/or fund?**
 - v. is allocated to purchase units for a member's account and/or fund?**
 - vi. appears in a member's account and/or fund statement and/or online record?**

For an employer to make a successful submission to eSuper, the payment amount and the member data must match. The member data includes personal details (eg: name, DOB, super fund account info, etc) and must match the confirmed personal details held by the receiving fund. This then allows straight-through processing of the contributions and removes any waiting period within the clearing facility.

- d. For interest accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:**
- iii. the individual member's account and/or fund?**
 - iv. a different account and/or fund? If so, what is its name?**

Money paid to AMP via eSuper is cleared and released on same day.

- e. For non-interest income and/or capital gains accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:**
- iii. the individual member's account and/or fund?**
 - iv. a different account and/or fund? If so, what is its name?**

The funds aren't invested; accordingly, no non-interest income or capital gains are derived from funds passing through the clearing house.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP174QW

If you use an external clearing house please outline when money is received into the clearing house:

- a. On average, how long does it stay in the clearing house before it:
 - i. is allocated to a member's account and/or fund?
 - ii. is allocated to purchase units for a member's account and/or fund?
 - iii. appears in a member's account and/or fund statement and/or online record?
- b. What is the longest time that it has stayed in the clearing house before it:
 - i. is allocated to a member's account and/or fund?
 - ii. is allocated to purchase units for a member's account and/or fund?
 - iii. appears in a member's account and/or fund statement and/or online record?
- c. What is the shortest time that it has stayed in the clearing house before it:
 - i. is allocated to a member's account and/or fund?
 - ii. is allocated to purchase units for a member's account and/or fund?
 - iii. appears in a member's account and/or fund statement and/or online record?
- d. For interest accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:
 - i. the individual member's account and/or fund?
 - ii. a different account and/or fund? If so, what is its name?
- e. For non-interest income and/or capital gains accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:
 - i. the individual member's account and/or fund?
 - ii. a different account and/or fund? If so, what is its name?

Answer

If you use an external clearing house please outline when money is received into the clearing house:

- a. **On average, how long does it stay in the clearing house before it:**
 - i. **is allocated to a member's account and/or fund?**
 - ii. **is allocated to purchase units for a member's account and/or fund?**
 - iii. **appears in a member's account and/or fund statement and/or online record?**

Superchoice's terms require all monies to be cleared (paid) to AMP within a maximum of 3 days (normal banking business rules).

Once monies are received by AMP, they are allocated to the member account the same day it is received. The units are valued overnight and are visible in the account the following day.

- b. What is the longest time that it has stayed in the clearing house before it:**
 - i. is allocated to a member's account and/or fund?**
 - ii. is allocated to purchase units for a member's account and/or fund?**
 - iii. appears in a member's account and/or fund statement and/or online record?**
- c. What is the shortest time that it has stayed in the clearing house before it:**
 - i. is allocated to a member's account and/or fund?**
 - ii. is allocated to purchase units for a member's account and/or fund?**
 - iii. appears in a member's account and/or fund statement and/or online record?**

For Superchoice to successfully received contribution payments, the payment amount and the member data must match. The member data includes personal details (eg: name, DOB, super fund account info, etc) and must match the confirmed personal details held by the receiving fund. This then allows straight-through processing of the contributions and minimises any waiting period within the clearing facility.

- d. For interest accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:**
 - i. the individual member's account and/or fund?**
 - ii. a different account and/or fund? If so, what is its name?**

AMP does not receive interest from Superchoice for contributions cleared via their facility.

- e. For non-interest income and/or capital gains accrued from holding funds in the clearing house for the member, is it then subsequently allocated to:**
 - i. the individual member's account and/or fund?**
 - ii. a different account and/or fund? If so, what is its name?**

The funds aren't invested; accordingly, no non-interest income or capital gains are derived from funds passing through the clearing house.

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
SUPERANNUATION SECTOR

AMP

AMP175QW

During the first half of 2020 there were significant market movements because of the economic response to the COVID-19 pandemic. Please complete the following table outlining the total payouts and losses in foreign exchange hedging.

Answer

Please see below information in relation to foreign exchange hedging:

Month in 2020	Payouts for FOREX hedges (\$)*	Losses for FOREX hedges (\$)
January	-\$ 23,025,836	-\$ 74,025,602
February	\$ -	-\$ 34,622,757
March	-\$ 139,023,860	-\$ 148,912,270
April	\$ -	-\$ 20,181,848
May	\$ -	-\$ 24,582,980
June	\$ -	-\$ 69,616,828

* Nil payout means either: No contracts settling in month or FFX book is in profit

HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON ECONOMICS
 REVIEW OF THE FOUR MAJOR BANKS AND OTHER FINANCIAL INSTITUTIONS
 SUPERANNUATION SECTOR

AMP

AMP176QW

Assuming a young Australian whose birthday was 1 July 1989, got their first job on 1 July 2005, opened a default superannuation account on 1 July 2005, made the average contribution of a person in that age bracket, using the default product offer made at that time and made no additional contributions, received the average growth, paid all fees, insurances and deductibles, please complete the following table.

Answer

Age	Financial year	Annual average income of fund members from that age bracket in that year (\$)	Average Compulsory superannuation contribution in that year (%) of income	Resulting average annual superannuation contribution made (\$)	All fees, insurances, indirect cost ratios and other deductibles not classified as fees (\$)	Average growth in that year (\$)	Balance at the end of that year (\$)
		i.e. someone who was 16 in 2005/2006 financial year	i.e. 9 per cent	i.e. 9 per cent of column 3 (less contributions tax)	i.e. the totals deducted	i.e. growth on the balance reflecting the time reality of growth and when fees are deducted	i.e. The total balance for that account at the end of the financial year once growth and fees have affected the balance
16	MySuper not available over this period so no values provided						
17							
18							
19							
20							
21							
22							
23							

24							
25	2014/2015	\$77,121	\$7,327	\$6,228	\$226	\$364	\$6,365
26	2015/2016	\$78,832	\$7,489	\$6,366	\$307	\$308	\$12,731
27	2016/2017	\$80,246	\$7,623	\$6,480	\$415	\$2,113	\$20,909
28	2017/2018	\$82,436	\$7,831	\$6,657	\$485	\$2,602	\$29,683
29	2018/2019	\$85,010	\$8,076	\$6,865	\$469	\$2,343	\$38,421
30	2019/2020	\$89,123	\$8,467	\$7,197	\$527	-\$617	\$44,474
	Totals			\$39,791	\$2,430	\$7,113	\$44,474

Assumptions

Annual average income of fund members from that age bracket in that year:

- ABS Ordinary earnings stats. AMP's figures not expected to vary significantly from this.

Average Compulsory superannuation contribution in that year (%) of income:

- 9.5% from 30 June 2014

Resulting average annual superannuation contribution made (\$) (net):

- Net of contributions tax.

All fees, insurances, indirect cost ratios and other deductibles not classified as fees (\$) (net):

- Assumes a member is in standard AMP MySuper Lifecycle product with no corporate discounts.
- Fees used are those in effect at the start of the financial year.
- Insurance is based on an estimated premium for a male, light blue collar worker in good health with \$50k of fixed Death and TPD cover. The tax deduction is passed back to the member.
- Indirect costs are estimated based on the PDS where known. 2016 and earlier uses 2017 figures as estimates as RG97 did not exist prior to 2017.