

## **Our fee disclosure model**

We'd like to see all super funds provide fee information to members in the following format. This disclosure model should be a compulsory part of the annual member benefit statement that's mandatory under the Superannuation Industry Supervision Act.

It gives the consumer standard information about the fees they've paid. That information is presented as a percentage and as a dollar amount. Then it shows the impact of fees on that consumer's account balance — in dollar amounts — over five and 10 years and, most importantly, at three possible retirement ages. The consumer can see exactly what money's been taken out of their account and why. They can then see the long-term impact of those fees on their retirement savings. Any alternative model that provides less information doesn't give the consumer an opportunity to make informed choices about their super savings.

In addition, we think funds should be required, at least through their internet sites, to allow members to enter and change variables like annual contributions and returns to give more tailored information.

## **CHOICE FEE DISCLOSURE MODEL**

**Name:** XXXXXXXXX

**Date of birth:** XXXXXXXXX

**Commencing salary:** \$XX,000

**Contributions:** Year one, \$X,XXX

**Account balance at inception:** SXXXX

**Fee structure for:** XXXXX Super Fund

### **Administration fees**

- \$XX per week/month/year
- XX% of contributions

### **Trustee fees**

- \$XX per week/month/year
- XX% of account balance

### **Fund manager fees**

- \$XX per week/month/year
- XX% of account balance

### **Other fees**

- \$XX per week/month/year
- XX% contributions
- XX% of account balance

## **Gross investment return Sample scenario report**

**Years**  
**Salary \$**

**6% p.a**  
**8% p.a**

**No Fees \$**  
**XXX Fund Fees \$**  
**No Fees \$**  
**XXX Fund Fees \$**

5  
39,600  
16,451  
15,885  
17,268  
16,671

10  
44,800  
41,085  
39,147  
45,389  
43,215

To age 55  
56,000  
116,940  
108,629  
142,694  
132,188

To age 60  
66,000  
185,339  
169,626  
239,943  
218,652

To age 65  
71,400  
281,466  
253,670  
387,656  
347,209

**Note:** Fees expressed in \$'s, contributions and salaries increase by 3% p.a