

Glossary

Accrued default amounts (ADA) represents the total amount attributed by the trustee to a member is defined as an accrued default amount in section 20B of the SIS Act where either the member has given the trustee of the fund no direction on the investment option in which the amount is to be invested; or the investment option in which the total amount is invested in is one which, under the current governing rules of the fund, would be the investment option for a new member if no direction were given.

Activity fee represents a fee charged to a member that relates to an activity of an RSE licensee that is engaged in at the request, or with the consent, of a member or that relates to a member and is required by law.

Administration expenses represents expenses that relate to the administration or operation of the fund. Includes: administration expenses for which administration fees are charged. Report the total expense charged by an administrator where the administrator is also a service provider of activities other than administration e.g. custodial, and the expense is not segregated by activity type.

Administration fee represents a fee charged to a member that relates to the administration or operation of the fund.

Advice expenses represents expenses that relate to the provision of financial product advice to a member. Includes: expenses for which activity fees relating to provision of financial product are charged.

Advice fee represents a fee charged to a member that relates to the provision of financial product advice to a member by the RSE licensee.

Age bracket represents a segmentation of data based on the age of the member in years.

Age not available represents where the date of birth of a member is not known.

Benefit payment represents lump sum benefit payments and pension benefits paid directly to members. Includes: insurance claim benefits or proceeds first credited to members' accounts and subsequently disbursed along with members' benefits to the member or beneficiary. Excludes: rollovers and successor fund transfers. Reference: SIS Regulations, Divisions 6.2 and 6.3; *Superannuation Industry (Unclaimed Money and Lost Members) Act 1999*, Part 4A.

Corporate funds are RSEs with more than four members under the trusteeship of a 'not for profit' RSE licensee and with a corporate membership basis.

Defined benefit members' benefits represents the present value of expected future benefit payments to defined benefit members and beneficiaries arising from membership, measured using actuarial assumptions and valuations where appropriate. Reference: Australian Accounting Standards.

Defined contribution members' benefits represents the present obligation to pay benefits to defined contribution members and beneficiaries. Reference: Australian Accounting Standards.

Employer contribution represents contributions made by an employer on behalf of the member. Includes: employer contributions made to an accumulation account on behalf of members to meet super guarantee, award or other obligations, contributions paid as a result of a salary sacrifice arrangement, transfers from consolidated revenue funds for EPSSSs and constitutionally protected funds, and super guarantee charge and the taxable component of any super holding accounts special account amounts which the ATO transferred to the provider on behalf of the member. Reference: Member Contribution Statement.

Exit fee represents a fee charged to a member to recover the costs of disposing of all or part of members' interests in a fund.

Fee discount represents a discount applied against fees charged to members.

Fee paid by employer sponsor represents where the employer-sponsor, within the meaning given in s.16(1) of the SIS Act, pays the fee. Include: fees paid by way of an employer contribution that has not been allocated to member accounts, and, fees paid directly by an employer to a service provider without passing through the RSE.

Fee paid by member represents where the fee charged to the member has been paid directly either as a deduction from the member's account, member's contributions or from the investment return before crediting the member's account balance.

Fee paid by reserve represents where the fee is paid from a reserve with the RSE.

Fee paid by RSE licensee represents where the RSE licensee pays the fee, either as a payment into the RSE by the RSE licensee or directly by the RSE licensee to a service provider without passing through the RSE.

Fee rebate represents a rebate received against fees charged to members.

Generic MySuper products refer to MySuper products authorised under section 29T and not authorised under section 29TA (Material Goodwill provision) or 29TB (Large employer provision) of the SIS Act.

Income protection insurance represents the temporary incapacity cover provided to members, where temporary incapacity insurance cover has the meaning given in the SIS Regulations, r. 6.01.

Income tax expense benefit represents income tax expense/benefit incurred, comprising the sum of current tax expense/income less tax benefits and tax expenses, and deferred tax expense/income. Includes: Capital gains tax on investment disposals, over/under provision for income tax in prior years to adjust prior year income tax provisions. Excludes: Contributions tax and contributions surcharge.

Industry funds are RSEs with more than four members under the trusteeship of a 'not for profit' RSE licensee and with either an industry or general membership base.

Insurance fee represents a fee charged to a member that relates directly to insurance premiums paid by the RSE licensee in relation to a member or members. Excludes: insurance contracts where the benefit to the member is based on the performance of an investment rather than the realisation of a risk.

Intrafund advice represents financial product advice to members within the meaning given in s. 99F of the SIS Act.

Investment expenses represents expenses that relate to the investment of the assets of the entity. Includes: expenses for which investment fees are charged and expenses associated with generating income on investments.

Investment fee represents a fee charged to a member that relates to the investment of the assets of the entity.

Investment income gains and losses represents the total investment income from superannuation activities. Includes: investment income after impairment expense, gains/losses on investments and other investment income.

Investment management base fee represents investment fees which are not determined by reference to the performance of the investments made by the investment manager on behalf of the RSE licensee of an RSE. Excludes: investment management performance based fees.

Investment management performance based fee represents investment fees which are determined, in whole or in part, by reference to the performance of an investment made by an investment manager on behalf of the RSE licensee of an RSE. Includes: accrued performance fees, past loss clawbacks in performance fees. Excludes: investment management base fees.

Inward insurance flows represents inflows sourced from insurance activities. Includes: insurance claim benefits or proceeds credited to member accounts, reinsurance benefits, rebate income received on premiums charged, fee rebates received against insurance fees charged to members and changes in insurance liabilities or reinsurance assets.

Large Employer MySuper product refer to MySuper products authorised under the large employer provision set out in section 29TB of the SIS Act. The employer is a large employer in relation to a regulated superannuation fund if there are 500 or more members of the fund who are employees of the employer or associate of the employer in relation to whom the employer or associate of the employer contributes to the fund.

Life insurance represents a benefit, in respect of each member, that is payable only in the event of the death of the member and which is provided by taking out insurance. Includes: life insurance policies offered through superannuation only and insurance premiums are commissions. Reference: SIS Act, s. 68AA(1)(b).

Lifecycle MySuper product refers to a MySuper product to which a lifecycle exception applies.

Lifecycle stage of a lifecycle MySuper product means a subclass of members of the RSE within which the lifecycle MySuper product is located who hold that product, determined on the basis of age or age and the factors mentioned in regulation 9.47 of the SIS Regulations.

Material Goodwill MySuper product refer to MySuper products authorised under the material goodwill provision set out in section 29TA of the SIS Act. Where the benefits of members and beneficiaries in another regulated superannuation fund (the original fund) are to be transferred to the fund; and APRA is satisfied that some or all of the persons whose benefits are to be transferred hold a class of interest in the original fund that is similar to the proposed MySuper product; and there is material goodwill in that class of interest in the original fund.

Member account represents a distinct entry recorded in the register of member accounts (or other equivalent mechanism).

Member contribution represents contributions made by a member including non excluded capital gains or capital proceeds and personal injury payments, direct termination payments, other third party contributions (low income superannuation contributions, government co-contributions and other family and friend contributions) and other contributions made by a person other than the employer. Reference: Member Contribution Statement.

Member initiated activity represents an activity that is engaged in at the request, or with the consent, of a member. Excludes: an activity that relates to a member and is required by law.

Member opt-out represents where a member has provided an instruction to the RSE licensee to not have insurance cover.

Members' benefit flows represents members' monies paid into or out of the entity.

MySuper interest as a result of member investment choice represents a MySuper interest where the member exercised choice of investment option to direct any portion of their interest into the MySuper product. Reference: SIS Act, s.10(1).

MySuper interest not as a result of member investment choice represents a MySuper interest where the member has not exercised choice of investment option to direct any portion of their interest into the MySuper product. Reference: SIS Act, s. 10(1).

MySuper members' benefit bracket represents a segmentation of data based on the liability for member benefits owing to defined contribution members. Excludes: defined benefits members' benefits and unallocated contributions.

MySuper product refers to a class of beneficial interest in a regulated superannuation fund that is a MySuper product if an RSE licensee is authorised under section 29T (including section 29TA and 29TB) to offer that class of beneficial interest in the fund as a MySuper product.

MySuper product type is the classification of the MySuper product into either *generic MySuper product*, *goodwill MySuper product* or *large employer MySuper product*.

Net earnings after tax are net earnings generated during the period less tax expense on earnings.

Net earnings are the sum of net investment income and other income less operating expenses.

Net operating performance after tax is net flows plus net earnings after tax.

Operating expenses represents expenses that relate to the operation of the fund by the RSE licensee. Includes: operating expenses for which administration fees are charged, such as expenses relating to advertising/marketing, commissions, director/individual trustee expenses, operating expenses associated with service provider and other operating expenses. Excludes: administration expenses.

Operating income represents income sourced from miscellaneous operating activities. Includes: income from scrip lending; income associated with underwriting activities; fees and commissions; rebates on fees charged to members, costs, commissions and charges; and other miscellaneous income. Excludes: investment income.

Outward insurance flows represents outflows incurred through insurance activities. Includes: premiums debited from member accounts, reinsurance premiums charged, expenses incurred for insurance claims and changes in insurance liabilities or reinsurance assets.

Public sector funds are RSEs with more than four members under the trusteeship of a 'not for profit' RSE licensee and with a government base membership base. Public sector funds also include superannuation schemes established by a Commonwealth, State or Territory law (known as exempt public sector superannuation schemes).

Retail funds are RSEs with more than four members under the trusteeship of a 'for profit' RSE licensee with a corporate, industry or general membership basis.

Rollover represents an amount that is transferred between superannuation funds, approved deposit funds, deferred annuities or retirement savings accounts. Excludes: successor fund transfers. Reference: SIS Regulations, r. 5.01, r. 6.28 and 6.29.

RSE licensee refers to a constitutional corporation, body corporate or group of individual trustees that holds an RSE licence granted under s. 29D of the SIS Act.

RSE means a registrable superannuation entity as defined in section 10(1) of the SIS Act.

SIS Act means *Superannuation Industry (Supervision) Act 1993*.

SIS Regulations means *Superannuation Industry (Supervision) Regulations 1994*.

Successor fund transfer represents a transfer of a member's benefits without the member's consent from one RSE to a successor fund within the meaning given in r. 1.03 of the SIS Regulations. Reference: SIS Regulations, r. 6.29.

Switching fee represents a fee charged to a member to recover costs of switching all or part of members' interests within the fund.

Total and permanent disability insurance represents a benefit, in respect of each member, that is payable only if the member is suffering permanent incapacity. Reference: SIS Act s. 68AA, s. 10(1).

Total assets is the sum of assets held in respect of the product or lifecycle stage, where an asset represents a resource: (a) controlled by an entity as a result of past events; and (b) from which future economic benefits are expected to flow to the entity. Reference: Australian Accounting Standards. This includes: investments, securities purchased under agreements to resell and securities borrowed, derivative assets, current tax assets, and deferred tax assets.

Unallocated contributions represents contributions received but not yet allocated to specific member accounts or reserves. Reference: Australian Accounting Standards.