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Defined fees

Overview

The following fee definitions are maintained for the purposes of section 29V of the Superannuation Industry (Supervision) Act 1993 (Cth), clause 209A of Schedule 10 of the Corporations Act 2001 (Cth) and clause 8(6A) of Schedule 10D of the Corporations Act 2001 (Cth).

Activity fees

A fee is an **activity fee** if:

(a) the fee relates to costs incurred by the trustee, the trustees of the superannuation entity that are directly related to an activity of the trustee, or the trustees:

  (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 incurred by the trustee, or the trustees of the entity that:

(a) relate to the administration or operation of the entity; and

(b) are not otherwise charged as an investment fee, a buy sell spread, a switching fee, an exit 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, or the trustees, 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, or the trustees of the entity; and

(b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit 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, or the trustees of the superannuation entity in relation to the sale and purchase of assets of the entity.

Exit fees

An exit fee is a fee to recover the costs of disposing of all or part of members' interests in the 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 dollar based fee deducted directly from a member's account is not included in the indirect cost ratio.

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Insurance fee

A fee is an insurance fee if:

(a) the fee relates directly to either or both of the following:

(i) insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity;

(ii) costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and

(b) the fee 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 exit fee, an activity fee or an advice fee.

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 incurred by the trustee, or the trustees of the entity that:

(i) relate to the investment of assets of the entity; and

(ii) are not otherwise charged as an administration fee, a buy sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Switching fees

A switching fee is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one class of beneficial interest in the entity to another.

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