

UPDATE

Changes to advice fees and commissions

BT Complying Income Plans

Summary of the changes

In December 2020 we informed members of changes resulting from the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* (Royal Commission).

An update on Royal Commission recommendations

In 2019, the Royal Commission made some recommendations to strengthen the financial services system and the Government is proposing changes to the law to implement these recommendations. These changes impact the way members and investors pay advice fees from their super, pension or investment account.

Summary of changes to advice fees and commissions

- Ending grandfathered payments – legislated

Attachments

All members were provided with the attached letter (sample), outlining the changes and providing additional contact information with BT.

For more information

bt.com.au | 132 135 | GPO Box 2675, Sydney NSW 2001

IMPORTANT INFORMATION

This information does not take into account your personal objectives, financial situation or needs and so you should consider its appropriateness, having regard to your personal objectives, financial situation and needs before acting on it. Westpac Life Insurance Services Limited ABN 31 003 149 157 AFSL 233728 is the issuer of interests in the BT Complying Income Plan. The BT Complying Income Plan is closed to new members. . A Product Disclosure Statement (PDS) is available for BT Complying Income Plan and can be obtained by calling BT Customer Relations on 132 135. A Financial Services Guide can be obtained by visiting bt.com.au or calling BT Customer Relations on 132 135. You should refer to the relevant disclosure document(s) in relation to the BT Complying Income Plan for more information. Westpac Life Insurance Services Limited is a subsidiary of Westpac Banking Corporation ABN 33 007 457 141 (Westpac).

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<date>

Member number

Dear <salutation>,

Changes to advice fees and commissions

We're writing to provide you with an overview of changes resulting from the *Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry* (Royal Commission).

In 2019, the Royal Commission made some recommendations to strengthen the financial services system and the government is proposing changes to the law to implement these recommendations. We are updating you on the ending of grandfathered payments (which has been legislated).

From 1 July 2013, certain payments made by product issuers to financial services licensees or representatives of those licensees (eg advisers and dealer groups) were banned as part of the Future of Financial Advice (FoFA) reforms. However, under those reforms, some of these payments were allowed to continue. These payments are referred to as 'grandfathered payments'.

What's changing and when?

Any grandfathered payments in relation to your income payments have ceased from 1 December 2020. This also means that we need to pass these grandfathered payments back to you. Unless we hear from you, we will pay you a one-off lump sum payment of all remaining grandfathered payments by the end of January 2021, into the same bank account you currently receive your BT Complying Income Plan payments. The estimated amount of this lump sum payment to you is **<lump sum payment amount>**.

What do I need to do?

If you do not wish to receive this payment (for example, if receiving this additional lump sum amount will negatively impact any existing Centrelink benefits you're receiving), **you will need to let us know by 20 January 2021**, by calling 132 135.

If you are unsure of the impact that receiving this lump sum payment will have on your Centrelink benefits, you will need to contact Centrelink directly, or your financial adviser, if you have one.

Please note the frequency and amount of your usual income payments as part of your BT Complying Income Plan will not be impacted by these changes and will continue as you're used to.

We're here to help

If you have any questions about the information provided to you, you can speak to your financial adviser if you have one, or call our Customer Relations team on 132 135 between 8.30am and 5.30pm (Sydney time) Monday to Friday. Alternatively, you can contact us online at bt.com.au/contact-us.

Yours sincerely,

<signature>

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