

# PPS MUTUAL SUPER FUND

## Annual Report 2022

### **Fund**

PPS MUTUAL SUPER FUND (PPSM), a division of the Tidswell Master Superannuation Plan  
ABN 34 300 938 877 RSE R1004953

### **PPS Mutual**

PO Box H337  
Australia Square  
SYDNEY NSW 1215  
Phone: 1300 401 436  
Email: [memberservices@ppsmutual.com.au](mailto:memberservices@ppsmutual.com.au)

### **Trustee and Issuer**

Diversa Trustees Limited  
ABN 49 006 421 638  
AFS Licence No 235153 RSE Licence No L0000635

### **Registered Office**

Diversa Trustees Limited  
Level 9 2 Southbank Blvd  
Southbank VIC 3006

### **Administrator**

DDH Graham Limited  
ABN 28 010 639 219  
AFS Licence No 226319

### **Insurer**

NobleOak Life Limited  
ABN 85 087 648 708  
AFS Licence No 247302

This Annual Report comprises part of your periodic statement for the 2021-2022 Financial Year, and should be read in conjunction with the annual member statement recently provided to you, which shows your member entitlements at 30 June 2022.

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## FROM THE TRUSTEE

We are pleased to present our Annual Report for the year ended 30 June 2022.

The report is issued by Diversa Trustees Limited ABN 49 006 421 638 AFSL 235153 RSE L0000635 (the Trustee) as trustee of the PPS Mutual Super Fund (**PPSM, the Fund**), a life insurance only sub-division of the Tidswell Master Superannuation Plan ABN 34 300 938 877

The information provided in this report is in accordance with the requirements of the *Corporations Act 2001* and *Corporations Regulations 2001*. The information is of a general nature only and has been prepared without taking into account your investment objectives, financial situation and needs. Before making any decisions in relation to the PPSM you should consider obtaining professional financial advice from a Licenced or authorised financial advisor.

The Directors of the Trustee during the year ended 30 June 2022 were:

Current as at 30 June 2022	
Name	Date Appointed
Michael John Terlet AO	18 February 2021
Fiona Margaret McNabb	28 June 2019
Andrew John Peterson	28 June 2019
Ronald Peter Beard	18 February 2021
Vincent Plant	4 May 2017

### Trustee Committees

The Board has established two Committees and appoints all members. The Trustee's committees are:

Current as at 30 June 2022	
Board Audit, Remuneration, Risk and Compliance Committee	
Name	Role
Fiona Margaret McNabb	Chair
Vincent Plant	Committee Member
Ronald Peter Beard	Committee Member

### Trust Deed

The governing rules of the Fund are set out in the Tidswell Master Superannuation Plan Trust Deed. The Board has some powers to alter the Trust Deed. During the year, the Trustee amended the Trust Deed. This change has no impact upon you or your benefits within the Tidswell Master Superannuation Plan. A copy of the Fund Trust Deed can be found Trustee's website: <https://diversa.com.au/funds/>

### Compliance

The Trustee believes that the Plan has satisfied the requirements of the Superannuation Industry (Supervision) Act (SIS) for the year ended 30 June 2022, and that the Australian Prudential Regulation Authority (APRA) will be satisfied that the Plan is operating in accordance with SIS.

### Audit

BDO has completed an audit for the Plan. The audited abridged financial information for the Fund is provided on page 5 of this Annual Report. A full copy of the audited accounts and auditor's report will be available for inspection on the Trustee's website at <https://diversa.com.au/funds/>

Whilst all due care has been taken in the preparation of this report, the Trustee reserves its right to correct any errors or omissions. The terms of your membership in the Fund are set out in PPSM's Trust Deed and any applicable insurance policy. Should there be any inconsistency between this report and PPSM's Trust Deed, the terms of PPSM's Trust Deed will prevail.

The Trustee holds professional indemnity insurance to protect the Trustee, its directors and PPSM against certain losses or liabilities. The indemnity insurance cover is subject to the terms and conditions of the relevant insurance policy.

## ABOUT THE PPSM

The PPS Mutual Super Fund is a risk-only division of the Tidswell Master Superannuation Plan (**TMSP**). The Trustee of the PPSM is Diversa Trustees Limited (the Trustee). PPSM members have access to death and disablement insurance cover within superannuation on the terms and conditions summarised in the PDS.

The PPSM Fund does not provide accumulation style superannuation account balances, nor investment returns to members.

- The Trustee accepts rollovers to pay the premiums for death and/or disablement insurance cover on your life as a member of PPSM (**Core Insurance Plan**). The Core Insurance Plan is issued to the Trustee by the Insurer.
- The Insurer will also issue a 'Profit-Share Plan' on your life to the Trustee. The Profit-Share Plan comprises a 'Profit-Share Account' and a complimentary 'Accidental Death Benefit'. No premiums are payable for the Profit-Share Plan.
- A benefit amount will only be payable from PPSM if the Insurer pays a benefit under the Core Insurance Plan. If a benefit is payable under the Core Insurance Plan, the balance of the Profit-Share Account (and Accidental Death Benefit, if applicable) under the Profit-Share Plan may also be payable. The Trustee will pay the amount received from the Insurer, less any tax that must be withheld. All amounts are paid as superannuation benefits in accordance with the governing rules of the TMSP and superannuation law.
- You can request that some or all of the balance of the Profit-Share Account be withdrawn and rolled over to a complying superannuation fund in certain circumstances set out in the PPS Mutual Professionals Choice PDS issued by the Insurer. The Trustee will not action a withdrawal request unless it is accompanied by a valid rollover direction to a complying superannuation fund. When received, the withdrawn amount is immediately rolled over by the Trustee in accordance with your direction. PPSM does not offer a superannuation savings facility to receive the withdrawal amount.
- Membership of PPSM is subject to the Rules of PPSM and the governing rules of TMSP. Benefits are only payable under the terms and conditions of the Core Insurance Plan and Profit-Share Plan.

## FEATURES

The insurance cover options available through the PPSM Fund are:

### Core Insurance

- Life insurance – providing cover for death and terminal illness
- TPD insurance – providing cover for total and permanent disablement or 'permanent incapacity'
- Income protection insurance – providing cover for 'temporary incapacity' where you are unable to work to earn income due to sickness or injury.

### Profit-Share Plan

When a Core Insurance Plan is issued in respect of you, the Insurer will also establish a Profit-Share Plan on your life providing:

- Accidental Death Benefit – providing cover for 'accidental death'.
- Profit-Share Account – providing a means to share in the profits of the PPS Mutual Professionals Choice insurance products.

Each year profits of the products you buy are assigned to your Profit-Share Account. The amount of money in the Profit-Share Account continues to accumulate as long as a PPS Mutual Plan on your life is in force

The terms and conditions applying to these cover options

(including definitions, limitations and exclusions) are detailed in the PPS Mutual Professionals Choice PDS issued by the Insurer, which is current as at the date when you apply for the cover.

## EMPLOYER'S CONTRIBUTIONS

As benefits within PPSM relate to insurance only, members are not able to make any contributions or rollovers for accumulation purposes within PPSM.

## SUPERANNUATION THRESHOLDS

The superannuation contributions caps and various other superannuation thresholds that apply for the 2023 and 2022 financial years are as follows:

Caps for the upcoming financial year	2023	2022
Super Guarantee (SG) contributions	10.5%	10.0%
Concessional contributions cap	\$27,500	\$27,500
Non-concessional contribution cap	\$110,000	\$110,000
Super co-contributions (lower Income Threshold \$37,000, Higher Income Threshold \$56,112)	Max. \$500	Max. \$500
Low income super tax offset (LISTO) Adjusted taxable income up to \$37,000 (based on Concessional contributions made to the Fund)	Max. \$500	Max. \$500
Transfer Balance Cap	\$1,700,000	\$1,700,000
CGT cap	\$1,650,000	\$1,615,000
Low rate cap	\$230,000	\$225,000

Details of the cap for later years will be available by calling Member Services on 1300 401 436. The contributions paid by participating

employers for the cover provided under the PPSM are classified as concessional contributions and are included in the concessional contribution cap. Contact the Australian Taxation Office on 13 10 20 or visit [www.ato.gov.au/super](http://www.ato.gov.au/super) for further information.

## NEWS IN SUPERANNUATION

There were a number of changes to the superannuation regulatory landscape during the 2021-2022 financial year. Some of the most significant changes were announced in the 2022 Federal Budget. The information below was compiled as at November 2022, and is subject to change. For up-to-date information relating to taxation of superannuation, go to [ato.gov.au](http://ato.gov.au) or contact the Fund.

### Federal Budget

As part of the 2021-22 and 2022-23 Federal Budgets, the government announced several changes to superannuation rules:

Repealing the Work Test for Voluntary Super Contributions

Prior to 1 July 2022, if a member was aged 67 to 74 years old you could only make or receive voluntary contributions (both concessional and non-concessional) if you met the 'work test'. That is, you must have worked at least 40 hours over a 30-day period in the relevant financial year. From 1 July 2022, this requirement has been removed.

**Note:** members may still need to meet the work test to claim a personal superannuation contribution deduction.

### Eligibility changes to the bring forward arrangements

From 1 July 2022, if a member is under 75 years of age at any time in a financial year (previously 67 years of age before 1 July 2022) you may be able to make non-concessional contributions of up to three times the annual non-concessional cap in that financial year.

Note: Eligibility for the bring-forward arrangement depends on your:

- age, and
- total super balance on 30 June of the previous financial year.

Extending Access to Downsizer Contributions

Under the Downsizing Contributions Scheme, a member may be able to contribute up to \$300,000 from the proceeds of the sale (or part sale) of their home into their superannuation subject to certain eligibility criteria.

From 1 July 2022 the eligibility age changed from 65 years of or older, to 60 years old or older.

The government also has plans to further reduce the eligibility age to 55 years old or older in early 2023.

Note: Eligibility criteria for the First Home Super Saver Scheme include:

- Your home must be in Australia.
- You or your spouse must have owned it for at least 10 years
- the disposal must be exempt or partially exempt from capital gains tax (CGT).
- You must not have previously made a downsizer contribution

### Increasing the First Home Super Saver Maximum

The First Home Super Saver (FHSS) allows younger members to save money in order for their first home using their super. Members can do this by making voluntary concessional (before-tax) and voluntary non-concessional (after-tax) contributions into their super. This can help first home buyers save faster with the concessional (lower) tax treatment of superannuation.

You can then apply to release these voluntary contributions, along with associated earnings, to help purchase your first home.

From 1 July 2022, the amount of eligible contributions that count towards the maximum releasable amount from \$30,000 to \$50,000.

Note: Eligibility criteria for the First Home Super Saver Scheme include:

- You need to occupy the premises you buy or intend to as soon as practicable.
- You intend to occupy the property for at least six months within the first 12 months you own it, after it is practical to move in.

### Removing the \$450 per month threshold for super guarantee eligibility

From 1 July 2022, employers are required to make super guarantee contributions to their eligible employee's super fund regardless of how much the employee is paid, removing the longstanding \$450 threshold.

(i.e. removal of the \$450 per month threshold). Employees must still satisfy other super guarantee eligibility requirements however to be eligible for employer superannuation contributions.

Increase in the superannuation guarantee from 10 per cent to 10.5 per cent

From 1 July 2022 the superannuation guarantee has increased from 10 per cent to 10.5 per cent.

#### **Extension of the temporary reduction in superannuation pension minimum drawdown rates**

On 25 March 2022, the government announced a further extension to the temporary reduction in superannuation pension minimum drawdown rates. The measure was introduced in 2020 as part of the government's response to COVID-19 and is being extended to the 2022–23 financial year.

The measure means members withdrawing money from their superannuation can continue to take advantage of the 50% temporary drawdown reduction from 1 July 2022 until 30 June 2023.

#### **Re-contribution of COVID-19 early release superannuation**

Members are able to re-contribute amounts they withdrew from their superannuation under the COVID early release of super program without the contributions counting towards their non-concessional contributions cap. These contributions can be made between 1 July 2021 and 30 June 2030. Please note members are not able to make any contributions as it is PPSM is insurance product only.

## **OPERATION OF PPSM'S RESERVE**

We are required under legislation to keep a financial reserve to cover any losses that members incur due to a breakdown in operations. This is referred to as the Operational Risk Financial Requirement (ORFR).

The ORFR may be funded from the financial resources of the Trustee, the Plan assets or a combination of both. The Trustee has determined it will address this requirement from its own resources.. The ORFR is invested in the Trustee's cash account.

## **MANAGING THE PPSM**

PPSM is set up as a division of a trust and is governed by a legal document called a Trust Deed. The Trustee responsible for running the PPSM in accordance with the Trust Deed, is Diversa Trustees Limited (ABN 49 006 421 638 AFS Licence No 235153, RSE Licence No L0000635), which is a professional independent trustee. No penalties were imposed on the Trustee and/or any of its directors during the reporting period.

## **PRIVACY POLICY**

We are committed to ensuring the confidentiality and security of your personal information. We will only collect, use and disclose this information for the purposes of processing and administering your accounts and providing services to you, unless otherwise required by law. We are bound by the Privacy Act and the National Privacy Principles, as regulated by the Federal Privacy Commissioner, to protect such information from misuse and loss, unauthorised access, modification and disclosure.

You can obtain a copy of the Trustee's Privacy Policy at <https://www.diversa.com.au/privacy>, from the Privacy Officer by contacting the Fund on the details found at the back of this report.

## **MORE INFORMATION**

Your benefit statement and the PPSM PDS contain important information about your personal benefits and about the PPSM Fund. You are also entitled to request further information including the Trust Deed and rules, the latest audited accounts and auditor's report

and the Trustee's Privacy Policy.

The Trustee is required to disclose certain information and documentation on a website. Accordingly, the Trustee's website ([www.diversa.com.au/governance](http://www.diversa.com.au/governance)) contains the Trust Deed and further details relating to the Trustee of the Tidswell Master Superannuation Plan, of which PPSM. The Promoter's website (<https://www.ppsmutual.com.au/product-disclosure-statements/>) contains the Product Disclosure Statement, most recent annual report, and any Significant Event Notices issued recently.

For copies of these documents, or if you want more information about your benefits, please feel free to contact the Fund's member services officers as follows:

#### **PPS Mutual Super Fund Member Services**

PO Box H337

Australia Square

SYDNEY NSW 1215

Phone: 1300 401 436

Email: [memberservices@ppsmutual.com.au](mailto:memberservices@ppsmutual.com.au)

## **ENQUIRIES AND COMPLAINTS**

Superannuation law requires the Trustee to take all reasonable steps to ensure that complaints are properly considered and dealt with within 45 days, or another timeframe imposed by legislation. If you have a complaint:

- contact PPS Mutual on 1300 401 436, or
- contact the Dispute Resolution Officer of PPS Mutual at [haveyoursay@ppsmutual.com.au](mailto:haveyoursay@ppsmutual.com.au)

We will ordinarily respond to your complaint as soon as possible but within 45 days of receipt. If you are still not satisfied with our response, or we do not respond within 45 days (or within 90 days in relation to superannuation death benefit), you may wish to refer the matter to the Australian Financial Complaints Authority (AFCA), an independent body set up by the Federal Government to review trustee decisions relating to individual members.

You can contact the AFCA at:

#### **Australian Financial Complaints Authority**

GPO Box 3, Melbourne, VIC 3001

P 1800 931 678

W [www.afca.org.au](http://www.afca.org.au)

## ABRIDGED FINANCIAL INFORMATION

This is an abridged summary of the PPSM's audited accounts for the year ended 30 June 2022. The full audited accounts, including the audit report are now available. If you would like a copy please visit Trustee's website <https://diversa.com.au/funds/>.

### Statement of Financial Position

	2022	2021
	\$'000	\$'000
<b>Assets</b>		
Cash	195	140
Current Tax Assets	88	73
<b>Total assets</b>	<b>283</b>	<b>213</b>
<b>Liabilities</b>		
Other payables	283	213
<b>Total liabilities</b>	<b>283</b>	<b>213</b>
Net assets available for member benefits	-	-
Members' benefits	-	-
<b>Total net assets (liabilities)</b>	<b>-</b>	<b>-</b>
<b>Equity</b>		
Reserves	-	-
Unallocated surplus (deficit)	-	-
<b>Total reserves</b>	<b>-</b>	<b>-</b>

### Income/Operating Statement

	2022	2021
	\$'000	\$'000
<b>Superannuation activities</b>		
Total net income	-	-
Total expenses	-	-
<b>Operating result</b>	<b>-</b>	<b>-</b>
Income tax (expense) benefit	-	-
<b>Operating result after income tax</b>	<b>-</b>	<b>-</b>
Less net benefits allocated to members	-	-
<b>Operating result after income tax</b>	<b>-</b>	<b>-</b>

### Statement of Change in Benefits

	2022	2021
	\$'000	\$'000
<b>Opening balance of members' benefits</b>	<b>-</b>	<b>-</b>
Transfers from other superannuation plans	4,229	2,417
<b>After tax contributions</b>	<b>4,229</b>	<b>2,417</b>
Benefits and Transfers Paid	(40)	(61)
Insurance premiums charged to members	(4,930)	(2,788)
Death and disability benefits credited to members	1	14
Tax benefit on premiums	740	418
Net benefits allocated to members' accounts	-	-
<b>Closing balance of members benefits</b>	<b>-</b>	<b>-</b>

The full audited Accounts of Tidswell Master Superannuation Plan which includes PPSM together with Directors' remuneration and attendance record, and the auditor's report, are available for inspection on the Trustee's website at <https://diversa.com.au/funds/> and <https://diversa.com.au/governance/>