

significant event notice



14 October 2022

This Significant Event Notice ('Notice') is to let you know about important changes to **HESTA, HESTA Personal Super and HESTA Corporate Super**. Generally this includes changes to, or events impacting, the information provided in the Product Disclosure Statements (PDS) of those products. The changes will be incorporated into future versions of the PDS available at hesta.com.au/pds

Changes to administration fees and costs

You pay administration fees and costs to cover the administration of your super account. To respond to increasing operational costs while continuing to provide the services you expect, the administration fees and costs we charge will change next year (from **1 February 2023**).

What this means for you

The change to the amount you pay in administration fees and costs will depend on your account balance. For example, for someone with an account balance of \$50,000 administration fees and costs will increase by between \$12 and \$22 per year¹ from 1 February 2023.

You don't need to do anything

These changes to administration fees and costs will apply to your account from 1 February 2023.

Details of the change

From 1 February 2023, we will continue to charge both a weekly fee and a percentage-based administration fee, however, the amounts will be different. The percentage-based administration fee is also subject to a higher account balance cap. Administration fees and costs will still be deducted from your account on the last Friday of each month and when you close your account. The changes are shown in the comparison table below².

	Current administration fees and costs, excluding amounts paid from fund assets	New administration fees and costs from 1 February 2023, excluding amounts paid from fund assets
Weekly fee	<ul style="list-style-type: none"> \$1.25 per week 	<ul style="list-style-type: none"> \$1.00 per week
Percentage based fee	<ul style="list-style-type: none"> 0.08% (Balanced Growth) OR 0.10% (all other investment options) Capped at a balance of \$350,000 	<ul style="list-style-type: none"> 0.15% Same percentage of fees and costs apply regardless of the investment option(s) invested Capped at a balance of \$500,000

¹ Before 1 February 2023, the amount you paid depended on the investment option(s) you're invested in.

² This comparison analysis only looks at the changes to the administration fees and costs that is deducted from your account. It does not take into consideration the additional administration costs that may be paid from fund assets (i.e. the Fund Development Reserve).

How the administration fees and costs change can affect different account balances

For illustrative examples of fee changes at different account balances, please see the table below:

Account balance	Approximate fee change ³ (\$/year)
\$10,000	Decrease of between \$6 and \$8
\$15,000	Decrease of between \$3 and \$6
\$50,000	Increase of between \$12 and \$22
\$100,000	Increase of between \$37 and \$57
\$250,000	Increase of between \$112 and \$162
\$500,000	Increase of between \$387 and \$457

The above table is an illustration only as it assumes a static account balance throughout the year and does not include any movements to the account throughout the year.

Over \$500,000 in your account

The percentage-based administration fee will be applied to amounts up to \$500,000. This means, if you have more than \$500,000 in your account, the remaining balance over \$500,000 will not have the percentage-based administration fee applied to it from 1 February 2023.

Lower account balances

If your account balance for a product offered by HESTA is less than \$6,000 at the end of the HESTA income year or when exiting the fund, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

You can also go to our website for information about these changes at hesta.com.au/fee-changes

³ Before 1 February 2023, the amount you paid depended on the investment option(s) you're invested in due to different percentage-based fees for MySuper and Choice investment options.

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