

1 February 2022

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Australian Securities and Investments Commission
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ASIC Consultation Paper 351 - Super forecasts: update to relief & guidance

Dear Nicole,

Thank you for the opportunity to comment on the above paper. UniSuper is supportive of ASIC's initiative to encourage the use of retirement estimates and to enable these to be utilised outside of the periodic statement context using interactive technology-driven tools in a way which enables greater flexibility in the assumptions which can be used in generating retirement estimates.

We note that the proposed relief would not extend to defined benefit funds. Excluding defined benefit funds was understandable in the past where there was greater prescription over the assumptions which must be used, since those assumptions would not necessarily have been appropriate for defined benefit fund calculations. Given that, in future, there would be greater flexibility to determine reasonable assumptions, we suggest that it would now be appropriate to extend the relief to allow retirement estimates of defined benefits (subject of course to the estimates being based on reasonable assumptions).

This would be of great assistance to members of defined benefit funds having regard to the perceived complexity of those products. The fact that there are relatively few defined benefit funds might be a factor which reassures ASIC that this would be a relatively modest extension of the relief but one which stands to benefit a cohort of members who perhaps are most in need of that assistance.

We also note ASIC's continuing preference that retirement estimates and, in particular, calculators are not to be used to promote particular financial products. We believe that industry would appreciate guidance (or reassurance) from ASIC that using assumptions which reflect particular features of an actual named product (for example, actual return targets and actual fees and charges) does not mean the estimate or calculator is promoting the named product.

If you wish to discuss the above, please contact [REDACTED]
[REDACTED] on [REDACTED] or email [REDACTED]

Yours sincerely,

[REDACTED]

Peter Chun
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