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HESTA Advice Services

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HESTA Super Fund



General advice warning & disclaimer

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Who is HESTA?

- 730,000+ members
- 100,000+ employers
- Health and Community Services
- low fees
- no commissions
- \$18 + billion in assets



Who are HESTA members?

The average HESTA member.....

- Female
- Broken service
- Part-time work
- Relatively low income
- Median balance - \$10,800



.....HESTA members?

*.....over 60,000 members aged
over 50 with more than \$50,000 in
their account*



Feedback from members

- *Super is complex and difficult*
- *I don't know where to go for help*
- *I can't afford to pay for advice*

They end up doing nothing!

Education and Advice service

Member Education

- Education sessions in workplaces
- Seminar series

Member Advice

- General advice –
Workplace/Web/Phone/HESTA Offices
- Personal advice –
Workplace/HESTA Offices





Limited Personal advice

Personal advice on super including:

- ✓ investment choice
- ✓ insurance
- ✓ topping up your super
- ✓ combining multiple accounts
- ✓ transition to retirement*
- ✓ HESTA's Income Stream*

Adequacy.....

Lifestyle	Single 		Couple 	
	Modest	Comfortable	Modest	Comfortable
Income PA	\$21,957	\$40,407	\$31,675	\$55,249
Age Pension	\$19,643	\$19,643	\$29,614	\$29,614
Estimated capital required	\$63,000	\$685,000	\$76,000	\$775,000

Sources: www.asfa.asn.au and www.moneysmart.gov.au

Assumptions: Retirement income generated to retiree age 90; Spouse is 3 years younger; Homeowner; Age Pension included; Standard Moneysmart assumptions - earning 6.5%pa in retirement

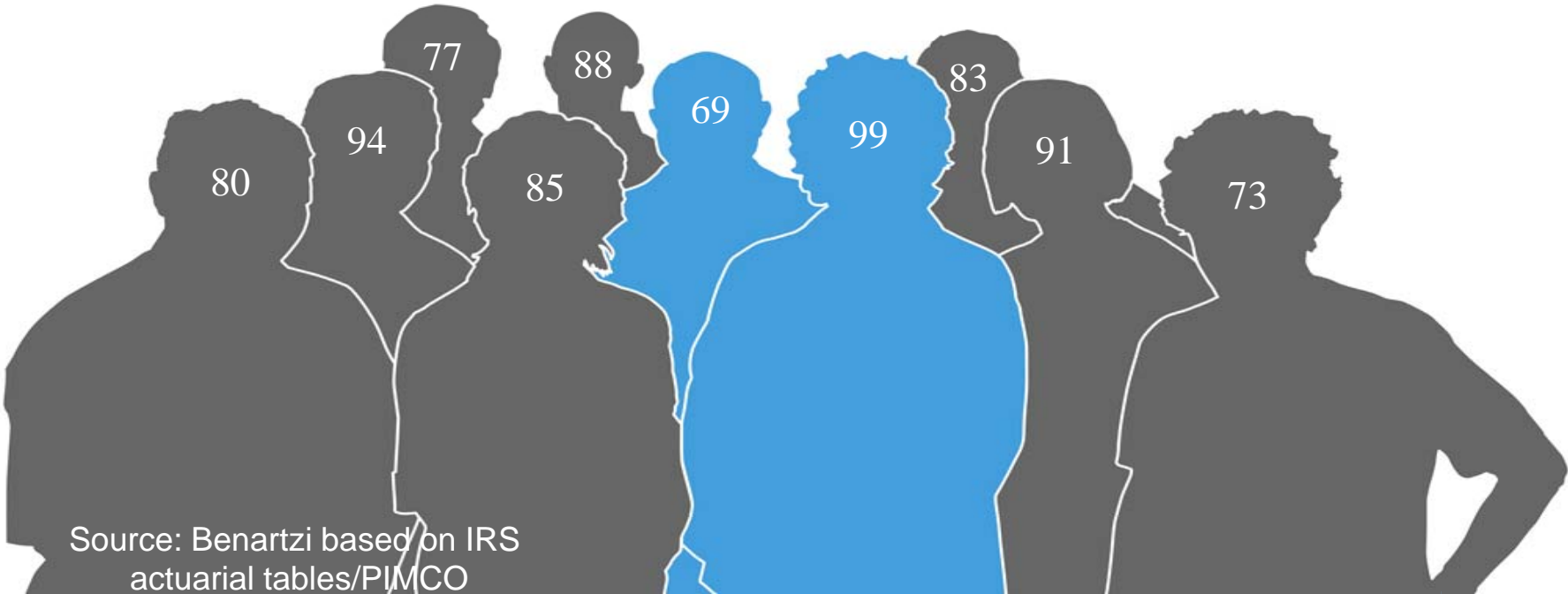


Key messages

- Keeping it simple.....
- Supported through multiple channels
 - ✓ Website
 - ✓ Workplaces
 - ✓ Segmented statements
 - ✓ Targeted campaigns



Variability in life expectancy



Source: Benartzi based on IRS actuarial tables/PIMCO



Future advice strategy

- Increasing channels: online advice
- Integrating advice with administration
 - Analytics
 - Document management
 - Implementation
- Segmenting the service for different members