



Link Administration Holdings Limited
ABN 27 120 964 098

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ASX ANNOUNCEMENT

ASX Market Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Proposed legislative changes in superannuation and contract update

In the Federal Budget announced on Tuesday 8 May 2018, there were proposed changes relating to the treatment of inactive superannuation accounts from 1 July 2019. The current proposal suggests that for member balances less than \$6,000 and where there has been no contribution for 13 months, the account balance will be transferred to the Australian Taxation Office (**ATO**) and the account closed.

In its current form, the Government's proposal may have a material impact on the number of members administered by Link Administration Holdings Limited's (ASX: LNK) (**Link Group**) Fund Administration Division from FY2020. However, Link Group cannot quantify the net effect of the proposed changes on Fund Administration revenue at this time, given:

- the related *Treasury Laws Amendment (Protecting Superannuation) Bill 2018* is currently in Exposure Draft form and remains open for consultation until 29 May 2018, following which time it will be subject to enactment;
- any impact on the number of members administered by Link Group's Fund Administration Division will not be seen until FY2020;
- this Division's contracts generally include volume-based clauses around large movements in member numbers; and
- any actions that superannuation funds and members may take ahead of any legislation taking effect in FY2020 is unknown.

Link Group will continue to work with its clients and industry participants in relation to proposed legislative changes in superannuation and keep the market informed.

Link Group also advises that its contract for the provision of Fund Administration services to CareSuper will not be renewed. CareSuper represents approximately 1% of Link Group's proforma revenue.

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