

## Cross Fund Matching (XFM)

### What is XFM?

A no cost service that returns lost super held with AUSfund to the active accounts of participating fund members.

### Which funds are eligible to participate?

Funds that use AUSfund as their Eligible Rollover Fund, and have ERF'ed to us in the last 12 months, have access to AUSfund's XFM service.

### How often is XFM available?

Annually, with invitations to participate sent in October/November. The matching process then occurs in December/January.

### How much does it cost to be involved?

XFM is a no cost service provided by AUSfund to participating funds. Your administrator may charge a fee relating to the extraction and loading of relevant files, however, AUSfund covers the cost of the actual XFM exercise.

### Is it worth participating?

As a result of the 2007/08 XFM exercise, AUSfund transferred 102,042 members, totalling \$39.3 million, to participating funds.

### Do I have to fill out volumes of paperwork?

No, participating is easy and simply requires execution of a Successor Fund Transfer Deed and a Participation Agreement. The Transfer Deed allows members to be transferred between funds.

### What administration is involved?

AUSfund provides you with the file specification which, with approval, you pass onto your administrator enabling them to provide membership data to AUSfund.

### Which members of your fund does AUSfund match with?

For funds new to the XFM exercise, we include all active members with a balance no less than \$50 below the fund's ERFing limit. These active members will be matched with all AUSfund members with an account balance above \$50. This minimum balance criterion ensures members being Cross Fund Matched to a fund are not returned to AUSfund in the next ERFing process.

**For example:** if a fund normally ERFs members with balances less than \$500, only accounts above \$450 will be chosen from the fund. When combined with their AUSfund account balance that's greater than \$50, these members will exceed the participating fund's ERFing limit and be excluded from the next ERF run.

For funds that have previously participated in XFM, the above minimum balance criterion also applies, however, we may vary the criteria from year to year, eg. include all active members who have joined the fund since the last XFM exercise. Please note, every three years we again include all active members for participating funds. Once you provide us with your administration contact on the returned invitation, we will work with them to ensure the appropriate members are considered for matching.

## Are members automatically transferred to your fund?

Matched AUSfund members with account balances less than \$3,000 are automatically transferred to the fund in which their matched active account has been found, and the member is advised of this (if AUSfund has a valid address).

We write to matched AUSfund members with account balances of \$3,000 and over to seek their consent before transferring their accounts.

## What about members without a valid address?

AUSfund members without a valid address will be transferred to the fund in which their matched active account has been found, unless the AUSfund account balance is \$3,000 or above. AUSfund retains the services of Veda Advantage to assist in locating active addresses for these members and, if found, encourages the member to transfer their AUSfund balance to their active account in the participating fund.

ASIC's 2003 report on ERF disclosure questioned, on privacy grounds, the use of members' details in XFM, especially where the members can not be contacted by the ERF. AUSfund's legal advice determined use of this information for XFM constitutes a 'primary purpose' as defined by the *Privacy Act*.

Any fund wanting to exclude AUSfund members without a valid address from XFM for their fund, should contact AUSfund.

## What happens when there is a match in more than one fund?

The criteria for determining transfer destination when multiple memberships are identified is as follows:

- Members with AUSfund balances of \$3,000 or more, a letter seeking to ascertain their preference will be sent;
- AUSfund members with less than \$3,000 will be transferred to the fund with the latest contribution date. Where a contribution has been received in more than one fund in a month, the account is transferred to the account with the greater balance.

There may be some processes, eg. reversals where that member has since left your fund, that occur after that time. Subject to receiving data from fund administrators by the scheduled dates, AUSfund members will be checked for multiple matches with all of the funds participating in XFM.

## What methodology is used to determine a match?

There are many degrees to accurate matching, and for this round a 95% 'match score' will continue to initiate an automatic match. The match scoring methodology being used, as in previous exercises, is the Lingfo Match Scoring Method. If you require more detail on this system, please ask us.

For matches below 95% but more than 85% a thorough review will be conducted in consultation with funds, to minimise obvious mismatches. AUSfund encourages participating funds to discuss this review with their administrator so that a joint commitment to greater resourcing can be reached to increase the matching rates.

A conservative approach is taken by AUSfund in the matching process to reduce the risk of matching the wrong members and creating additional work to rectify incorrect matches and causing complaints.

## How long does it take?

The exercise will be completed by the end of the financial year – so that accounts repatriated to funds appear on member Annual Benefit Statements.