

Upfront Fixed Term Advice Fee

Frequently asked questions

November 2022 – Adviser use only

Contents

Introduction.....	2
1. If I have charged the client via an upfront advice fee in a single payment but do not deliver the agreed services to the client, is there any action I should take?	2
2. Does a licensee need to provide approval to charge the upfront fixed term advice fee?.....	2
3. When does the upfront fixed term fee get deducted from the super or pension account?	2
4. Can the fixed term fee be set up as a \$ based and % based fee?	2
5. Is the upfront frequency also available under ongoing advice fee arrangements?	2
6. Is there any change to client collateral as a result of this enhancement?	2
7. Will the advice fee reports in NOL be updated to include the new payment frequency?.....	2
8. Can I apply for a fee exception if I need to exceed the cap with a fixed term arrangement & an upfront frequency? ..	3
9. What will happen if the fee cannot be deducted from my client’s account due to caps?	3
10. What support material will be available for advisers?	3
11. Support.....	3

Introduction

North Platform is continually being improved to deliver an enhanced digital platform experience including efficient product administration. We're making it simpler, easier, and faster for advisers to do business and meet the needs of their clients.

In the November 2022 release of North Platform enhancements, we're introducing an Upfront Fixed Term Member Advice Fee feature.

This feature will provide all advisers with the ability to charge an upfront fixed term advice fee for the agreement period of up to 12 months and instead of a monthly basis. This will apply to all Super and Pension products on the North Platform (i.e., MyNorth, North, Summit, Generations and iAccess).

1. If I have charged the client via an upfront advice fee in a single payment but do not deliver the agreed services to the client, is there any action I should take?

You should refer to your licensee for guidance on what action is required if services are not delivered for advice fee paying clients.

2. Does a licensee need to provide approval to charge the upfront fixed term advice fee?

Advisers should review any licensee guidance around advice fees and confirm what the licensee allows regarding payment frequencies.

3. When does the upfront fixed term fee get deducted from the super or pension account?

Once the single fee has been verified and processed, it will be deducted from the client's account as soon as the cap allows for the full fee. The cap is based on the fixed term agreement period (2.2% pa prorated). If the fee cannot be charged due to the cap, we will charge the maximum fee allowed on the end date of the agreement.

4. Can the fixed term fee be set up as a \$ based and % based fee?

Only \$ based fees are allowed under the fixed term arrangement with an upfront frequency.

5. Is the upfront frequency also available under ongoing advice fee arrangements?

No, the option to charge the advice fee in a single payment is only available under fixed term advice fee arrangements.

6. Is there any change to client collateral as a result of this enhancement?

If the fixed term upfront frequency is selected, all communications including the client consent form as well as the client and adviser confirmation emails will reflect this frequency.

7. Will the advice fee reports in NOL be updated to include the new payment frequency?

The Advice Fee Schedule Report and Historical Advice Fees Payment Report will be updated to reflect the new fee frequency.

8. Can I apply for a fee exception if I need to exceed the cap with a fixed term arrangement & an upfront frequency?

Yes, the same process for adding a fee exception should be followed.

9. What will happen if the fee cannot be deducted from my client's account due to caps?

North will deduct the fee as soon as cap will allow for it. It will check daily to see if the fee can be charged. If the cap does not allow for the full fee throughout the whole agreement period, it will deduct the maximum it can at the end of the agreement.

10. What support material will be available for advisers?

- Product Journal & adviser FAQs – 9 November 2022
- Product Journal & adviser FAQs – 23 November 2022

11. Support

For more information, please contact your BDM.