

# Important things to know about your super

## Super Only Product Disclosure Statement

27 October 2018

### What we'll cover

- 1 About AustralianSuper
- 2 How super works
- 3 Benefits of investing with AustralianSuper
- 4 Risks of super
- 5 How we invest your money
- 6 Fees and costs
- 7 How super is taxed
- 8 Insurance in your super
- 9 How to open an account
- 10 Changing jobs

[australiansuper.com](http://australiansuper.com)



MySuper Authorised 65 714 394 898 856  
Issued by AustralianSuper Pty Ltd ABN 94 006 457 987 AFSL 233788  
Trustee of AustralianSuper ABN 65 714 394 898 USI STA0100AU  
26/50 Lonsdale St MELBOURNE VIC 3000



# 1 About AustralianSuper

In this booklet you'll find out what you need to know about how we manage your super as well as a bit about who we are.

We manage over \$140 billion in assets on behalf of more than 2.2 million members - this makes us Australia's largest industry super fund\*.

It's our role to look after the financial wellbeing of our members, from the start of their career through to retirement. Here's how:

- › Our fees are low as we only cover the costs of running the fund.
- › We're committed to providing members with strong, long-term returns to maximise their retirement savings.
- › We work with more than 280,000 employers Australia-wide.
- › You can be confident knowing that your super is being managed by an award-winning fund (see back cover).

## Other information

AustralianSuper is MySuper Authorised 65 714 394 898 856 and can accept all Superannuation Guarantee contributions from employers.

A copy of the product dashboard for AustralianSuper's MySuper Balanced option is available at [australiansuper.com/MySuperDashboard](https://australiansuper.com/MySuperDashboard)

You can find important information, including our Trust Deed, Annual Report and remuneration for executive officers, at [australiansuper.com](https://australiansuper.com)

\* As at 30 June 2018.

**AustralianSuper is here to look after you**

See how we compare at [australiansuper.com/compare](https://australiansuper.com/compare)



## About this Product Disclosure Statement

This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). You should consider that information before making a decision about the product. This information is current at the date of publication, but may change frequently. You should check the website for current information. A paper copy of the changes is available on request at no extra charge.

The information provided in the PDS is general information only and doesn't take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

# 2 How super works

Super is an important way for you to save for retirement.

Super is an investment for your future and the sooner money starts going into your account, the better off you'll be when you retire. That's because over the long term your super grows from investment returns and money that's added to your account regularly.

There are a number of ways money can be added (contributed) to your account.

## Employer contributions

Employers pay compulsory contributions to your super. These contributions may be paid under the Superannuation Guarantee (SG), which currently is an amount equal to 9.5% of your annual salary (subject to salary cap), or they may be at a different rate under your employment agreement or award.

There are also other types of contributions that could help you grow your super.

## Personal contributions

- › **Before tax\*** – includes salary sacrifice contributions made by you, any personal contributions for which you claim a tax deduction and voluntary contributions made by your employer for which they claim a tax deduction.
- › **After tax\*** – includes any extra additional contributions you make from your take-home pay, for which you don't advise us you wish to claim a tax deduction.

## Government Co-contributions

Depending on your income, you may be eligible to receive Government Co-contributions if you make after-tax contributions to your super.

To find out if you're eligible, visit [australiansuper.com/CoContributions](http://australiansuper.com/CoContributions)

## Useful information to know

Tax breaks and incentives are provided by the Government to encourage you to save more for retirement and grow your super over time.

You generally can't access your super savings until you're 55 or over (depending on the year you were born). To learn more about preservation age, visit [australiansuper.com/AccessYourSuper](http://australiansuper.com/AccessYourSuper)

## It's your super, it's your choice

Normally you can tell your employer where you want your super to be paid. But in some cases, it depends on your employment contract. If you don't make a choice or tell your employer where you want your super paid, they'll pay your contributions into their preferred super fund.

\* Depending on your income and personal circumstances, you may be better off contributing before or after tax, or using a combination of both. The Government places limits on the amount that can be contributed to super. To learn more, visit [australiansuper.com/InfoTax](http://australiansuper.com/InfoTax)

# 3 Benefits of investing with AustralianSuper

We're here to help you get the most from your money, today and tomorrow. That's why we offer simple and effective solutions to help you manage your account.

## Get more from being a member



An online account and mobile app to track your super 24/7



A range of investment options to choose from, backed by a history of strong long-term investment performance\*



Competitive insurance to protect you and those who matter to you



Free retirement and financial planning seminars



Advice tools and calculators to help you understand super



Financial advice available online, over-the-phone and face-to-face<sup>†</sup>

Set up your online account at [australiansuper.com/register](https://australiansuper.com/register)

Download the app here:



\* Investment returns aren't guaranteed. Past performance isn't a reliable indicator of future returns.

† Financial advice provided face-to-face and over the phone will be under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd (AustralianSuper) and therefore isn't the responsibility of AustralianSuper. With your approval a fee may be charged if a *Statement of Advice* is produced.

# 4 Risks of super

All investments, including super, have some risk.

How you invest your super will depend on your age, how long you'll invest your super, other investments you may have and your tolerance for volatility. Volatility is when the returns on your investment go up and down over a period of time. The level of volatility your super investment could have will depend on the types of assets that your super is invested in. Assets are investments such as shares, property, fixed interest or cash.

Different types of assets have different levels of potential return and volatility. Generally, higher returns are accompanied by greater potential for volatility in the short term.

You can choose from a range of investment options, each with a different mix of assets. So, the likely investment return and the level of potential volatility of returns involved is different for each option.

## What you need to think about

When considering your super, it's important to understand that:

- › investment returns may go up and down over time and the value of investments will vary, so the value of your super may also go up and down
- › investing too conservatively can be risky because over the long term your investment may not earn a return above the inflation rate
- › returns aren't guaranteed, and you may lose some of your money
- › past returns aren't a reliable indicator of future returns
- › the laws affecting your super may change
- › the amount of your future super savings (including contributions and returns) may not be enough for your retirement.

### More information

For more information about available investment options, the different asset classes and investment risk, download our *Investment Guide*, available at [australiansuper.com/InvestmentGuide](https://australiansuper.com/InvestmentGuide)



# 5 How we invest your money

When you join AustralianSuper you'll automatically be invested in the default Balanced option – our MySuper authorised product, unless you choose a different investment option. You should consider the likely investment return, risk and your investment timeframe when choosing an investment option.

## Investment details for the Balanced option

This option invests in a wide range of assets, with a higher allocation to shares, infrastructure and property than fixed interest and cash. It's designed for members seeking medium to long-term growth who are willing to accept short-term fluctuations in returns.

## Investment objective

To outperform (after fees and taxes) the return of the median balanced fund and an average annual return of CPI + 4% over the medium to long term<sup>†</sup>.

## Minimum investment timeframe

Be prepared to stay invested in this option for at least 10 years before it meets its objectives.

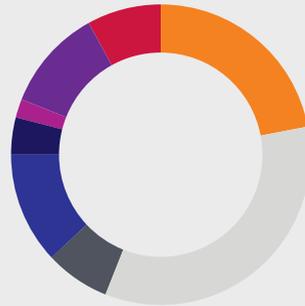
## Risk levels

- › Short-term risk classifies investment options according to their likelihood of negative returns in a given year. This is also known as the Standard Risk Measure.
- › Medium-term risk balances two risks. The first is that your super savings will be reduced by volatility and the second is that your super savings won't keep up with inflation.
- › Long-term risk is the risk that your super savings won't keep up with inflation.

## How often you can expect a negative annual return

Approximately 5 out of every 20 years.

## Balanced option investment mix – strategic asset allocation and ranges\*



- Australian shares **22%** (10–45%)
- International shares **34%** (10–45%)
- Direct property **7%** (0–30%)
- Infrastructure **12%** (0–30%)
- Private equity **4%** (0–10%)
- Credit **2%** (0–20%)
- Fixed Interest **11%** (0–25%)
- Cash **8%** (0–20%)
- Plus: Other Assets **0%<sup>‡</sup>** (0–5%)

## Risk level for the time invested

Short term	(if savings are required in 5 years or less)	High
Medium term	(if savings are required after 5 to 20 years)	Medium
Long term	(if savings are required after 20 years or more)	Low to Medium

\* Investment information is current at the date of publication and may change from time to time. See [australiansuper.com/AssetAllocation](http://australiansuper.com/AssetAllocation) for updated information. Investment returns aren't guaranteed.

<sup>†</sup> CPI stands for Consumer Price Index – which is used as a measure of inflation.

<sup>‡</sup> From time to time, we may invest in other assets which represent a short or medium-term opportunity based on them being attractively priced. These include but aren't limited to assets such as commodities, royalties or leases.

AustralianSuper has a range of investment options to suit a wide range of investors.

PreMixed options	DIY Mix options
<p>Combine different mixes of asset classes to provide different types and levels of risk and potential return.</p> <ul style="list-style-type: none"><li>› High Growth</li><li>› Balanced</li><li>› Socially Aware</li><li>› Indexed Diversified</li><li>› Conservative Balanced</li><li>› Stable</li></ul>	<p>Made up of a single asset class. With DIY Mix options you can select a combination of asset classes to suit you.</p> <ul style="list-style-type: none"><li>› Australian Shares</li><li>› International Shares</li><li>› Property</li><li>› Diversified Fixed Interest</li><li>› Cash</li></ul>
Member Direct investment option	
<p>AustralianSuper's Member Direct investment option enables you to invest in your choice of stocks in the S&amp;P/ASX 300 Index, and a selection of Exchange Traded Funds (ETFs) and term deposits.</p>	

### Changing your investment option

You can choose your preferred investment option in the mobile app or by logging into your online account. It won't cost you anything to switch.

For more information, download our *Investment Guide* at [australiansuper.com/InvestmentGuide](https://australiansuper.com/InvestmentGuide)

You should read the important information about our investment options before making a decision. Go to [australiansuper.com/RefInvestments](https://australiansuper.com/RefInvestments) and download the *How we invest your money* fact sheet.



This contains information about our other investment options including the risk and expected returns over different periods of time. The material relating to our investment options may change between the time when you read this PDS and the day when you acquire the product.

# 6 Fees and costs

## Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You or your employer, as applicable, may be able to negotiate to pay lower administration fees. Ask the fund or your financial adviser.

## To find out more

If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([moneysmart.gov.au](http://moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

## Fees for the Balanced option

The main fees to set-up and manage your account are below. These are based on our Balanced option, and can be used to compare our fees with similar funds.

Type of fee	Amount	How and when paid
Investment fee	0.66%	Deducted from before-tax investment returns on 30 June each year (earlier if you close your account), before the returns are applied to your account.
Administration fee	\$1.50	The administration fee of \$1.50 per week is calculated weekly and processed monthly from your account. This fee is paid into the Fund's administration reserve. The Fund pays its administration costs from the administration reserve. For the 12 months to 30 June 2018, the Fund's estimated costs were \$1.72 per member (gross of tax). The Fund claims a tax deduction for administration costs each year. The amount of the deduction is also paid into the administration reserve.
Buy sell spread	Nil	
Switching fee	Nil	
Exit fee	\$35	Charged on withdrawals.
Advice fees* relating to all members investing in a MySuper product or investment option	\$0- \$295	This is the cost for over-the-phone advice. For face-to-face advice, a higher fee applies which may be deducted directly from your account.
Other fees and costs		Go to <a href="http://australiansuper.com/RefFees">australiansuper.com/RefFees</a> for information about other costs. Refer to section 7 of this PDS for tax details and section 8 for insurance costs.
Indirect cost ratio	Nil	

The Investment fee for our other investment options is different. This fee is calculated looking back as at 30 June each year. It may change from year to year.

### Example of annual fees and costs for a MySuper product

This table gives an example of how the fees and costs for the generic MySuper product can affect your superannuation investment over a one year period. You should use this table to compare this superannuation product with other superannuation products.

Example – MySuper Product		Balance of \$50,000
Investment fee	0.66%	For every \$50,000 you have in the MySuper product you will be charged \$330 each year.
<b>PLUS</b> administration fees	\$78 pa (\$1.50 a week)	<b>AND</b> you will be charged \$78 in administration fees regardless of your balance.
<b>PLUS</b> indirect costs for the MySuper product	Nil	<b>AND</b> indirect costs of \$0 each year will be deducted from your investment.
<b>EQUALS</b> cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$408 for the MySuper product.

Note: Additional fees may apply.

AustralianSuper can change the fees which you may be charged. You'll be given at least 30 days' notice before any increase in fees takes effect.

See section 7 of this PDS for information on how super is taxed and Section 8 for insurance information and costs.

### Adviser service fee

If you get advice\* from an eligible adviser about your investment with AustralianSuper, you may have fees for the advice deducted from your account. The *Statement of Advice* provided by the adviser will state the fees (if any) that you will pay.

### See how fees affect your super

Use the Superannuation calculator at [moneysmart.gov.au](https://moneysmart.gov.au)

You should read the important information about fees and costs before making a decision. Go to [australiansuper.com/RefFees](https://australiansuper.com/RefFees)

This contains information about service fees and fees for our other investment options. The material relating to our fees may change between the time when you read this PDS and the day when you acquire the product.

\* The financial advice you receive will be provided under the Australian Financial Services Licence held by a third party and not by AustralianSuper Pty Ltd (AustralianSuper) and therefore isn't the responsibility of AustralianSuper. With your approval a fee may be charged if a *Statement of Advice* is provided.

# 7 How super is taxed

## Tax on contributions

The tax paid on super contributions depends on the amount and type of contribution. Tax is deducted after the contribution is received. There are limits on how much you can contribute, and if you exceed these limits you may pay extra tax.

Type	Tax on contributions in 2018/2019
<b>Before-tax contribution</b>	<p>If your income is \$250,000 or less, 15% will be applied to contributions up to the before-tax contributions cap of \$25,000.</p> <p>If your income (including your before-tax contributions) is over \$250,000, all or some of your before-tax contributions will be taxed at 30%. Contributions that exceed the cap will be taxed at your personal rate (less a 15% tax offset), plus an interest charge. You can choose to withdraw up to 85% of excess contributions, which won't then count towards your after-tax limit.</p>
<b>After-tax contribution</b>	<p>No tax on amounts up to the after-tax contributions cap of \$100,000 a year (or \$300,000 over 3 years if certain conditions are met).</p> <p>You can choose to withdraw any excess contributions plus 85% of its earnings. These earnings will be taxed at your personal rate (less a 15% tax offset). If you don't withdraw the excess contributions, they will be taxed at 47%* in the fund.</p> <p>There may be restrictions on the after-tax contributions you can make if you already have a very large balance in your super account/s.</p>

**Tax on investment earnings:** Investment earnings are taxed at up to 15%. This tax is deducted from the crediting rate that applies to your super, before the earnings are credited to your account.

**Tax on withdrawals:** Your super is made up of two components: taxable and tax-free. There's no tax payable on the tax-free component. Withdrawals are generally tax-free if you're aged 60 or over.

### Tax on the taxable component if you're under 60

2018/2019 - If you're between your preservation age and 59, the first \$205,000 is tax-free and the balance is taxed at 17%\*.

If you're younger than your preservation age, your lump sum withdrawal will be taxed at 22%\*.

Tax on withdrawals is deducted before you receive your payment.

Tax rates, contribution limits and the way excess contributions are treated are subject to change. You should read *Tax and super* at [australiansuper.com/RefSuperTax](http://australiansuper.com/RefSuperTax)

You should provide your Tax File Number (TFN). If we don't have your TFN, your before-tax contributions and withdrawals are taxed at a higher rate and we can't accept after-tax contributions from you. You should read the important information about providing your TFN before making a decision.

Go to [australiansuper.com/RefTFN](http://australiansuper.com/RefTFN) The material relating to tax may change between the time when you read this PDS and the day when you acquire the product.

\* Including the Medicare levy of 2%.

# 8 Insurance in your super

Insurance through AustralianSuper is designed to provide financial support if you die or become disabled.

AustralianSuper offers three types of cover.

- › **Death cover** – provides a lump sum to your dependants or your legal personal representative (executor of your estate).
- › **Total & Permanent Disablement (TPD) cover** – provides you a lump sum if you become totally and permanently disabled.
- › **Income Protection** – provides monthly payments if you become temporarily disabled.

## Why insurance cover is important

Most people insure their important assets, like their car or home, but their biggest asset – their future income – is often left unprotected.

The right insurance can protect your salary against the unexpected, and give you an income or lump sum payment, depending on if you are temporarily or permanently unable to work.

You may need cover if:

- › you or your family need your salary to cover day-to-day expenses
- › you have debts such as a mortgage, personal loan or credit card, or
- › you support someone financially.

## Insurance cover through your super

AustralianSuper is adopting the Insurance in Superannuation Voluntary Code of Practice which commenced on 1 July 2018. Read about the requirements, our insurance strategy and our premium adjustment arrangements at [australiansuper.com/InsuranceCode](http://australiansuper.com/InsuranceCode)

## Applying for cover is easy

Cover isn't provided automatically, but you can apply for cover anytime. You'll just need to provide detailed health information for the Insurer to consider.

For information about your eligibility for cover, how much cover you can apply for, what your insurance will and won't cover, and any other conditions, read our *Insurance in your super* guide available at [australiansuper.com/InsuranceGuide](http://australiansuper.com/InsuranceGuide)

To apply for cover log into your account and go to *My insurance*. Or complete the *Change your insurance* form at [australiansuper.com/forms](http://australiansuper.com/forms)

### How much cover can I apply for?

You can apply for cover anytime, as long as you have enough money in your account to cover the cost of your first month of insurance. The maximum cover you can apply for is shown in the table below. Your application will be considered by the Insurer and you'll need to provide detailed health information.

Type of cover	Maximum amount of cover available
Death	No maximum
TPD	\$3 million
Income Protection	\$30,000 a month or 85% of your salary, whichever is lower

### What is the cost of cover?

The cost of your cover will depend on the amount and type of cover you apply for, your age and your individual work rating (if applicable). Costs are deducted monthly from your super account. See our *Insurance in your super* guide for details.

### What is an individual work rating?

The type of work you do determines your individual work rating – Standard, Low Risk or Professional. This makes a difference to how much you pay for your cover. Your work rating will be Standard, unless you apply to change it.

If you spend at least 80% of your time in an office environment and don't do any manual work, you may be eligible for a Low Risk or Professional work rating, which means your cover will cost less.

If you think you may be eligible for a Low Risk or Professional rating you can apply to change this by logging into your account and going to *My insurance*. Or answer the work rating questions in the *Change your insurance* form at [australiansuper.com/forms](http://australiansuper.com/forms) when you apply for cover.

### Transfer cover from another fund or insurer

You may be able to transfer your current Death, TPD or Income Protection cover from outside of AustralianSuper.

#### Change your cover anytime

You can cancel, change or apply for insurance cover anytime by logging into your account or completing the *Change your insurance* form at [australiansuper.com/forms](http://australiansuper.com/forms)

Use our insurance calculator at [australiansuper.com/calculators](http://australiansuper.com/calculators) to work out the right level of cover for you, and the cost of it.

You should read the important information about insurance in your super before making a decision. Go to [australiansuper.com/InsuranceGuide](http://australiansuper.com/InsuranceGuide)

The material relating to insurance may change between the time when you read this PDS and the day when you acquire the product.

# 9 How to open an account

Your employer has already opened an account for you, but you can set up your account the way you want.

Visit [australiansuper.com/register](https://australiansuper.com/register) to set up your online account. You'll be able to:

- › apply for insurance
- › check your balance
- › manage your investments
- › make a contribution
- › nominate your beneficiaries
- › manage your communication preferences
- › update your details.

## **Not happy with our service?**

To make a complaint about your super account or general advice given by AustralianSuper, you can contact us by email, phone or post. Visit [australiansuper.com/contact-us](https://australiansuper.com/contact-us) for more information.

## **We respect your privacy**

Protecting your personal information is important to us. Our Privacy Policy outlines the type of information we keep about you. It also explains how we – and any organisations we appoint to provide services on our behalf – will use this information.

For more information on privacy, go to [australiansuper.com/privacy](https://australiansuper.com/privacy)

## **Temporary residents permanently leaving**

If you're a temporary resident permanently leaving Australia, you have six months to claim your super from us before we have to transfer it to the Australian Taxation Office (ATO). Once we've transferred your super, you'll need to contact the ATO directly to claim it. Go to [ato.gov.au](https://ato.gov.au)

Under Australian Securities and Investments Commission relief, we don't have to give you an exit statement if we transfer your super to the ATO in these circumstances.

# 10 Changing jobs

When you change jobs there are good reasons to keep your AustralianSuper account.

If you're changing jobs, your new employer will ask you to nominate a super fund – if you don't, your employer will choose a fund for you. But why collect a new super fund every time you change jobs? More funds mean more fees and extra paperwork.

The right fund can make a real difference to how much you save for your future. So don't leave your choice up to someone else – keep your super in one fund that you know won't charge extra fees.

## **Tell your employer where to contribute**

To have your employer contribute to your AustralianSuper account, complete the *Pay my super into AustralianSuper* form with this guide or at [australiansuper.com/ChooseAustralianSuper](https://australiansuper.com/ChooseAustralianSuper) and email it to your new employer.

## **Compare your super fund**

Compare the costs, services and performance of different super products using the Super AppleCheck\*, an independent online report produced by Chant West. Order your FREE comparison report at [australiansuper.com/compare](https://australiansuper.com/compare)



\* Super AppleCheck is provided by independent research consultant, Chant West Financial Services. While AustralianSuper has paid Chant West a fee for making the service available to you, AustralianSuper has no influence over the research results and ratings and does not accept responsibility for any loss or damage caused by the service.

## We're here to help

Just give us a call or send us an email.

1300 300 273

8am-8pm AEST/AEDT weekdays

[australiansuper.com/email](http://australiansuper.com/email)

[australiansuper.com](http://australiansuper.com)

GPO Box 1901, Melbourne VIC 3001

1300 366 273 (Fax)

