



Creating financial independence since 1846

Dated: 1 July 2013

IOOF **Portfolio Service** Supplementary Product Disclosure Statement

Issuer: IOOF Investment Management Limited ABN 53 006 695 021 AFS Licence No. 230524 as Trustee of the IOOF Portfolio Service Superannuation Fund ABN 70 815 369 818

This Supplementary Product Disclosure Statement (**SPDS**) supplements and updates information contained in the IOOF Portfolio Service Employer and Corporate Superannuation Product Disclosure Statement dated 1 October 2012 (**PDS**) and is to be read in conjunction with the PDS. All terms in this SPDS have the same meaning as in the PDS. The purpose of this SPDS is to update the PDS to include information about:

- new member advice fees
- the removal of Member Benefit Protection

New member advice fees

Replace the **Service and advice fees, Member Advice Fee – Once off** and **Adviser Service Fee** sections on pages 21 to 22 (inclusive) with the following:

Member advice fees

We will acquire and pay for the services of a financial adviser selected by you to provide financial advice in relation to your super investment.

The following optional fees are available for you to select the most appropriate remuneration arrangement with your financial adviser:

- Member Advice Fee – Upfront
- Member Advice Fee – Ongoing
- Member Advice Fee – One-Off
- Member Advice Fee – Insurance

You may agree to one, or more of these options. For each option, we set a maximum amount that we will pay to the financial adviser. You and the financial adviser must agree on the amount of each member advice fee within these relevant limits.

The amount of any member advice fee(s) that we pay to the financial adviser, as agreed by you, will be an additional cost to you and charged against your super account. We will not charge a member advice fee unless you tell us to do so.

Any agreed member advice fee(s) will be charged by us to your account and paid in full to the financial adviser, until you instruct us to cease payment.

Where you change the nominated financial adviser, the member advice fee(s) you agreed with the former financial adviser will continue with the new financial adviser.

If a member advice fee is selected, no other commissions or Adviser Service Fee will apply.

Member Advice Fee – Upfront

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser for financial advice and services provided to you in relation to:

- the establishment of your account
- subsequent contributions made to your account.

You can agree with the financial adviser on the amount of this fee up to a maximum of 5.5 per cent (inclusive of GST) of each contribution made. For example, on an initial contribution of \$50,000, we would pay the financial adviser up to a maximum of \$2,750.

You can agree to a different amount for the following types of contributions made to your account:

- initial or one-off contributions received by cheque (excluding transfers/rollovers)
- contributions received electronically (such as BPAY¹ and direct debit)
- transfers/rollovers.

¹ BPAY[®] registered to BPAY Pty Ltd ABN 69 079 137 518. Only available if your nominated financial institution offers this service.

The amount of this fee is deducted from your Cash Account at the time of each contribution.

This fee is not applied to:

- transfers from existing accounts within the Fund
- any income distributions credited to your Cash Account
- switches between investment options
- any transfer from your spouse's account in the Fund under a contribution splitting arrangement.

Member Advice Fee – Ongoing

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser for ongoing financial advice and services provided to you in relation to your account. You can agree with the financial adviser on the amount of this fee which can be:

- up to a maximum of 2.2 per cent per annum (inclusive of GST) of your account balance (calculated daily), and/or
- up to a maximum of \$1,500 per month (inclusive of GST).

The amount of this fee is accrued daily and is deducted from your Cash Account at the beginning of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$1,100 per annum (based on a Member Advice Fee – Ongoing of 2.2 per cent per annum) (inclusive of GST).

Member Advice Fee – One-Off

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser for one-off financial advice and services provided in relation to your super account.

The amount of this fee can be up to a maximum of \$11,000 (inclusive of GST) per request. A new request must be supplied each time you wish this fee to be applied.

Member Advice Fee – Insurance

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser for ongoing financial advice and services provided to you in relation to your insurance. You can agree with the financial adviser on the amount of this fee which can be either:

- up to a maximum of 50 per cent per annum (inclusive of GST) of your insurance premium (calculated daily) for each type of insurance cover
- up to a maximum of \$1,500 per month (inclusive of GST).

The amount of this fee is accrued daily and is deducted from your Cash Account at the beginning of each calendar month. For example, on an insurance premium of \$1,000 per annum for Death Cover, we would pay the financial adviser up to a maximum of \$500 per annum (based on a Member Advice Fee – Insurance of 50 per cent per annum) (inclusive of GST).

This fee relates to insurance purchased via group life and income protection insurance policies and will only be charged if an insurance premium has been deducted from your Cash Account.

Adviser Service Fee

We will acquire and pay for the services of a financial adviser selected by your employer to provide financial advice in relation to the Employer Fund.

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser selected by your employer for ongoing financial advice and services provided in relation to the Employer Fund.

Your employer and the Employer Fund's financial adviser may agree on the amount of this fee which can be up to a maximum of 0.80 per cent per annum (inclusive of GST). This fee will be calculated on the total assets of the Employer Fund (calculated daily).

The amount of this fee is accrued daily and is charged in arrears by us. We deduct the net cost from each member's Cash Account on a proportional basis at the beginning of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$400 per annum (based on an Adviser Service Fee of 0.80 per cent per annum) (inclusive of GST).

Any agreed Adviser Service Fee will be charged by us to your account and paid in full to the Employer Fund's financial adviser, until your employer instructs us to cease payment.

Where your employer changes the nominated financial adviser, the agreed Adviser Service Fee with the former financial adviser will continue with the new financial adviser.

Removal of Member Benefit Protection

Remove the following sentence from the **Additional explanation of fees and costs** section on page 20:

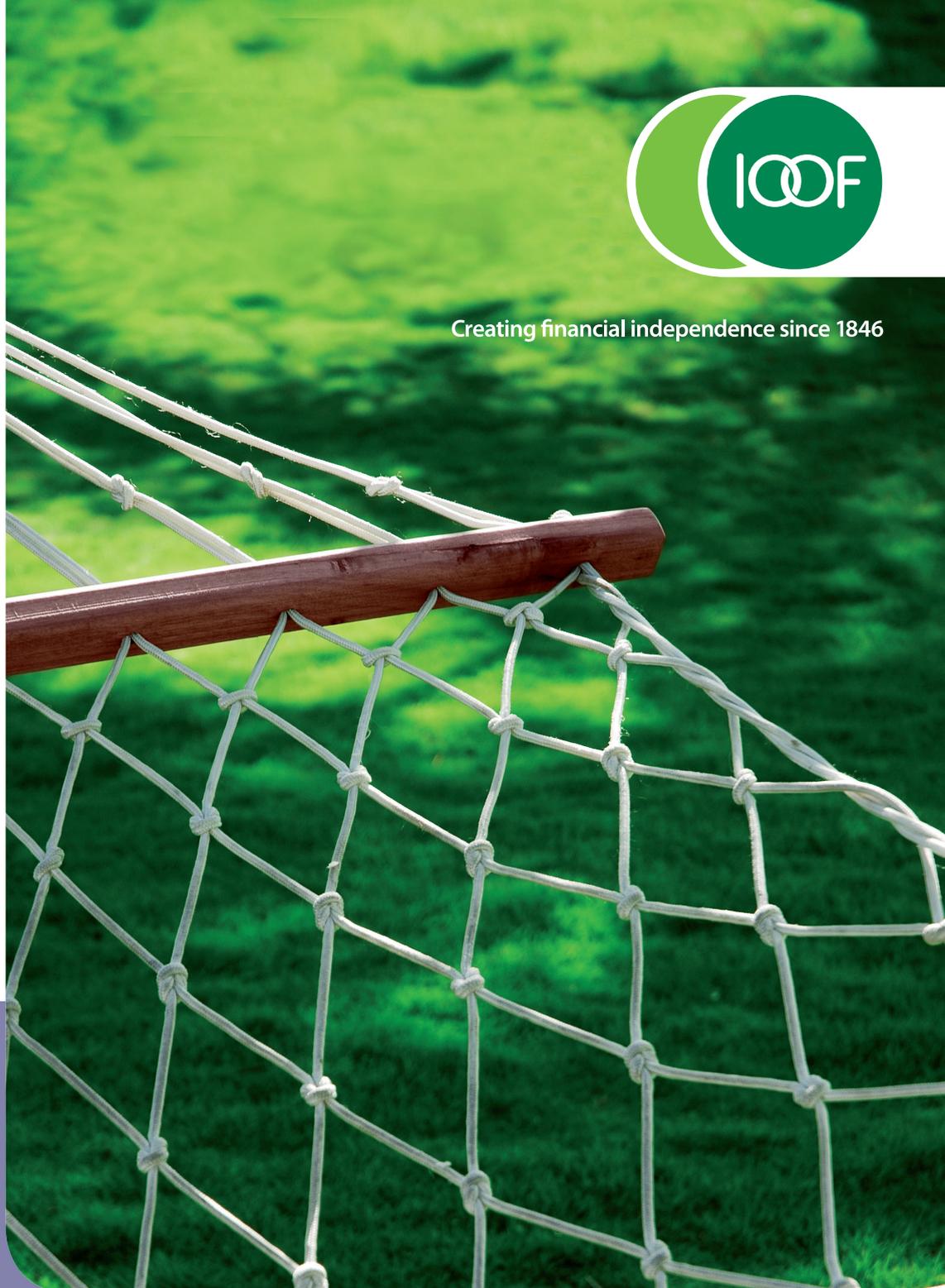
It also talks about member protection, which means you will not be charged certain management costs if your account balance is less than \$1,000.

Remove the **Protecting small accounts** section on page 22.

IOOF Portfolio Service



Creating financial independence since 1846



IOOF **Portfolio Service** Employer Superannuation Corporate Superannuation

Product Disclosure Statement

Dated: 1 October 2012

Issuer: IOOF Investment Management Limited | ABN 53 006 695 021 | AFS Licence No. 230524
as Trustee of the IOOF Portfolio Service Superannuation Fund | ABN 70 815 369 818.

This Product Disclosure Statement (PDS) has been prepared and issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No. 230524. IIML is the Trustee of the IOOF Portfolio Service Superannuation Fund (Fund), ABN 70 815 369 818. IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation are superannuation (super) products forming part of the Fund.

About the Trustee

- IIML is a part of the IOOF group comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (IOOF group).
- As Trustee, IIML is responsible for operating the Fund honestly and in the best interests of members.
- IIML is also responsible for holding the assets of the Fund on behalf of members and undertakes all of the administrative tasks through IOOF Service Co Pty Ltd ABN 99 074 572 919. IIML has investment and service contracts with related parties within the IOOF group, including Perennial Investment Partners Limited (Perennial) ABN 59 087 901 620, AFS Licence No. 238763 and IOOF Service Co Pty Ltd.

IIML is solely responsible for the content of this PDS. This PDS was prepared by IIML based on its interpretation of the relevant legislation as at the date of issue.

Contributions made to, and investments in, IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation do not represent assets or liabilities of IIML (other than as trustee of the Fund) or any other company or business within the IOOF group. The terms 'our', 'we', 'us' and 'Trustee' in this PDS refer to IIML.

Neither IIML, nor any other related or associated company, the investment managers providing the managed investments, service providers or the related bodies corporate of the parties mentioned, guarantee the repayment of capital or the performance or any rate of return of the investment options chosen in IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation. Investments made into the investment options are subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

IIML operates IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation on the terms and conditions outlined in this PDS and in accordance with the Fund's Trust Deed. We may change any of the terms and conditions set out in the PDS at any time where permitted to do so under the Trust Deed and super law.

IIML is the Responsible Entity of the Perennial Trusts, the IOOF MultiMix Trusts and the IOOF Multi Series Balanced Trust (collectively referred to as the Trusts), and we receive fees under the Constitutions of the Trusts. These are some of the investment options offered in IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation (as listed in the **IPS employer super investment guide (IPS.11)**).

This product is only available to persons receiving this PDS (electronically or otherwise) within Australia. Applications from outside Australia will not be accepted. We may refuse an application to join the Fund without providing reasons for the refusal.

About the relationship between Perennial and IIML

Perennial, another company within the IOOF group, has been appointed by us to manage the investment assets of the Perennial Trusts. Perennial is paid arm's length asset management fees by us (as the Responsible Entity) for the management of the Perennial Trusts.

Investment options offered

IIML makes no recommendation regarding the investment options set out in **IPS.11**.

As Trustee, IIML regularly monitors the investment options available to members and provides no assurance that any investment option currently available will continue to be available in the future. We have the right to suspend or cease investments in a specific investment option and if necessary, can redeem and transfer your investments to your Cash Account in circumstances where the investment option is no longer available and no alternative instructions are provided. We will notify you of any such change where possible before the change occurs.

The investment managers have not authorised or caused the issue of this PDS but have consented to the inclusion of statements which relate to their particular managed investment.

In order to choose an investment option for your investment strategy, you should review the information in **IPS.11**. Before selecting an investment option your adviser should give you the product disclosure statement for that managed investment or the product guide for the term deposit. These documents provide you with important information to consider and evaluate prior to investing. Product disclosure statements for each managed investment and product guides for each term deposit are also available on our website (www.ioof.com.au). Please note; product disclosure statements and product guides are not available for Direct Share Choice investment options.

Insurer

Insurance cover available through the Fund is provided by TAL Life Limited (TAL) ABN 70 050 109 450, AFS Licence No. 237848, and any other insurance provider approved by the Trustee. The term 'the Insurer' in this PDS refers to TAL and any other insurance provider approved by the Trustee.

General advice warning

The information contained in this PDS is of a general nature only and does not take into account your individual objectives, financial situation or needs. You should consider the appropriateness of this information having regard to your objectives, financial situation and needs and you may want to seek advice from a financial adviser before making a decision about IOOF Portfolio Service Employer Superannuation or IOOF Portfolio Service Corporate Superannuation.

Updated information

The information referred to in this PDS may change from time to time. We will inform you of any significant changes that could affect you or other significant events that may affect the information in this PDS. Any updated information that is not materially adverse may be obtained by:

- checking our website (www.ioof.com.au)
- emailing us at clientservices@ioof.com.au
- calling us on 1800 653 894.

A paper copy of the updated information will be provided free of charge on request.

What is inside?

An introduction to IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation		2	Taking out insurance		
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How to find your way around this PDS

This PDS is important because it will help you decide whether IOOF Portfolio Service Employer Superannuation or IOOF Portfolio Service Corporate Superannuation will meet your needs. You can use it to compare this super product with any other super product you may be considering.

This PDS describes the key features, risks and purpose of IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation. It also contains some information we are required to include by law.

You will see that the PDS refers to a number of guides – these contain statements and information that we are required by law to disclose to you. The contents of the guides are classified by a unique identifier and a description of what is covered. You can then use this description to decide whether to read the information. By law the statements and information in these guides are taken to be included in the PDS.

This PDS and the guides can be downloaded from our website (www.ioof.com.au) or contact us and we will send you a paper copy at no charge.

Key words

There may be words in this PDS and the guides you may not be familiar with. To help you understand these terms, we have defined them in the 'Key words explained' section of the **IPS employer super general reference guide (IPS.13)**.

An introduction to IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation

IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation are super products forming part of the IOOF Portfolio Service Superannuation Fund (the Fund), of which IOOF Investment Management Limited is trustee. The Fund also offers a range of pension and personal superannuation products. Information, including the PDS for those other products within the Fund can be obtained by calling our client services team.

IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation (the Employer Fund) is a super plan established by an employer for its employees. This could be the employer's default fund into which an employer will make Superannuation Guarantee contributions if a member has not made a choice of fund. When an employer makes an application for membership of the Employer Fund on behalf of one of their employees and it is accepted by the Trustee, that employee becomes a member of the Fund.

Contributions are invested by us in accordance with your investment strategy. If you do not choose an investment strategy of your own, you will be invested in a default strategy:

- If your Employer Fund is IOOF Portfolio Service Corporate Superannuation, your employer can nominate an employer default investment strategy, and if you do not choose otherwise you will be allocated to this strategy.
- Where there is no employer default investment strategy, you will be allocated to the Trustee's default strategy.

The value of the investment options you hold forms part of your super account. Insurance can also be arranged within your super account.

Investing in IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation

Choosing a quality investment partner is a key step towards achieving your long-term financial goals. Your super account can help you control and manage your retirement savings. It can be used to accumulate contributions and other super savings from a variety of sources in a tax-effective way. It also offers competitive insurance options to protect your income and provide for your family and dependants if you unexpectedly get sick, injured or die. Benefits are then payable as permitted by super law.

You can select your investment strategy using one convenient administration facility. This includes having access to:

- a well-researched range of Australian and international investment managers
- over 60 different shares selected from the top 150 companies listed on the Australian Securities Exchange (ASX) based upon market capitalisation plus other listed investments approved by the Trustee from time to time
- a simple process to move your super into one or more pension products offered in the Fund
- secure online access to your account details
- consolidated reporting.

This makes it very simple for you to manage your retirement goals.

Who is the IOOF group?

The IOOF group has demonstrated expertise in the administration and management of investments, superannuation savings and retirement income solutions. The IOOF group has more than 160 years' experience in financial services. It is important to know that one of the biggest investments in your life, your super, is being managed by a trusted Australian company.

Snapshot of IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation

The following table provides a snapshot of the key features and benefits.

Investing		Page
Investment options	<p>Easy Choice – offers a range of IOOF multi-manager funds.</p> <p>Premier Investor Choice – complements our existing Easy Choice investment selection by providing a suite of screened managers who offer high conviction, quality investments with significantly lower management fees.</p> <p>Investor Choice – offers a large range of sector or asset class specific managed investments and term deposits.</p> <p>Direct Share Choice – offers access to over 60 different shares selected from the top 150 companies listed on the ASX based upon market capitalisation plus other listed investments approved by the Trustee from time to time.</p> <p>Default investment strategy</p> <ul style="list-style-type: none"> If your Employer Fund is IOOF Portfolio Service Corporate Superannuation, and your employer has nominated an employer default investment strategy (detailed in your IOOF Portfolio Service Corporate members' Employer Fund Summary), and you do not choose from the above list, your investments will be allocated to the employer default investment strategy. Otherwise, if you do not choose from the above list, your investments will be allocated to the Trustee's default investment strategy which is the IOOF Multi Series Balanced Trust. 	9
Regular Contribution Plan	Direct debit facility to enable you to make regular contributions from your nominated financial institution account into your super account.	7
Standing instructions	<p>You can provide a standing instruction for investments and/or redemptions.</p> <ul style="list-style-type: none"> A standing investment instruction specifies how excess cash (the amount above the minimum balance required) held in your Cash Account is to be invested. A standing redemption instruction specifies the investment options to be redeemed to meet the minimum balance required for your Cash Account, or to fund a withdrawal request where you have not provided a specific instruction. 	11
BPAY ¹	Make regular or one-off contributions without a direct debit facility.	7
Cash Account	The Cash Account records all transactions and aims to generate a competitive investment return on that part of your super account that is required to be held in cash.	13
Income distributions	Income distributions from your investment options (if or when payable) will be credited to your Cash Account. A standing investment instruction is required to automatically invest your distributions (when in excess of your minimum Cash Account requirement).	12
Options		
Estate planning options	<p>Choose from the following estate planning options:</p> <ul style="list-style-type: none"> Binding Death Benefit Nomination Non-Binding Death Benefit Nomination. <p>We retain the flexibility to pay your benefit under either of these nominations as a lump sum or pension.</p>	8
Insurance options	<p>The following insurance options can be selected (subject to meeting eligibility requirements and underwriting):</p> <ul style="list-style-type: none"> Death cover. Death and total & permanent disablement (TPD) cover. Income protection cover. <p>Where your employer has nominated an insurance benefit design, provided you satisfy the relevant eligibility criteria under the Policy you will be automatically entitled, at your cost, to the amount of cover nominated by your employer. Where your employer has not nominated an insurance benefit design they may have defaulted you to the standard insurance of Death cover that can be purchased for \$1 per week based on the Employer Sponsored Rate Tables and occupational factors stated in the Policy.</p>	14

1 Registered to BPAY Pty Ltd ABN 69 079 137 518. Only available if your nominated financial institution offers this service.

Managing your account		Page																												
Portfolio Online	View your account details and adjust your investment strategy online, normally 24 hours a day, seven days a week with secure access to your account over the internet.	11																												
Employer Fund Summary (IOOF Portfolio Service Corporate Superannuation only)	Members will be sent an Employer Fund Summary on joining. It provides personalised information (where applicable) concerning: <ul style="list-style-type: none"> • default investment option information • insurance including any default cover • fee details. 	27																												
Minimum amounts																														
Initial contribution	No minimum initial contribution applies.	7																												
Additional contributions (one-off)	No minimum applies.	7																												
Regular Contribution Plan (direct debit)	\$50 per contribution.	7																												
Lump sum withdrawals ² (one-off)	The lesser of \$1,000 or your remaining account balance.	7																												
Account balance	\$2,000 ³	8																												
Investment options and switching instruction ⁴	<ul style="list-style-type: none"> • Managed investments – no minimum applies. • Term deposits – \$5,000 per term deposit. • Direct Share Choice – a minimum parcel of \$5,000 is required per share trade. 	12																												
Cash Account	Minimum: <ul style="list-style-type: none"> • higher of \$500 or 2% of account balance, plus • three months of insurance premiums (if applicable), plus • net tax provisions. 	13																												
Fees																														
Entry (Contribution) Fee	IOOF Portfolio Service Employer Superannuation Up to 4.1% of all contributions. IOOF Portfolio Service Corporate Superannuation Nil.	16																												
Administration Fee	<table border="1"> <thead> <tr> <th colspan="2">IOOF Portfolio Service Employer Superannuation</th> </tr> <tr> <th>Balance in Employer Fund</th> <th>Administration Fee (pa)</th> </tr> </thead> <tbody> <tr> <td>\$0 – \$250,000</td> <td>Up to 1.35%</td> </tr> <tr> <td>Next \$250,000</td> <td>Up to 1.10%</td> </tr> <tr> <td>Next \$500,000</td> <td>Up to 0.80%</td> </tr> <tr> <td>Above \$1 million</td> <td>Up to 0.60%</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="2">IOOF Portfolio Service Corporate Superannuation</th> </tr> <tr> <th>Balance in Employer Fund</th> <th>Administration Fee (pa)</th> </tr> </thead> <tbody> <tr> <td>Up to \$1 million</td> <td>0.80%</td> </tr> <tr> <td>\$1 million to \$2 million</td> <td>0.70%</td> </tr> <tr> <td>\$2 million to \$5 million</td> <td>0.45%</td> </tr> <tr> <td>\$5 million to \$10 million</td> <td>0.40%</td> </tr> <tr> <td>\$10 million to \$20 million</td> <td>0.35%</td> </tr> <tr> <td>Above \$20 million</td> <td>Negotiable</td> </tr> </tbody> </table> <p>The above fees are the maximum that can apply. We will confirm to you the fees and costs applied to your account on joining the Employer Fund and in your Annual Statement.</p>	IOOF Portfolio Service Employer Superannuation		Balance in Employer Fund	Administration Fee (pa)	\$0 – \$250,000	Up to 1.35%	Next \$250,000	Up to 1.10%	Next \$500,000	Up to 0.80%	Above \$1 million	Up to 0.60%	IOOF Portfolio Service Corporate Superannuation		Balance in Employer Fund	Administration Fee (pa)	Up to \$1 million	0.80%	\$1 million to \$2 million	0.70%	\$2 million to \$5 million	0.45%	\$5 million to \$10 million	0.40%	\$10 million to \$20 million	0.35%	Above \$20 million	Negotiable	17
IOOF Portfolio Service Employer Superannuation																														
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Fees (continued)		Page
Monthly Member Fee	\$5 per month for account balances below \$150,000.	17
Benefit Payment Fee	\$77.95 per withdrawal.	16
Investment Management Cost	Charged separately by the investment manager of each managed investment.	17
Switching Fees ⁵	Managed investments and term deposits – nil. Listed investments – brokerage charges apply.	18
Performance-based fees	We do not charge any performance-based fees for this product. An investment manager may charge a performance-based fee for a particular managed investment.	20
Insurance premiums	Premiums are deducted from your Cash Account and vary according to the type and amount of insurance cover.	15
Member Advice Fee	You and the Employer Fund's financial adviser may agree on the amount of this fee (if any) within limits that are set by us. If you do not negotiate an amount, this fee is not charged.	22
Adviser Service Fee	Your employer and the Employer Fund's financial adviser may agree on the amount of this fee within limits that are set by us. If the Employer Fund does not have a financial adviser, this fee is not charged.	22

2 Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals from super (see the 'Accessing your super' section of the **IPS employer super general reference guide (IPS.13)**).

3 If a member holds an investment in a term deposit the minimum account balance will be \$2,000 plus the value of that term deposit.

4 Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits and listed investments. For further information regarding these limits, see the **IPS employer super investment guide (IPS.11)**.

5 When you move money in or out of IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation or when you switch between managed investments, you may incur a 'buy/sell spread' which is included in the unit price of the managed investment you choose (see 'Transaction costs – managed investments' on page 20 and the product disclosure statement for the particular managed investment for details).

How does IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation work?

What is super?

Super is a means of saving for retirement, which is, in part compulsory.

To encourage people to save for their retirement, the Federal Government provides a range of incentives for savings in super. This means super is taxed differently to other investments and there can be significant tax advantages with using super to save for retirement (see page 24 for more about how super is taxed).

The contributions available include:

- compulsory employer contributions
- voluntary contributions:
 - before-tax contributions (salary sacrifice)
 - after-tax personal contributions
- Government co-contributions
- rollovers/transfers.

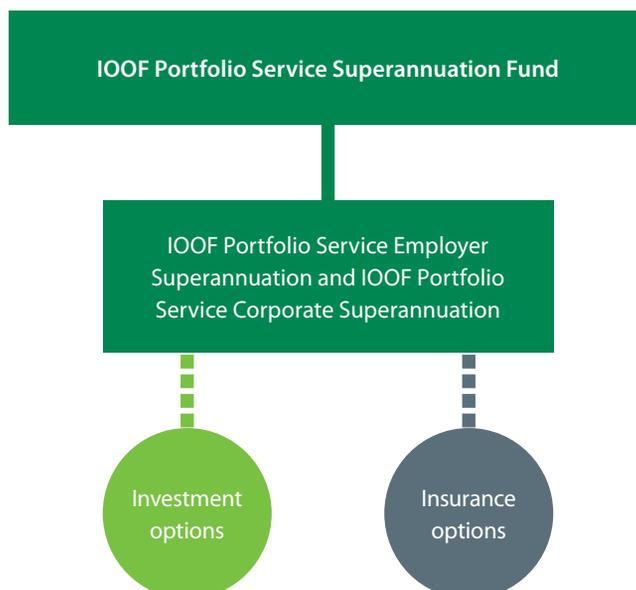
Generally, it's compulsory for employers to make contributions to the super of their employees. Most employees have the right to choose which super fund the employer should pay those compulsory contributions into.

There are some limitations on contributions to super, caps on the amount persons can contribute while retaining the concessional tax treatment and limits on the age at which they can continue to make contributions.

Withdrawal of money from super is generally used for retirement and may be taken either as a lump sum or as an income stream. Accordingly, withdrawals from your super are limited ie, generally persons cannot access their super until they retire after reaching at least age 55.

Investing in IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation

Contributions are invested by us on your behalf in accordance with your investment strategy. The value of the investment options forms part of your super account. You do not directly invest into (or hold an interest in) any investment option. This means investing in IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation is not the same as personally investing in shares, term deposits or managed investments.



Making a start

Your employer can apply on your behalf to join the Fund. Once we have received their advice of your details we will send confirmation of those account details directly to you.

Contributions

There is no minimum contribution required to establish your super account.

Contributions can come from a range of sources – rollovers from other super funds, employer contributions (including salary sacrifice contributions), personal contributions and even contributions from the Government (called Government co-contributions). Once started, contributions can continue to be added to your super account on an ongoing basis. The ‘Everything you need to know about contributions to super’ section of the **IPS employer super general reference guide (IPS.13)** details the types of contributions that can be made and provides information on age restrictions and caps on contributions.

See also the ‘How super is taxed’ section of **IPS.13** for details of the tax concessions and possible tax liabilities relating to super contributions.

Contributions made into your account are credited first to your Cash Account. Those contributions (less any Contribution Fee) will be invested in accordance with your Investment Instructions. You may need to retain part or all of those contributions in your Cash Account to satisfy the minimum holding requirements. Information on how your Cash Account balance is invested is contained on page 13.

How to contribute

You can contribute to your super account using a variety of methods such as payroll deductions, cheque, BPAY^{®6}, and direct debit. Unfortunately when it comes to super contributions, we cannot accept cash or credit cards.

All cheques should be made payable to
IOOF IPS – [your full name or account number]

Contribution methods

1 Payroll deductions

You can make personal contributions by a regular deduction from your after-tax salary, as agreed with your employer. Your employer can then forward those payroll deductions to us by BPAY, direct debit or cheque.

2 Cheque or BPAY

You can make one-off contributions to your account by either cheque or BPAY.

For contributions made via BPAY, a Biller Code and Customer Reference Number are provided on your Statement of Membership.

Where a one-off contribution is made by cheque, you may nominate investment options which differ from your standing investment instruction.

3 Direct debit

A direct debit arrangement allows you to set up a Regular Contribution Plan facility for regular monthly, quarterly or half-yearly contributions to your super account by completing a Direct Debit Request (Form G).

The direct debit will occur from your nominated account with a financial institution once a month or at the frequency you have chosen.

4 Transfers

You can transfer your benefits held with another super fund to your super account at any time.

The transfer must be accompanied by a cheque or alternatively, if you complete the ‘Request to transfer a superannuation benefit’ (Form A), we can facilitate a transfer from another super fund or super income stream on your behalf.

Withdrawing money from superannuation

Accessing your super

The Government has placed restrictions on when you can access your super account as super is a long-term investment.

Usually you cannot access your super until you retire after you reach at least age 55. However, if you were born from 1960 onwards, you may have a later access age (up to age 60). This is known as your preservation age. To see when you are eligible to access your super before or after you retire, see the ‘Accessing your super’ section of the **IPS employer super general reference guide (IPS.13)**.

What are your access options?

Your money can stay in super for as long as you like, and you don't have to access your benefits when you retire. However, once you reach preservation age, there is a tax-effective way to access your super. That is by converting your accumulated super into a retirement income stream such as an IOOF Portfolio Service or Pursuit Allocated Pension. This is a particularly tax-effective way to take your benefits because not only are the payments tax-free from age 60, but the investment assets backing the pension are held in a tax-free environment.

Even if you are still working, once you reach your preservation age you can commence an IOOF Portfolio Service or Pursuit Allocated Pension using the transition to retirement (TTR) pension option. Under this option, you can receive tax-effective income through your pension while continuing to contribute to your super account. Members can transfer their super into an IOOF Portfolio Service or Pursuit Allocated Pension (including the TTR pension option) without incurring Capital Gains Tax (CGT).

What happens if you decide to leave or make a withdrawal?

- You can ask us to transfer your account balance to another super fund at any time and we usually have to do this within 30 days.
- You can also ask us to transfer your account balance to another super product in the Fund. See the 'Other general information' section of the **IPS employer super general reference guide (IPS.13)**.
- If you qualify⁷, you can make a lump sum (cash) withdrawal.

The minimum required for your account to remain open is \$2,000. However, where outstanding tax on contributions or investment earnings exists, this amount may be higher.

Your standing redemption instruction will be used to identify the managed investment(s) that should be redeemed to pay any lump sum withdrawals. Alternatively, a withdrawal can be redeemed from the investment option(s) you specify.

Upon leaving IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation, you will receive an exit statement by mail showing your closing balance and all transactions since the opening of your account or your last Annual Statement.

Dependants – paying benefits if you die

If you die while you are an account holder, super law requires that we pay your Death Benefit (your account balance including any insurance proceeds that may be payable as a result of your death) to one or more of your nominated dependants and/or your estate.

When you become a member, you are able to make a Binding Death Benefit Nomination or Non-Binding Death Benefit Nomination to inform us how you would like us to pay your Death Benefit. You can nominate one or more people and allocate your benefit between them in any proportion. Any person you nominate must be a dependant as defined by super law. Dependants include your spouse, de facto spouse, same-sex partner and children.

- **Binding Death Benefit Nominations**

If you have a valid Binding Death Benefit Nomination in effect at the date of your death, we **must** pay your benefit to the dependant(s) and/or Legal Personal Representative that you have nominated in the proportions that you have set out in your nomination. A valid Binding Death Benefit Nomination remains in effect for **three years** from the date it was first signed, last amended or confirmed.

- **Non-Binding Death Benefit Nominations**

Your nomination is **not binding** on us but rest assured we will take it into account when we determine who to pay your benefit to. You can amend your Non-Binding Death Benefit Nomination at any time by sending us a new Non-Binding Death Benefit Nomination.

- **No nomination**

If you do not make a nomination, we must pay your Death Benefit to your Legal Personal Representative, unless your estate is insolvent.

Further information about dependant nominations is available in the 'Death benefit nominations' section of the **IPS employer super general reference guide (IPS.13)**.

Important note

When we receive evidence of your death we will sell your investment options and put your money into your Cash Account until the Death Benefit is paid.

⁷ Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals from super (see the 'Accessing your super' section of the **IPS employer super general reference guide (IPS.13)**).

Making investment choices

Your investment strategy

IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation provides access to over 200 managed investments, term deposits, over 60 different shares selected from the top 150 companies listed on the ASX based upon market capitalisation plus other listed investments approved by the Trustee from time to time. With so many investment options you can construct a portfolio to help achieve your retirement goals.

Your investment strategy should be a reflection of your attitude to investing, the level of risk you are comfortable accepting and your investment timeframe.

What investment options can you choose?

You may choose from a range of investment options within the following sections.

Section	Overview of objectives
Easy Choice	Offers access to a spread of different asset classes designed to meet particular investment objectives. IOOF's range of diversified and single-sector multi-manager trusts simplify the investment selection process by blending some of the best available managers to suit each member's investment objectives.
Premier Investor Choice	Premier Investor Choice complements our existing Easy Choice investment selection by providing a suite of screened managers who offer high conviction, quality investments to form the core of a member's investment strategy with significantly lower management fees.
Investor Choice	This is where you and a financial adviser can tailor the investments to suit your investment strategy. Investor Choice allows you to select from a wide range of managed investments and term deposits.
Direct Share Choice	Provides access to over 60 different shares selected from the top 150 companies listed on the ASX based upon market capitalisation plus other listed investments approved by the Trustee from time to time.
Default investment strategy	<ul style="list-style-type: none"> • If your Employer Fund is IOOF Portfolio Service Corporate Superannuation, and your employer has nominated an employer default investment strategy (detailed in IOOF Portfolio Service Corporate members' Employer Fund Summary), and you do not choose from the above list, your investments will be allocated to the employer default investment strategy. • Otherwise, if you do not choose from the above list, your investments will be allocated to the Trustee's default investment strategy which is the IOOF Multi Series Balanced Trust.

Choosing what is right for you

The investment options available vary in risk, investment objectives (goals), strategies (ways of achieving those goals) and the types of assets in which investments are made. This allows you to invest in a range of investment options which may be diversified across different asset classes, investment managers and investment styles.

You can normally switch between different managed investments at any time and you can also select diversified managed investments managed by a range of leading Australian and international investment managers.

We carefully research leading Australian and international investment managers before selecting managed investments to be part of the investment menu. We also monitor and review the investment managers and managed investments on an ongoing basis and may add or remove managed investments from time to time.

The list of Easy Choice, Premier Investor Choice and Investor Choice investment options is set out in the **IPS employer super investment guide (IPS.11)**. The list may change from time to time.

Where we have suspended or stopped investments in an investment option or where an investment option is redeemed in full, income distributions received from that investment option will be retained in your Cash Account.

IPS.11 also provides more information about the range of investment strategies and options.

You can obtain the most current list of managed investments from our website (www.ioof.com.au) or request a copy free of charge by calling our client services team on 1800 653 894.

Important note

More information about each of the available managed investments is detailed in the product disclosure statement issued by the investment manager for the particular managed investment and the product guide for the particular term deposit. The information relating to investments in **IPS.11** may change between the time you read the PDS and the day the application form is signed. The most recent updates appear on our website.

Product disclosure statements include information about performance, asset allocation, costs and the risks associated with investing in a particular managed investment and must be read and considered before selecting a managed investment.

Before investing, you should consider the product disclosure statement for the managed investment(s) and the product guide for any term deposit(s) you have selected. You can obtain a copy free of charge by requesting it from our client services team or directly from our website.

It is recommended that you consider consulting a financial adviser prior to selecting the investment options that you would like to invest in.

Please note that listed investments do not have product disclosure statements.

Direct Share Choice

You have the option to invest in various listed investments through your IOOF Portfolio Service Employer Superannuation or IOOF Portfolio Service Corporate Superannuation account. Direct Share Choice provides you with access to over 60 different shares selected from the top 150 companies listed on the ASX based upon market capitalisation plus other listed investments approved by the Trustee from time to time. The current list of Direct Share Choice investment options and how you can invest in listed investments is set out in **IPS.11**. This list may change from time to time.

Term deposits

Terms and conditions relating to investment in a term deposit are contained in the relevant term deposit product guide which is available on our website and in **IPS.11**.

Important note

The maximum percentages which can be allocated to each of restricted investments, annuity funds, term deposits and listed investments are also detailed in **IPS.11**.

Managing your super account

This section provides you with instructions about how to select and maintain your Investment Instructions and manage the operation of your Cash Account.

Using Portfolio Online

Portfolio Online is a valuable tool to help manage your investment. This user friendly website gives you access to a range of current and historical transaction and performance details about your super account, including the following.

Portfolio summary – view the total value of your account ('portfolio').

Account transactions – view all your transactions including your contributions, withdrawals and income distributions.

Switching – switch your investments and change your standing instructions.

Account information – view information about your Investment Instructions and other account features.

Statements – view current and historical Annual Statements online.

Reports – view your portfolio history, Cash Account statement, asset allocation and performance reports.

Electronic communications – view the Trustee's communications to members which you elect to receive electronically.

How to register for Portfolio Online

You can register for Portfolio Online once you have received your client number. Simply apply online at www.ioof.com.au and we will send you an email allowing you to create your own password.

Your Investment Instructions

Your Investment Instructions outline how you would like us to:

- allocate your contributions across the various investment options
- invest the excess cash held in your Cash Account
- top up your Cash Account to meet the minimum requirement
- process a withdrawal request (which investment options we should redeem from).

The percentage allocated to each investment option must be a whole number.

You are able to supply **two** types of Investment Instructions.

You provide your Investment Instructions on the Investment Authority (Form E) contained in the IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation Forms Booklet.

Types of Investment Instructions

1. A standing investment and/or redemption instruction

- A standing investment instruction specifies the managed investments you wish the excess cash held in your Cash Account to be invested in and how contributions should be invested.
- A standing redemption instruction specifies which managed investments you wish to redeem to top up your Cash Account or to fund a withdrawal request.

If a standing instruction has not been provided then the default investment strategy will apply.

All standing investment and redemption instructions must total 100 per cent. Your allocation to the Cash Account does not count towards this 100 per cent, including where you have nominated a Cash Account holding above the minimum requirement.

Term deposits and Direct Share Choice investment options cannot form part of your standing investment instructions, while annuity funds, term deposits and Direct Share Choice investment options cannot form part of your standing redemption instructions.

To confirm your allocation to each managed investment you can view your current standing instructions via Portfolio Online or you can call our client services team on 1800 653 894.

2. Specific instructions

Additional contributions

A one-off specific instruction can be supplied for contributions only where the contribution is made by cheque.

When provided, this once-off specific instruction will override the use of the standing investment instruction for that particular contribution. You may need to retain all or part of a contribution in your Cash Account to satisfy the minimum requirement.

Withdrawals

In the event of a lump sum withdrawal, you may also supply a one-off specific instruction indicating from which investment option(s) you wish your withdrawal request to be redeemed. When provided, such an instruction will override the use of the standing redemption instruction for that particular withdrawal.

Income distributions

Income distributions may be paid from your investment option(s).

Any income distributions that you receive from your investment option(s) are automatically credited to your Cash Account. These distributions and dividends may be retained in your Cash Account to restore the balance to the required minimum. Where your Cash Account exceeds the minimum requirement, the excess may be invested in accordance with the process outlined under 'Surplus cash' on page 13.

Changing your Investment Instructions

You can update your Investment Instructions via Portfolio Online or by completing an Investment Authority (Form E) and sending it to us.

Where we have suspended or stopped investments in a managed investment or where a managed investment is redeemed in full, that managed investment will be removed from your standing instructions and the instructions will be re-weighted. We will do this automatically and you will not be advised of the change.

For example

Maria submits a request to fully redeem her investments in Funds C and D. As a result, Maria's standing investment instruction is automatically updated to remove Funds C and D and to re-weight the remaining funds.

Managed investment	Existing holding	Withdrawal request	Standing investment instruction before	Standing investment instruction after
Fund A	10%		10%	25%
Fund B	40%		30%	75%
Fund C	25%	100%	20%	
Fund D	25%	100%	40%	

Where you have nominated a single managed investment as your standing redemption instruction, and the balance in that managed investment has been exhausted, your standing redemption instruction will be invalid. Any future redemptions will be drawn from all managed investments according to the proportion invested in each managed investment.

Changing your investment options (switching)

Easy Choice, Premier Investor Choice and Investor Choice

Changing your managed investment selection generally requires you to redeem units from one or more of your existing managed investments and purchase units in one or more managed investments selected by you. This process is often referred to as a switching instruction.

We currently do not charge a separate fee for switching between managed investments in your account. A switching instruction can be made via Portfolio Online or by completing the Investment Authority (Form E).

Switching between managed investments generally involves redeeming units in one or more of your managed investments. This means you must complete a 'redemption' transaction before you can 'purchase' units in a new managed investment.

The proceeds of any 'redemption' transaction are first deposited into your Cash Account before units are purchased in the new investment option(s).

The product disclosure statement for a managed investment may be updated or replaced by the investment manager from time to time. This means that you may not always have the most recent copy of the applicable product disclosure statement for a new managed investment before making your switch request. We provide electronic versions of product disclosure statements for the available managed investments via Portfolio Online. You can also obtain a copy free of charge by contacting the Employer Fund's financial adviser or by calling our client services team on 1800 653 894.

Important note

- Switching between investment options may give rise to a CGT liability which may reduce the value of your account. Please speak to a financial adviser or tax adviser for more information.
- A buy/sell spread may be incurred when switching between managed investments. See 'Transaction costs – managed investments' on page 20 and the product disclosure statement for the particular managed investment for details.

Listed investments

An order to buy or sell a listed investment involves a switch from your Cash Account to the listed investment involved; or from the listed investment involved to your Cash Account. See 'Investing in listed investments available in Direct Share Choice' section in the **IPS employer super investment guide (IPS.11)** for more information.

Brokerage applies to any listed investment trades (buy or sell). See 'Transaction costs – listed investments' on page 20 for more information.

Your Cash Account

Why do you have a Cash Account?

Your Cash Account is used to process all cash transactions that occur within your super account. For example, all money paid into your account and any earnings from your investment options go through your Cash Account and all fees, taxes and insurance premiums are paid out of this account.

Competitive investment returns from your Cash Account

The Cash Account provides you with exposure to a mix of Australian short-term money market securities and cash. Interest generated by these investments (less bank fees and charges) is calculated daily and credited monthly to your Cash Account.

The Cash Account provides competitive returns when compared to cash funds.

Any income distributed by your chosen investment options is deposited into your Cash Account.

Minimum Cash Account requirement

You are required to maintain a minimum amount in your Cash Account (as detailed in the table below). This amount is used for funding fees and expenses, taxes and insurance premiums (where applicable).

Cash Account minimum

- Higher of \$500 or two per cent of account balance, plus
- three months of insurance premiums (if applicable), plus
- net tax provisions.

We retain 15 per cent of the income attributable to you and also of the contributions where a tax deduction has been claimed by you, or your employer, less the deductible expenses attributable to you (such as the Administration Fee). We will also retain additional tax on some or all of the above contributions if we do not hold your tax file number.

You can nominate a higher percentage as your minimum Cash Account balance, if you wish, to fund these expenses as they fall due.

We recommend that you talk to the Employer Fund's financial adviser about the minimum Cash Account requirement.

Minimum balance

We will check your Cash Account balance at least quarterly.

If the balance in your Cash Account falls below the required minimum, we may top up the balance by redeeming the necessary amount from your investment option(s). Where you have supplied a standing redemption instruction (see page 11), we will redeem the necessary amounts from each option based on the instruction provided by you. Where no instruction has been supplied, the amount redeemed from each investment option will normally be weighted in proportion to the balance of your investment options.

Please note annuity funds, term deposits, Direct Share Choice investment options and restricted investments are excluded from the top up process.

Surplus cash

We will review your Cash Account on or around the 20th day of each month. If your Cash Account exceeds your minimum balance plus \$200, we will invest the excess according to your standing investment instruction (see page 11). The excess (if applicable) will normally be invested within five business days following our review of your Cash Account balance.

Taking out insurance

Everyone's lifestyle is different. Only you truly understand the effect your death, disablement or inability to work would have on you and your family.

While nobody wants to consider dying or suffering a permanent disability, the reality is that life is full of unexpected events. The right insurance cover can provide you with the peace of mind that you or your family will be able to financially survive an unexpected death, illness or injury.

No doubt you already have insurance to protect your home, car or valuable possessions from damage or theft, but if you become seriously ill or injured, those assets could still be lost if you are unable to work to keep up with the repayments.

This financial distress can be avoided by arranging adequate insurance to protect your family and lifestyle and best of all, this can all be done tax-effectively.

Purchase the life insurance you need with pre-tax dollars through your super account.

Death and Total and Permanent Disablement (TPD) cover provides a lump sum benefit whereas Income Protection (often called income replacement or salary continuance cover) provides a regular monthly benefit for the insured period while you are off work due to illness or injury.

In establishing an Employer Fund your employer may have designed it to provide a basic level of insurance cover at your cost. However your employer is not able to take into account each employees' individual situation. If you are a member of IOOF Portfolio Service Corporate Superannuation you will receive an Employer Fund Summary that details the default insurance and automatic acceptance arrangements (if any) organised by your Employer on your behalf.

The **IPS insurance in your employer super guide (IPS.18)** is designed to explain to you, as a member of an Employer Fund, the insurance terms and conditions that have been arranged by your employer under your Employer Fund.

You should read **IPS.18** carefully as it provides a comprehensive explanation of the features and benefits available. You need to understand the costs involved, any exclusions or limitations and when a claim may be payable. Your insurance cover will cease in some circumstances. See the section 'When does cover cease?' in **IPS.18** for further information.

What are the main insured benefits available?

Type of insurance	What is it?	How much?
Death	Death cover provides your family with financial security in the event of your death. If you die, your insured benefit will be paid to your dependants or estate in addition to your super account balance.	There's no limit to the amount of Death Benefit that you can apply for.
Total & Permanent Disablement (TPD)	TPD cover provides you and your family with financial security in the event you become totally and permanently disabled. If this happens, your insured benefit may be paid to you, in addition to your super account balance.	The maximum TPD Benefit available is \$3 million.
Income Protection	Income Protection cover provides you with a regular monthly income if you become Totally Disabled because of Illness or Injury and are unable to work and earn your income. You can choose a Benefit Payment Period of two or five years or to age 65 after a 30, 60 or 90 day Waiting Period.	The maximum amount of Income Protection insurance you can apply for is 75% of your Declared Earned Income (plus up to 10% of your Declared Earned Income as Superannuation Contributions Benefit) not exceeding \$25,000 per month.

Automatic Acceptance

Where your employer has nominated an insurance benefit design, provided you satisfy the relevant eligibility criteria and other requirements under the Policy you may be automatically entitled, at your cost, to the amount of cover nominated by your employer.

Where your employer has not nominated an insurance benefit design the Insurer may provide the Default Cover that can be purchased for \$1 per week.

The availability of insurance is subject to the Insurer's Automatic Acceptance terms for members of Employer Funds under the Policy or the Insurer's underwriting procedures and written acceptance by the Insurer and the Trustee. Interim accident cover is provided if a claim results directly from an accident while your application for insurance cover is being considered up to a maximum of 90 days from the date that your application is received by us.

Insurance cover is normally at your own expense. If you wish to decline insurance cover or no longer want part or all of your cover (including any default cover), you need to advise us. This request needs to be signed and dated and must specify which cover you want to cancel or the amount by which you want it reduced.

Any cover over and above that which is automatically provided by the Employer Fund's insurance design needs to go through an assessment process by the Insurer and is subject to written acceptance by the Insurer and the Trustee.

Eligibility

Eligibility for insurance is dependent on a number of factors including your age, your type of occupation and for Income Protection cover, hours worked.

Amount of cover

The amount of basic cover you receive depends on your age, type of cover, the arrangement with your particular Employer Fund and may change on your birthday or 1 July each year.

All applications for additional cover are subject to acceptance by our Insurer and us. You can apply by completing the Application for insurance (Form I) located on our website (or the Employer Fund's financial adviser may be authorised to use Portfolio Online to complete an online insurance application on your behalf). When applying, you need to be open and honest, providing as much detail as possible. This is called your duty of disclosure. The reason you need to be so honest is that if you fail to mention something relevant and you end up making a claim, the Insurer may decline your claim or may amend any benefit payable.

We will confirm the amount and cost of your cover in writing when you join and in your Annual Statement. You can check your insurance cover details at any time, by contacting the client services team on 1800 653 894 or by visiting Portfolio Online.

Premiums

Premiums are the monthly cost of the cover and may differ depending on factors including:

- your age and gender
- your occupation and leisure activities
- your health and medical history
- the type and amount of cover.

To help you estimate the cost, you should talk to the Employer Fund's financial adviser or call our client services team.

Once insurance cover commences, we will deduct the premiums regularly from your Cash Account. Insurance premiums are reviewed and recalculated each year on 1 July to take into account increases in your age.

What insured benefits are payable?

The insured benefits that you may receive depend on the insurance cover you select:

- Death Benefit.
- Terminal Illness Benefit.
- TPD Benefit – there are various TPD definitions depending on your hours of work and employment status.
- Income protection benefit (Total or Partial Disability benefit) – there are different definitions of Total Disability depending on your hours of work.
- Interim accident benefit.
- Continuation option.

Further details of the insured benefits available are set out in the 'Types of benefits payable and the Insurer's definitions of each benefit' section of **IPS.18**.

How to make a claim

While we hope you do not ever need to make a claim, if you do, you need to notify us as soon as it is reasonably possible of an event that is likely to give rise to a claim.

Who provides the insurance?

Insurance cover available is provided by the Insurer. We, as Trustee, own all insurance policies issued. If you need to make a claim, then you need to contact us. We cannot pay you an insured benefit until the Insurer has first accepted your claim and paid the insurance proceeds to us. We do not guarantee the payment of an insured benefit or the performance of the Insurer. We can also change the Insurer.

Any insured benefit we receive is credited to your Cash Account for you to access when we determine that you are eligible under super law.

The nuts and bolts

What will this cost?

The following is a consumer advisory warning that the Commonwealth Government requires all super providers to include in their PDS. It is a useful tool to help you compare the relative costs of our competitors using the same format.

Fees and other 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 per cent of your account balance rather than 1 per cent could reduce your final return by up to 20 per cent 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 may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

This section shows fees and other costs that you may be charged. These fees and costs may be deducted directly from your account, from the returns on your investment or from the fund assets as a whole.

Taxes are set out under 'What taxes apply and how do they work?' on page 24.

You should read all of the information about fees and costs as it is important to understand their impact on your investment.

The Investment Management Costs for Easy Choice, Premier Investor Choice and Investor Choice investment options are set out in the **IPS employer super investment guide (IPS.11)**.

Fee Table

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund⁸		
Establishment Fee The fee to open your investment.	Nil.	Not applicable.
Contribution Fee⁹ The fee on each amount contributed to your investment – either by you or your employer.	IOOF Portfolio Service Employer Superannuation Up to 4.1% of all contributions. IOOF Portfolio Service Corporate Superannuation Nil.	Deducted from your Cash Account at the time of each contribution.
Withdrawal Fee The fee on each amount you take out of your investment.	Benefit Payment Fee \$77.95 per withdrawal.	Deducted from your Cash Account at the time of each withdrawal.
Termination Fee	Nil.	Not applicable.

⁸ Buy/sell spreads – when you move money in or out of IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation or when you make a switch, you may also incur a buy/sell spread which is included in the unit price of the managed investment you choose. See 'Transaction costs – managed investments' on page 20 and the product disclosure statement for the particular managed investment for details.

⁹ This fee includes an amount payable to a financial adviser nominated by the Employer for the Employer Fund. Where the Employer Fund does not have a financial adviser the maximum fee specified will be applied and retained by us.

Type of fee or cost	Amount	How and when paid
Management costs		
<p>The fees and costs for managing your investment.</p> <p>The amount you pay for specific investment options you can choose is shown in the IPS employer super investment guide (IPS.11) and the relevant PDS for each managed investment.</p>	Administration Fee	
	IOOF Portfolio Service Employer Superannuation	
	Balance in Employer Fund	Administration Fee⁹ (pa)
	\$0 – \$250,000	Up to 1.35% (or \$13.50 per \$1,000 invested)
	Next \$250,000	Up to 1.10% (or \$11.00 per \$1,000 invested)
Next \$500,000	Up to 0.80% (or \$8.00 per \$1,000 invested)	
Above \$1 million	Up to 0.60% (or \$6.00 per \$1,000 invested)	
IOOF Portfolio Service Corporate Superannuation		
Balance in Employer Fund	Administration Fee (pa)	
Up to \$1 million	0.80% (or \$8.00 per \$1,000 invested)	
Between \$1 million and \$2 million	0.70% (or \$7.00 per \$1,000 invested)	
Between \$2 million and \$5 million	0.45% (or \$4.50 per \$1,000 invested)	
Between \$5 million and \$10 million	0.40% (or \$4.00 per \$1,000 invested)	
Between \$10 million and \$20 million	0.35% (or \$3.50 per \$1,000 invested)	
Above \$20 million	Negotiable	
Monthly Member Fee		
\$5 per month Account balances exceeding \$150,000 do not incur this fee.	<p>The Monthly Member Fee is calculated daily on your account balance.</p> <p>The fee is charged monthly in arrears and it is deducted from your Cash Account¹⁰ at the beginning of each month. Where you are only a member for a portion of the month, the fee will be charged on a pro rata basis.</p>	
Investment Management Cost (excluding any performance-based fee)		
<p>The amount varies across the managed investments available and can range from 0% to 2.12%¹¹ pa (\$0 to \$21.20 pa per \$1,000 invested).</p> <p>No Investment Management Cost applies to listed investments, annuity funds and term deposits.</p>		<p>Generally calculated daily as a percentage of the amount that you have invested in each managed investment. It is not deducted directly from your account but is generally incorporated into the unit price of the managed investment and generally charged monthly or quarterly in arrears.</p> <p>Please refer to the product disclosure statement for the applicable managed investment.</p>

10 Your Cash Account is currently invested in an operating bank account (for day-to-day transactions) and the IOOF/Perennial Cash and Income Fund (ARSN 087 727 277) (Cash and Income Fund), for which IIML is the responsible entity. Interest generated by this investment is reduced by bank charges and the management costs charged by IIML, as the responsible entity of the Cash and Income Fund, before it is credited to the Cash Account. You are charged an indirect management cost on your Cash Account balance. As at 30 June 2012, this indirect management cost was 0.62% pa. We may change the investment of the Cash Account at any time.

11 Investment Management Costs (excluding any performance-based fee) applied by each investment manager – This fee range is an estimate only and is based on the information provided by each investment manager as at the date of this PDS (for further information refer to the **IPS employer super investment guide (IPS.11)**). Investment options and Investment Management Costs may change from time to time. The most recent Investment Management Cost (excluding any performance-based fee) applied by each investment manager for a particular managed investment can be obtained from **IPS.11** and the relevant PDS for each managed investment.

Type of fee or cost	Amount	How and when paid
Service Fees¹²		
Investment Switching Fee⁸ The fee for changing investment options in your account.	Nil.	Not applicable.

Where there are insufficient funds in your Cash Account to fund any applicable fees, the fees may be accrued and deducted when sufficient funds are available.

Your fees may be different

In certain circumstances, your fees may be different from those described in this PDS.

The fees on pages 16 to 18 are the maximum that can apply. Individual dealer groups may have arrangements in place with us for lower fees to apply while the member remains serviced by a representative of that dealer group.

This can also apply for various historical reasons, including where you joined the Fund as a result of a successor fund transfer or your account was transferred to the IOOF Portfolio Service from another product within the Fund. Often in these circumstances, the Trustee of the Fund agrees to adopt the same fees as the old super fund or product. This allows the Trustee to transfer the super benefits as a whole, while protecting existing rights of transferring members. If this is the case, your fees may be more or less than those described in the Fee Table. In all cases, any different fees will be those that have been agreed between you and your financial adviser, or your employer and the adviser of your Employer Fund.

The Administration Fee applied to your account in IOOF Portfolio Service Employer Superannuation will be as disclosed in this PDS and in your Annual Statement.

If you are a member of IOOF Portfolio Service Corporate Superannuation you will also receive an Employer Fund Summary. An Employer Fund Summary provides details that are specific to your employer. Things like the discounted fees you pay and the insurance arrangements that have been negotiated on your behalf. We recommend that you read your Employer Fund Summary together with this PDS. If you are a member of IOOF Portfolio Service Corporate Superannuation but you haven't received an Employer Fund Summary, call us on 1800 653 894 and we'll send one out to you.

¹² Adviser service fee – we will acquire and pay for the services of a financial adviser selected by your employer to provide financial advice in relation to your superannuation investment in the Employer Fund. Your employer may negotiate the amount of this fee up to a limit set by us. This fee is deducted from your account (see 'Financial adviser remuneration' under 'Additional explanation of fees and costs'). We do not charge this fee if your employer has not selected a financial adviser.

Example of annual fees and costs for a balanced investment option

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

Example – IIOF Multi Series Balanced Trust	Balance of \$50,000 with total contributions of \$5,000 during the year			
	IIOF Portfolio Service Employer Superannuation		IIOF Portfolio Service Corporate Superannuation	
Contribution Fees	0 – 4.10%.	For every additional \$5,000 you put in, you will be charged between \$0 and \$205 ¹³ .	Nil.	Not applicable.
PLUS Management Costs	1.90% ¹⁴ pa plus \$60 pa (\$5 per month)	AND, for every \$50,000 you have in the Fund you will be charged Management Costs of \$950 plus \$60 each year.	1.35% ¹⁵ pa plus \$60 pa (\$5 per month)	AND, for every \$50,000 you have in the Fund you will be charged Management Costs of \$675 plus \$60 each year.
EQUALS cost of fund ^{16,17}	If you put in \$5,000 during a year and your balance was \$50,000, for that year you will be charged fees of between \$1,010 and \$1,215 ¹⁸ . What it costs you will also depend on the investment option you choose and the fees negotiated with the Employer Fund’s financial adviser.		If you put in \$5,000 during a year and your balance was \$50,000, for that year you will be charged fees of \$735. What it costs you will also depend on the investment option you choose and the fees negotiated with the Employer Fund’s financial adviser.	

Additional fees may apply

- The example does not take into consideration any market movement in the value of the investment option and assumes that no further transactions were made and no further buy/sell spreads were incurred.
- There is no contribution tax or insurance premium deductions assumed in this example.

For this product, you may not negotiate directly with the Fund. Your employer may negotiate with the Employer Fund’s financial adviser in regard to their remuneration. The Employer Fund’s financial adviser is required to disclose their remuneration in the Financial Services Guide and Statement of Advice they provide to you at the time of providing personal financial product advice.

13 On the assumption that you contributed \$5,000, a Contribution Fee of between nil and 4.10 per cent would have applied (between \$0 and \$2,050 for the initial \$50,000 contributed). In addition, a buy spread of 0.21 per cent (\$10.50) would apply. This amount is an additional cost to you but is included in the unit price and not separately charged.

14 The management costs comprise the Administration Fee of 1.35 per cent pa and the investment management cost applied by the IIOF Multi Series Balanced Trust of 0.55 per cent pa. The investment management cost applied by the IIOF Multi Series Balanced Trust was based on the fees and other costs attributed to this investment option in its most recent product disclosure statement. For higher account balances, the sliding scale in the Fee Table will apply in relation to the Administration Fee and the amount you pay will be reduced accordingly.

15 The management costs comprise the Administration Fee of 0.80 per cent pa and the investment management cost applied by the IIOF Multi Series Balanced Trust of 0.55 per cent pa. The investment management cost applied by the IIOF Multi Series Balanced Trust was based on the fees and other costs attributed to this investment option in its most recent product disclosure statement. For higher account balances, the sliding scale in the Fee Table will apply in relation to the Administration Fee and the amount you pay will be reduced accordingly.

16 The total annual cost of administering your super account will vary depending on the value of your account and the investment options you choose.

17 If you leave the Fund, you will be charged a Benefit Payment Fee of \$77.95. This fee is not payable on the transfer of benefits to IIOF Portfolio Service Personal Superannuation.

18 The example assumes a constant account balance of \$50,000 for the entire year. However, management costs will also be charged in relation to additional contributions that you make. For example management costs of 1.90 per cent pa would also be charged in respect of the additional contribution of \$5,000. The amount you pay will depend on the proportion of the year the contribution is invested in your account (for example \$95 for IIOF Portfolio Service Employer Superannuation if the amount of \$5,000 was invested for the full year).

Additional explanation of fees and costs

This section explains the fees and costs set out in the Fee Table and also provides a brief explanation about any additional transactional fees and charges that may apply to your account. It also talks about member protection, which means you will not be charged certain management costs if your account balance is less than \$1,000.

Administration Fee

The Administration Fee represents the annual fees and costs charged by us for operating and managing your super account. This fee includes all administration and other expenses we incur, including any ongoing commission that we pay to a financial adviser, but excluding any member advice fees and any adviser service fees (outlined in the following pages) and the fees and costs charged by the investment managers for each managed investment (the Investment Management Cost, any buy/sell spread and any performance-based fee). For further information, see the 'Investment options menu' section of the **IPS employer super investment guide (IPS.11)**.

The Administration Fee is inclusive of GST. A reduced input tax credit (RITC) has been applied against the GST incurred in the Administration Fee. Therefore, the GST in relation to the cost of the Administration Fee charged against your account is reduced by the amount of the RITC.

Performance-based fees

We do not charge any performance-based fees. However, an investment manager may charge a performance-based fee for a particular managed investment when the investment return generated by the managed investment exceeds a specific criteria or benchmark.

The performance-based fee (if applicable) is generally calculated daily as a percentage of the amount that you have invested in the managed investment. The fee is generally deducted on a monthly, quarterly or annual basis. Please refer to the product disclosure statement for the relevant managed investment.

An investment manager may incorporate the cost into the unit price of the managed investment, or alternatively, the investment manager can charge us and we will pass on the cost to you by directly deducting it from your account.

The investment managers that can charge a performance-based fee are outlined in the 'Investment options menu' section of **IPS.11**.

Transaction costs – managed investments

Some managed investments have a difference between their entry (purchase) and exit (sale) unit prices and this is referred to as the buy/sell spread. This difference is an allowance for the transaction costs (such as brokerage, clearing and settlement costs and stamp duty, if applicable) of buying and selling the underlying securities/assets incurred by the investment manager of the particular managed investment.

The buy/sell spread (if applicable) is incurred when you purchase or redeem units in a managed investment (at the time of a switch or when you move money in or out of your account) and is additional to investment management costs and performance fees. However, the buy/sell spreads are not charged separately to your account – they are generally included in the unit prices of each managed investment. The buy/sell spread that applies to each managed investment can change from time to time.

Details of the buy/sell spread (or how to obtain the current buy/sell spread) applicable to each investment option are outlined in the product disclosure statement issued by the investment manager for the particular managed investment which are available on our website (www.ioof.com.au).

Transaction costs – listed investments

Brokerage of \$45.65 (net of RITCs) applies to each order to buy or sell a listed investment. The brokerage is deducted from the Cash Account at the time of the transaction.

Insurance premiums

Insurance premiums are deducted from your Cash Account each month in arrears. Your annual insurance premium is shown on your Statement of Membership as well as on your Annual Statement.

We receive an Administration Fee of 11 per cent of the insurance premium deducted from your Cash Account. This fee is to cover the costs associated with administering the insurance arrangement.

Financial adviser remuneration

We will acquire and pay for the services of a financial adviser selected by your employer to provide financial advice in relation to your super investment.

The fees for remuneration paid to a financial adviser can be structured as a combination of:

- adviser initial commission
- adviser ongoing commission
- insurance commission
- member advice fees
- adviser service fees.

Adviser initial commission

The Contribution Fee is paid to the financial adviser as initial commission.

Your employer can agree with the Employer Fund's financial adviser on the amount of this fee up to a maximum of 4.40 per cent (inclusive of GST) of each contribution made to IOOF Portfolio Service Employer Superannuation. For example, on an initial contribution of \$50,000, we would pay the financial adviser up to a maximum of \$2,200.

The amount of this fee is deducted from your Cash Account at the time of each contribution.

This fee is not applied to:

- any income distributions credited to your Cash Account
- switches between investment options
- any transfer from your spouse's account in the Fund under a contribution splitting arrangement.

Adviser ongoing commission (IOOF Portfolio Service Employer Superannuation only)

The Administration Fee contains a component for IOOF Portfolio Service Employer Superannuation which is paid to the Employer Fund's financial adviser as ongoing commission.

This payment is made on the following scale:

Maximum amount paid to the Employer Fund's financial adviser

Up to 0.50% pa on first \$250,000

Up to 0.45% pa on the next \$250,000

Up to 0.35% pa on the next \$500,000

Up to 0.15% pa on the balance above \$1 million of the total assets of the Employer Fund (paid from the Administration Fee).

This payment is made from the Administration Fee applicable to your account and does not represent an additional charge to your account. The ongoing commission paid to the financial adviser is inclusive of GST. The cost to you includes the benefit of RITCs we have applied for any GST included in the Administration Fee (see page 20 for more information).

The Employer Fund's financial adviser may agree to waive part or all of the initial and ongoing commission but is under no obligation to do so.

A reduction of initial and ongoing commission will result in a reduced Contribution Fee and Administration Fee respectively.

Insurance commission

The Employer Fund's financial adviser will normally be paid a commission of up to 33 per cent of the premiums on any insurance you purchase. This commission is included in the premiums deducted from your Cash Account. If the adviser agrees to reduce their commission this will reduce the premium payable.

Any commission that may be payable to the Employer Fund's financial adviser for insurance cover is not a separate charge to you. It is included in the insurance premium deducted from your Cash Account.

If there is no Employer Fund financial adviser or you do not use the Employer Fund's financial adviser, we retain the commission.

Service and advice fees

The following optional fees are also available to your Employer Fund:

- Member Advice Fee – Once-off
- Adviser Service Fee

Your employer and the Employer Fund's financial adviser may agree to any adviser service fees that apply to your Employer Fund, however only you can agree to any member advice fee. For all fee options, we set a maximum amount that we will pay to the financial adviser. All adviser service fees and any member advice fee agreed with the financial adviser must be within these relevant limits.

The net amount of any adviser service fees and member advice fee(s) (after allowing for RITCs) that we pay to the financial adviser, will be an additional cost to you and charged against your super account. We shall not charge any adviser service fee unless instructed by your employer, nor any member advice fee unless you tell us to do so.

Any agreed member advice fee will be charged by us to your account and paid in full to the Employer Fund's financial adviser until you instruct us to cease payment.

Any agreed adviser service fee(s) will be charged by us to your account and paid in full to the Employer Fund's financial adviser until your employer instructs us to cease payment.

Where we are advised that the nominated financial adviser has changed, any fees agreed with the former financial adviser will continue with the new financial adviser.

Member Advice Fee – Once-off

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the Employer Fund's financial adviser for once-off financial advice and services provided in relation to your super account.

You and the Employer Fund's financial adviser may agree on the amount of this fee which can be up to a maximum of \$3,000 (inclusive of GST) per request.

This fee can only be deducted from your Cash Account once in any 12 month period. A new request must be supplied each time you wish this fee to be applied.

If you agree to incur a Member Advice Fee – Once-off, you will need to complete the Member Advice Fee – Once-off form which is available by contacting the Employer Fund's financial adviser. Requests to incur or cease the Member Advice Fee – Once-off will be effective from the date we receive the written request from you.

Payment of the Member Advice Fee – Once-off will be in addition to the other fees and costs detailed in this PDS.

Adviser Service Fee

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to a financial adviser selected by your employer for ongoing financial advice and service provided in relation to the Employer Fund.

Your employer and the Employer Fund's financial adviser may agree on the amount of this fee which can be up to a maximum of 0.80 per cent pa (inclusive of GST). This fee will be calculated on the total assets of the Employer Fund (calculated daily).

The amount of this fee is accrued daily and is charged in arrears by us. We deduct the net cost from each member's Cash Account on a proportional basis at the beginning of each calendar month.

For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$400 pa (based on an Adviser Service Fee of 0.80 per cent pa) (inclusive of GST).

Additional financial adviser benefits

We may pay additional amounts to a financial adviser (or their dealer group) in return for the promotion and marketing of IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation. This payment may include both financial and non-financial rewards. Any such amounts are paid from our resources and are not separate or additional charges to you.

The financial adviser should provide your employer with the details of any such benefit that they may receive. This information will be included in the adviser's Financial Services Guide and/or a Statement/Record of Advice, detailing any recommendations with respect to IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation.

Low account balances

If there are insufficient funds in your super account to pay the cost of insurance (if any) due in that month, we will notify you in writing and request additional funds. Overdue premiums will be recouped from any additional funds contributed to your account, unless the insurance cover has lapsed.

Protecting small accounts

Super rules exist, which we adhere to, that ensure members with small account balances do not have their accounts reduced by administration fees.

We will ensure your super account balance is protected from fees if:

- it is less than \$1,000 as at 30 June in that year
- it has received mandated employer contributions.

In these circumstances we will rebate the amount of administration fees that exceed the investment earnings for that year.

Member protection does not include the deduction of investment management fees reflected in the unit price of the investment options, member advice fees, insurance premiums, taxes or negative investment earnings.

GST and taxes

The fees quoted in this section are inclusive of Goods and Services Tax (GST), less reduced input tax credits unless otherwise stated. The benefits of any available input tax credits are passed on to investors in the form of reduced fees or costs. See the 'What taxes apply and how do they work?' section on page 24 for more information on tax.

Netting

We often buy and sell units in a managed investment on the same day. We intend to deal as a net buyer or net seller of units on any given day. As a result, no transactions may need to be made at all to give effect to your Investment Instruction. However, you will still receive the prevailing sell or buy price applied to your particular investment transaction. We are entitled to retain any benefit that may arise from the netting of transactions.

Dishonour fees

If any direct debit or BPAY® transaction from your nominated account with a financial institution is returned unpaid or your cheque is dishonoured, we are entitled to pass on to you any fees associated with the dishonour. This fee will be deducted from your Cash Account at the time of the dishonour.

Fund manager payments

We may receive a fee from the investment managers of certain investment options for administration and investment related services. This fee (up to 0.40 per cent pa plus GST with a minimum annual dollar amount of \$5,000 plus GST, as at the date of this PDS) is generally based on the total amount of funds we have invested in each investment option and is paid to us from the investment manager's own resources. The fee is retained by us and is not an additional cost to you.

Alternative remuneration register

We maintain an alternative remuneration register in accordance with the FSC/FPA Industry Code of Practice, which outlines the alternative forms of remuneration that are paid and received by us. You can see a copy of this register at IOOF's offices (Level 6, 161 Collins St, Melbourne VIC 3000) at any time between 9:00am and 5:00pm on business days.

Alteration to fees

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your super account (subject to law). However, before doing so, we will provide you with 30 days notice of any change. We also have the right to introduce new fees. There are no maximum fees specified in the Trust Deed for IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation.

Under the Trust Deed, we might decide to recover the costs and expenses incurred as a result of operating the product. As at the date of this PDS, we will not recover these amounts directly from your account. However, the Fund has a historical reserve which we use to pay certain regulatory costs, professional fees and other expenses authorised under the Trust Deed. No amounts are paid into this historical reserve, which means there is no effect on your returns.

We may also impose reasonable fees and pass on any expenses we incur, where your account is affected by requirements under the Family Law Act 1975 or related legislation. These may include fees for providing information to an eligible person, implementing the splitting of or the application of a payment flag on your super account. You will be notified of any fees and expenses that may be charged.

What are the risks?

All investments carry some risk. As with the purchase of any financial product, you should consider the risks that may impact your investment in IOOF Portfolio Service Employer Superannuation and IOOF Portfolio Service Corporate Superannuation.

If you leave the product shortly after joining, or switch out of an investment option shortly after selecting it, you could get back less than the amount put in because of the level of investment returns and the effect of fees, costs and taxes.

Other key risks that may adversely affect your investment in this product include the possibility of negative investment returns, insufficient diversification of investments and changes to super and taxation law.

Further information on these risks and others, is available in the 'More about risks' section of the **IPS employer super general reference guide (IPS.13)**.

How can investment risk be reduced?

An important way to help reduce your investment risk is to spread your investment over a number of assets, asset classes and even different investment managers. This process is called diversification. It is designed to help you achieve more consistent investment returns over time.

IOOF Portfolio Service offers you a choice of investment options across all the major asset classes. When determining your investment strategy, this choice allows you to create a level of diversification in your investment portfolio.

A financial adviser can help you understand the various types of investment risk and assess which investment options are appropriate for your specific requirements considering your risk tolerance and risk/return investment objectives.

What taxes apply and how do they work?

Super is one of the most tax-effective ways to invest. Pre-tax contributions made by you (if you are self employed or not working) or your employer (which include salary sacrifice contributions) are taxed at the special super rate of 15 per cent. When you take your money out after age 60 – you do not get taxed at all.

This PDS provides you with some general information about the tax implications of investing in super, including:

- what tax concessions apply to contributions
- what tax applies to withdrawals
- how investment income is taxed
- tax treatment of investments if you take benefits as a pension.

The laws relating to super, including tax laws, are complex and subject to change from time to time. We recommend that you obtain professional advice on the consequences before investing.

This section sets out a summary of the key taxes that affect super. If you would like more information on specific super taxation rules please see the 'How super is taxed' section of the **IPS employer super general reference guide (IPS.13)**.

Use super for lower tax on investments

The great advantage of super is that you can grow your investments in a low tax environment and take your retirement benefits tax-free once you turn age 60.

Through super you can access investment options across all asset classes and receive investment earnings into your super account – all in a low tax environment.

Tax concessions for contributions to super

There are tax concessions available when you or your employer contributes money to super. See the 'How super is taxed' section of **IPS.13** to find out more about:

- the tax benefits of contributing to super
- whether you (or your employer) are eligible for any of these concessions
- how to claim a tax deduction for personal contributions if you are eligible.

Tax on contributions going into your super

Most contributions are categorised into two distinct types:

- Concessional contributions (known as 'before-tax' contributions).
- Non-concessional contributions (known as 'after-tax' contributions).

The most common examples of each are listed below:

Concessional contributions	Non-concessional contributions
Employer contributions (including SG contributions)	Personal after-tax contributions
Salary sacrifice contributions (these are technically also employer contributions)	Spouse contributions
Tax deductible personal contributions (if eligible)	Transfers from overseas super funds

Concessional contributions include compulsory employer and salary sacrifice contributions and are taxed at the rate 15% in the Fund¹⁹. However, those on incomes of \$37,000 or less will benefit from a refund of this tax (up to a maximum of \$500) through the low income superannuation contribution.

As superannuation is a low-taxed environment, the Government sets a maximum limit that you can contribute in each financial year for each type of contribution before additional tax is payable. Contributions above the maximum amount are taxed at the highest marginal tax rate. The table below shows you the maximum amount you can contribute before the highest marginal rate will apply.

Concessional contributions cap	Non-concessional contributions cap
A maximum total of \$25,000 a year ²⁰ .	A maximum total of \$150,000 a year.

See the 'How super is taxed' section of **IPS.13** for full details of the contributions caps to ensure you do not end up paying more tax than you expected. The guide also contains information on special arrangements for larger contribution amounts.

You are assessed personally for any tax on excess contributions. Therefore it is your own responsibility (with your employer) to ensure that you do not exceed the caps.

¹⁹ The Federal Government announced in the May 2012 Budget that concessional contributions made by persons earning more than \$300,000 per annum will be taxed at the effective rate of 30% in the Fund.

²⁰ If you are aged 50 or more the general \$25,000 concessional contributions cap will apply for the 2012/13 and 2013/14 tax years. However, the Federal Government has announced that from 1 July 2014 a higher cap of \$50,000 (indexed) will apply to these members, but only where total superannuation benefits are less than \$500,000. Legislation is not yet in place to give effect to this measure.

Tax treatment of your super investment income and capital gains

The maximum rate of tax applied to earnings, which is the interest and investment income from your investment options, is 15 per cent. Capital gains are effectively taxed at the concessional rate of 10 per cent if the asset has been held for longer than 12 months.

Important note

We generally only deduct tax on contributions and on investment income from your account at the time we need to pay it to the Australian Taxation Office (ATO). This means your super account receives earnings on investments right up until the time tax is paid.

Transfers to other super funds/products

If you transfer your super benefits to another complying super fund or to another product within the Fund, we will deduct any contributions tax and tax on investment income from your super account before we transfer your benefit.

Tax on withdrawals

When you are aged 60 and over

Lump sum withdrawals and pension payments within the Fund are tax-free.

If you are under age 60

If you are eligible (see the 'Accessing your super' section of **IPS.13**), you can withdraw some or all of your super savings in cash, as a lump sum.

In some circumstances, we are required to deduct tax, depending on your age and the tax components of your benefit. If you have provided your Tax File Number, the maximum rate of tax that we would deduct from money you withdraw as a lump sum is 20 per cent plus the Medicare Levy (currently 1.5 per cent).

Tax on benefits paid as a result of death or disability

Death Benefits

The tax applied to a lump sum payment made in the event of your death depends on who receives the benefit.

The payment will be tax-free if it is made to a dependant for tax purposes, called your Death Benefits Dependant, either directly or through your estate. Dependants for tax purposes and for super purposes differ so you should acquaint yourself with the differences by referring to the 'Key words explained' section of **IPS.13**.

Lump sum benefits paid to a dependant who is not a Death Benefits Dependant are taxed on a similar basis to lump sum withdrawals paid to those under age 60.

Disability Benefits

The tax applied to withdrawals as a result of TPD is generally similar to that listed above in 'Tax on withdrawals'. However, the proportion of the benefit that relates to the period from the date you left your employment due to TPD until the date you reach age 65 will also be tax-free.

Income protection payments should be included in your normal assessable income and will be taxed at your marginal rate (plus the Medicare Levy).

Tax deductions

The Trustee is generally able to claim a tax deduction for any fees and insurance premiums we deduct from your account. The benefit of these tax deductions is passed on to you and effectively reduces the impact of the fee or premium cost to your account by 15 per cent. All fees and costs in this PDS are shown **before** considering any allowable tax deduction benefits, unless we tell you otherwise.

Tax file numbers

Under super law, we are required to ask for your tax file number (TFN).

If the Fund does not hold your TFN, by law we cannot accept any personal contributions made by you or on your behalf by your spouse. If you make personal contributions or spouse contributions are made on your behalf and you have not provided the Trustee with your TFN, the contributions will not be credited to your account and must be refunded to you within 30 days (less any permissible deductions) unless you provide your TFN in the meantime.

By law employer contributions can be accepted but you will pay more tax on your super.

We only use your TFN for certain purposes such as:

- providing it to the ATO for the purpose of calculating any excess contributions tax
- providing it to another super provider if your account balance is transferred (unless you ask us not to)
- identifying your super benefits where other information is insufficient
- helping you re-connect with super accounts through initiatives such as the ATO's Super Match initiative whereby organisations can match individuals with their lost super
- calculating tax on benefit payments you may be entitled to.

These purposes may change in future.

General information

Cooling-off period

There is no cooling-off period in respect of individual members except when transferring to IOOF Portfolio Service Personal Superannuation on leaving the Employer Fund.

A 14 day cooling-off period does apply to the first application an employer makes for its employees to become members of the Employer Fund.

Your instructions and communications

Instructions must be made in writing unless another facility for providing instructions is made available to you or the Employer Fund's financial adviser by us. Your instructions may generally be accepted by fax except, for instance, if they are instructions to change your name or make a contribution.

Any changes (or corrections) to your personal details (for example changing your name by marriage) should be advised in writing to us as soon as possible (together with a certified copy of documentation verifying the name change).

You can change your address details over the telephone by calling our client services team on 1800 653 894 provided you satisfy our identification and verification requirements. Where you wish to update your postal address to a Post Office Box, a signed request is required.

If you wish to amend your Death Benefit nomination, you must submit a new Binding Death Benefit Nomination or Non-Binding Death Benefit Nomination form completed in accordance with the instructions on that form.

You may also confirm or revoke your nomination as per the process outlined in the 'Death benefit nominations' section of **IPS.13**, by completing the relevant form. Visit our website (www.ioof.com.au), see a financial adviser or call our client services team on 1800 653 894.

Please contact us directly for further instructions if you want to make any other changes to your account (such as changing your contribution arrangements, insurance or your selected investment options).

We will act in accordance with instructions from you or your appointed representative (including a financial adviser). We are not required to ask whether instructions are genuine or proper.

You agree to release us from, and indemnify us against, any and all losses and liabilities arising from any payment or action we make based on any written instruction (even if not genuine) that we receive bearing your account number and a signature we reasonably believe is yours or that of your representative. You also agree that neither you, nor anyone claiming through you, has any claim against us or the Fund in relation to these payments or actions.

However, please note that we are not required to effect any instructions if:

- it would make your account balance fall below the minimum holding requirement
- giving effect to the instruction is contrary to our agreement with you, the law or any market practice
- the instructions are incomplete or are, in our opinion, unclear
- you do not have sufficient investments or funds in your Cash Account for us to carry out the instruction
- we are not reasonably satisfied that the instructions are genuine
- you have not provided us with relevant documents or information we consider necessary to act on your instructions
- your membership of the Fund is suspended or terminated.

We do not accept any liability whatsoever for an instruction not being implemented in these circumstances.

Keeping track of your investments

We provide you with comprehensive and consolidated reporting on all of your investments in your super account.

We provide regular communications that are sent to you for your records. Additionally, you can view your account information via Portfolio Online or request reports from our client services team.

What you will receive from us

Statement of Membership

- Sent on the establishment of your super account, normally within seven business days of joining.
- Your Statement of Membership confirms your super account details and Investment Instructions as well as your IOOF Customer Reference Number (CRN) for any future B_{PAY}[®] contributions.

Annual Statement

- Provides a summary of all transactions during the financial year including:
 - contributions and withdrawals²¹
 - taxation and other fees or costs deducted
 - details of your account value, current investments and historic performance results for each of your investment options
 - insurance details (cover and premium cost)
 - estate planning nominations
 - preservation status of your super benefit.
- An Annual Statement is provided within six months of the end of each financial year and following the closure of your account.

Employer Fund Summary (IOOF Portfolio Service Corporate Superannuation members only)

- Normally provided to you by your employer together with your Welcome Guide when you commence employment. Otherwise it will be sent on the establishment of your super account, normally within seven business days of joining.
- Provides personalised information (where applicable) concerning:
 - insurance including any default cover
 - fee details for your Employer Fund
 - Default investment option information relating to your Employer Fund.

What other information is available for you to access?

Additional information available free of charge

- You can request a copy of:
 - the most recent audited financial reports for the Fund, together with the auditor's report
 - the Trustee's Annual Report
 - the Trust Deed
 - the Fund's Risk Management Plan
 - Group Life and Income Protection Insurance Policies effected by the Trustee.
- You can also request other information that is reasonably required to help you understand your benefit entitlements in the Fund.

Trustee's Annual Report

- We will provide on our website the Trustee's Annual Report for the Fund, which covers financial statements, general super updates and managed investment information for each financial year ending 30 June.
- It is provided within six months of the end of each financial year.

Internet access and functionality

- Portfolio Online is a user friendly internet facility. It provides you with convenient and secure access to your key account details, including the value of your investment options and the ability to change your investment options.
- You can register for access to Portfolio Online at our website (www.ioof.com.au).

²¹ Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals from your super (see the 'Accessing your super' section of the **IPS employer super general reference guide (IPS.13)**).

Electronic communications

You can choose to receive any or all of the following communications from the Trustee electronically via Portfolio Online:

- your Annual Statement
- confirmation of transactions which are required by law to be confirmed
- notice of any change or event required by law to be given to members
- all communications other than those points listed immediately above.

You will be able to access and download these communications electronically at any time while you are a member and registered user of Portfolio Online.

When a communication is available for you to access using Portfolio Online, we will send a notification to your preferred email address. You will need to let us know your preferred email address when registering to join Portfolio Online and then tell us your new email address if it changes.

By making these communications available to you electronically, we satisfy our obligations under the *Corporations Act 2001*. However, if you ever change your mind and would like paper copies of any of these communications, we will provide them to you free of charge on request.

Terms and conditions for electronic communications

Where you elect to receive communications from the Trustee electronically via Portfolio Online, you agree:

- to receive the communications (selected in your application) from the Trustee electronically by regularly accessing them using Portfolio Online
- to register or be registered and remain registered as a user of Portfolio Online
- any communication given to you electronically by making it available to you to access using Portfolio Online will be taken to be delivery of the communication to you
- the Trustee will send an email notification to your preferred email address when a communication is available for you to access using Portfolio Online
- you have provided your preferred email address in your application and are responsible for notifying the Trustee of any change to your preferred email address
- you will be able to access such communications at any time while you are a member and registered user of Portfolio Online
- you can download a copy of any such communication
- the Trustee will send you a free paper copy of any communication you request
- Portfolio Online is a 'facility' for the purposes of section 1017F(5) of the *Corporations Act 2001*
- the Trustee may give you any communication in any other method permitted by law.

Transferring assets into your IOOF Portfolio Service account

Any external assets that you currently hold may be able to be transferred into your account in the Fund. As a transfer of external assets is treated as a contribution to the Fund, tax and superannuation rules may apply to the transfer. The Trustee will treat the contribution as having been received by the Fund when legal title passes to the Trustee.

Where the Trustee permits the transfer of assets into the Fund, any external expenses (including stamp duty) incurred by the Trustee in facilitating the transfer shall be debited to your account. In addition, the Trustee may apply an administration fee per asset transferred into the Fund.

Complaints

If you have a complaint about your super account (or wish to obtain further information about the status of an existing complaint), please contact the Manager, Customer Care on 1800 653 894 or write to:

Manager, Customer Care
IOOF Investment Management Limited
GPO Box 264
Melbourne VIC 3001

If you let us know of any concerns arising from your dealings with us, we can work towards providing suitable resolutions and better service for all clients in the future. When you get in touch with us, please provide:

- your contact details
- your account or client number
- a detailed description of the facts surrounding your complaint.

Where possible, concerns will be resolved immediately.

If further investigation is required, our customer care team will acknowledge your complaint in writing and will consider and deal with your complaint as quickly as possible. We are required by law to deal with your complaint within 90 days.

If you are not satisfied with our handling of your complaint or a decision we have made in relation to your complaint, you may contact the Superannuation Complaints Tribunal (SCT) by calling 1300 884 114, or by writing to the SCT at Locked Bag 3060, Melbourne VIC 3001.

This service is available free of charge to you, however the SCT can only hear your complaint after you have first made use of our internal complaints handling arrangements (as explained above).

Your privacy

The Trustee recognises the importance of protecting each member's privacy. The main reason we collect, use and/or disclose your personal information, is to provide you with the products and services that you request. This may also include the following related purposes:

- To help the Employer Fund's financial adviser provide you with financial advice and ongoing services in relation to your super account.
- To facilitate internal administration, accounting, research, risk management, compliance and evaluation of IOOF group products and services.
- To facilitate any insurance that your employer has arranged or that you may request.
- To provide you with information about other products and services that we or other members of the IOOF group have that may interest you.

We may also disclose your information (or parts thereof) to external parties some of whom act on your or our behalf. These parties can include:

- the Employer Fund's financial adviser
- your employer
- banks or other financial institutions
- medical practitioners and other relevant professionals
- insurers and reinsurers and their claims agents and assessors
- legal and accounting firms, auditors, mail houses, contractors, or other consultants involved with the Fund
- the ATO
- other companies in the IOOF group.

We are also permitted to collect and disclose your personal information when required or authorised to do so by law.

If we are not provided with the information requested from you or your employer, we may not be able to accept and process your application.

If you have concerns about the accuracy and completeness of the information we hold, you may request access to your personal information by writing to:

Privacy Officer
IOOF Investment Management Limited
GPO Box 264
Melbourne VIC 3001

Depending upon the nature of the request, we have the right to impose a reasonable charge for providing access to that information. If you have provided us with information about another person (such as a family member to whom you have granted a power of attorney to deal with your super account), you must advise them that we collect, hold and use the information for the purposes set out above.

To obtain a copy of the IOOF group privacy policy or to elect not to receive marketing information about other IOOF group products and services, please contact our client services team on 1800 653 894 or visit our website (www.ioof.com.au).

Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) legislation

We are required to carry out proof of identity procedures before cashing a super benefit. These requirements arise under the Government's AML/CTF Law.

Where you have not already provided us with appropriate identification, we will be required to collect customer identification information and to verify it by reference to a reliable independent source. You will be notified of these procedures when you request a cash withdrawal (if eligible). We may also be required to collect customer identification at other times. If you do not provide the information or we are unable to verify the information, payment of benefits may be delayed or refused.

How to apply

Application procedure

Your employer can apply on your behalf to join the Fund. Once we have received their advice of your details we will send confirmation of those account details directly to you.

You can obtain a copy of this booklet:

- from the Employer Fund's financial adviser
- by downloading one from our website (www.ioof.com.au)
- by calling our client services team on 1800 653 894.

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IOOF Portfolio Service

Contact us

Postal address

Client Services
GPO Box 264
Melbourne VIC 3001

Telephone

1800 653 894

Fax

1800 558 539

Email

clientservices@ioof.com.au

Website

www.ioof.com.au

Trustee

IOOF Investment Management Limited
ABN 53 006 695 021
AFS Licence No. 230524

Registered address

Level 6, 161 Collins Street
Melbourne VIC 3000