Issued: 1 April 2013

LifeTrack general reference guide (LTR.12)

- LifeTrack Cashback Pension

This guide contains important information not included in the LifeTrack Cashback Pension Product Disclosure Statement (PDS). We recommend that you read this entire guide.

The information is divided into the following sections.

This guide forms part of the LifeTrack Cashback Pension PDS. Together with the investment guide **(LifeTrack investment guide (LTR.12))**, this document should be considered before making a decision to acquire the product.

What types of contributions can be made?

The only contribution which can be made to commence your pension is the transfer of an existing benefit from a LifeTrack super product. If you wish to commence a pension with other types of contributions such as personal contributions or you wish to consolidate other super benefits held with external funds into your pension, you will need to contribute these into your LifeTrack super account first.

If you are commencing this pension as the dependant of a deceased member of the Fund, you are unable to add any additional funds to your pension.

Accessing your super

The Commonwealth Government requires you to meet certain conditions before you can withdraw your super as a cash lump sum or you can commence an income stream.

General conditions for withdrawing the various components of your super

Components	When can you withdraw your super in cash?
Unrestricted non-preserved benefits	At any time.
Restricted non-preserved benefits	When you: • terminate employment with an employer who has contributed to your super account • retire on or after reaching your preservation age • reach age 65.
Preserved benefits	When you: • retire on or after reaching your preservation age • reach age 65.
All components	Can be transferred to another super fund or super account at any time.

Important note

Contributions (other than part or all of some transfers) made by you or on your behalf to a super fund and any investment income earned on those contributions are preserved benefits.

Restricted non-preserved and preserved benefits

Both restricted non-preserved and preserved benefits become unrestricted non-preserved amounts when one of the following conditions of release is satisfied:

- you permanently retire from the workforce on or after reaching your preservation age
- you leave employment after age 60
- you reach age 65
- you become permanently incapacitated or terminally ill.

Once you have met one of the above conditions, your entire benefit is unrestricted non-preserved and you can withdraw your benefit as a lump sum or income stream at any time.

To request a full or partial lump sum withdrawal from your account, please complete a ‘Benefit Payment Request form’ available from our website or from our client services team.

The tax consequences associated with making withdrawals are described in the ‘How super is taxed’ section of this guide.

Other conditions of release may be available in limited circumstances. These include if you:

- attain preservation age
- become temporarily disabled (if you have income protection insurance, your insured benefit will become payable)
- are a temporary resident departing Australia permanently
- suffer severe financial hardship
- qualify on compassionate grounds
- provide the Fund with a release authority from the ATO, which allows you to withdraw an amount to pay tax on excess contributions (the ATO may also provide the Fund with a release authority to pay the assessed tax directly).

Under super law, there are strict qualifying criteria that must be met in each of these circumstances and not all of these circumstances allow a total withdrawal from your account. In addition, restrictions can apply to the form of payment.

If you roll over an existing preserved benefit, this will also be preserved in the super account until you meet a condition of release.

Retirement definition

For a person who has reached their preservation age, retirement occurs when an arrangement under which you were gainfully employed has ceased and you never intend to become gainfully employed again for more than 10 hours per week.

For a person aged 60 or over, retirement can also occur when an arrangement under which you were gainfully employed has come to an end. At age 65, you can be paid your benefit even though you have not left work.

Preservation age

Generally, you cannot access your super until you retire after reaching at least age 55 unless listed differently in the table below.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

Can you transfer your benefit?

You can transfer your benefit to another complying super fund that is willing to accept it, at any time.

Can you commence an income stream with your benefit?

You can generally commence an income stream with your benefit if:

- you have unrestricted non-preserved benefits
- you have satisfied a condition of release
- you have reached your preservation age and are purchasing a transition to retirement pension with the preserved and restricted non-preserved components of your benefit.

Special rules for temporary residents

If you are a temporary resident of Australia, you can generally access any Australian super benefits you have if:

- you satisfied a condition of release before 1 April 2009 under the rules that applied at that time
- you leave Australia and your temporary visa has been cancelled or expired (known as a departing Australia superannuation payment)
- you suffer temporary or permanent incapacity
- you have a terminal illness
- you die (in which case the super benefits would be paid to your beneficiaries).

If you do not take your super benefits with you upon departure from Australia as a departing Australia superannuation payment (DASP) within six months, we must pay the super benefits to the ATO. You can later claim the amount of the benefits back from the ATO. Where benefits are transferred to the ATO in this manner, the Trustee will rely on ASIC relief and will not issue you with an exit statement in respect of the super benefit at the time of, or after, the benefit is transferred. If you would like more information about how to claim your super benefits from the ATO as a temporary resident, please visit www.ato.gov.au.

How are pensions treated for Centrelink/Department of Veterans' Affairs purposes?

The Commonwealth Government applies two tests to assess whether you are eligible for a Centrelink or DVA pension or allowance payment. The tests are the income test and the assets test. The test which gives you the lower rate of payment is the one Centrelink or DVA will use to determine your eligibility for a pension or allowance.

An investment in an allocated pension (also known as account-based pension) is assessed under both the Centrelink/DVA income and assets tests.

- Assets test

  The account balance is counted as an asset under the assets test.

- Income test

  Under the income test, only part of the annual pension payment is counted as income. The exempt amount is calculated as the original investment (less any later lump sum withdrawals) divided by your life expectancy on commencement of the pension. If the pension is reversionary and the nominated beneficiary's life expectancy is longer than yours, the longer life expectancy is used.

How super is taxed

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

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

Seek advice

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 tax consequences before investing.

Contributions to super

Tax deductions for contributions to super

Some contributions to super are tax deductible. If you wish to use a tax deductible contribution as part of the purchase price of a pension (for example if you are self-employed and want to make a tax deductible personal contribution), you will need make these contributions to an accumulation super account (such as LifeTrack Personal Superannuation), accompanied by the ATO approved 'Notice of intent to claim or vary a deduction for personal super contributions' form. Once this has been processed, you can then transfer your benefits to start a pension.

Are there any caps on concessional contributions to super?

The Commonwealth Government sets an annual cap on tax concessions attributed to super contributions. This cap is currently $25,000 per individual and applies to all concessional contributions (for example your employer and deductible personal contributions). From 1 July 2014, this cap will be indexed in $5,000 increments in line with movements in Average Weekly Ordinary Time Earnings.

The concessional contributions cap applies to all individuals regardless of age.

Contributions that exceed the cap are taxed at 31.5 per cent (plus the 15 per cent tax already paid by the Fund on these contributions). The ATO will assess you personally for the 31.5 per cent of the excess contribution.

However, you may be given the option to have certain excess concessional contributions (made in the 2011/12 year or a later year) refunded if both:

- you did not have excess concessional contributions for an earlier year commencing on or after 1 July 2011
- you have excess concessional contributions of $10,000 or less.

In these cases, tax will effectively be payable at your marginal tax rate on the excess amount.

Are there any caps on non-concessional contributions to super?

You can make up to $150,000 of non-concessional contributions each year before additional tax is payable. Until you reach age 65, you can choose to bring forward up to two years' entitlements and contribute up to $450,000 of non-concessional contributions in any three year period. The non-concessional cap is calculated as six times the concessional contributions cap and will therefore increase in line with the concessional contributions cap.

Non-concessional contributions included in this cap are:

- personal contributions that are not tax deductible
- spouse contributions

- payments from overseas super schemes that are not taxable in the Fund.

Excess concessional contributions are also counted in the non-concessional contributions cap.

The contributions which are **not** included in this cap are:

- transfers from other super funds or schemes
- personal injury compensation payments contributed to super in respect of a person who is permanently disabled within 90 days of receipt of the payment
- proceeds from the sale of certain small business assets contributed to super up to a lifetime limit of $1,255,000 (for the 2012/13 financial year). This limit (known as the CGT cap) is indexed annually.

If you are making personal contributions and wish to claim an exemption from the non-concessional contributions cap because the contributions arise from injury compensation payments or from the sale of a small business, you must apply to us before or at the time you make the contribution.

Non-concessional contributions that exceed the cap are taxed at 46.5 per cent. The ATO will assess you personally for this tax and issue you a release authority. You must present this release authority to the Fund within 21 days in order to make a special withdrawal to pay this tax.

Tax treatment of investment income

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.

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.

Once you convert your accumulated super into an income stream through an account-based pension, the news gets even better. No tax is payable on your investment earnings (interest, income distributions or realised capital gains). Plus, as your pension investments are held within a tax exempt environment, no CGT applies if you choose to switch your direct investments or redeem any investments to provide for pension payments or cash lump sums.

The following table describes the treatment of investment income derived from investment options held in your pension account.

Investment income	General rate of tax
Interest and income distributions	Nil
Realised capital gains	Nil

Your pension account may be entitled to a tax refund due to franking credits. A franking credit is a tax credit available to the Fund for the tax that has already been paid by the issuing company on dividends received on shares in the investment option.

What are the tax implications if you transfer to another product within the Fund?

If your investment options are transferred to a pension product within the Fund, no realisation of capital gains occurs on the transfer of your investments to the pension product and your investments will be held in a tax-exempt environment. Therefore, if you make an investment switch within the pension account or redeem any investment option to make a withdrawal (such as a lump sum or pension payment), no CGT applies.

Tax on lump sum withdrawals and pension payments

Benefits paid at age 60 or more

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

Benefits paid before turning age 60

Benefits paid from your account before turning age 60 are split into a tax-free component and a taxable component on a proportional basis. You can only make withdrawals on this proportionate basis. The tax-free component is the sum of all tax-free components held in your account divided by the account balance and then converted to a percentage. For lump sum withdrawals from your super account, the percentage of tax-free component is calculated at each withdrawal. When you commence a pension, the percentage of tax-free component is calculated on commencement and will then apply to all pension payments and lump sum withdrawals (including lump sum commutations and transfers) made from the account thereafter.

The sum of the tax-free components includes any personal or spouse contributions, any tax-free component calculated and crystallised within your account as at 30 June 2007 and the tax-free components of amounts transferred into your account from other super accounts.

The tax treatment of benefits received prior to age 60 is as follows:

Component	Pension payment	Lump sum withdrawal from pension or super accumulation
Tax-free	Tax-free and not included in assessable income.	Tax-free and not included in assessable income.
Taxable	Included in assessable income. 15% tax offset applies if received after reaching preservation age (currently age 55) or if totally and permanently disabled.	Under preservation age (currently age 55): • 20% (plus Medicare Levy). Preservation age to age 59: • up to $175,000* threshold: 0% • excess over threshold: 15% (plus Medicare Levy).

* Threshold increases annually with movements in Average Weekly Ordinary Time Earnings rounded down to the nearest $5,000.

Tax is not payable when you transfer your benefit to another super fund or to another LifeTrack product within the Fund.

Tax treatment of Disability Benefits

If you choose to transfer your benefits to a LifeTrack Cashback Pension, you may be entitled to a 15 per cent tax offset on the taxable component of the pension (even if you are under preservation age).

Tax treatment of Death Benefits

Taxation of Death Benefits paid as lump sums

The tax on a lump sum payment made in the event of your death will depend on who receives the benefit.

The payment will be tax-free if it is made to your Death Benefits Dependants (either directly or through your estate). For tax purposes, a Death Benefits Dependant includes:

- your spouse
- your children under age 18 (including a natural child, stepchild, adopted child or child of your spouse)
- a person who is partially or wholly financially dependent on you at the date of death
- a person with whom you have an interdependency relationship at the date of death.

Lump sum benefits paid to a dependant who is not a Death Benefits Dependant are taxed on a similar basis to lump sum benefits paid to those under age 60. However, the $175,000 tax-free threshold does not apply and the tax rate on the taxable component will generally be 15 per cent (plus the Medicare Levy).

Death Benefit lump sums paid to the Legal Personal Representative (the estate) are taxed within the estate depending on whether the beneficiaries of the estate are dependants or non-dependants for tax purposes.

The tax rates applicable to lump sums paid to beneficiaries who are not dependants for tax purposes apply regardless of whether the beneficiary is under or over the preservation age.

Compensation for tax paid on contributions (anti-detriment payments)

An additional amount (the tax saving amount) may be included in the lump sum Death Benefit paid direct to your spouse or your children. This increased amount is compensation for contributions tax paid while your benefit accrued in the Fund. The Fund pays the additional amount and receives reimbursement from the ATO via a tax deduction in the Fund's next income tax return. Any increase in the amount of the lump sum benefit paid is conditional upon the Fund being eligible for, and able to use, the tax deduction.

Taxation of Death Benefits paid as pensions

A Death Benefit paid in the form of a pension will be tax-free if either you or the beneficiary is aged 60 or more. If both you and the beneficiary are under age 60, the pension is taxable. However, a 15 per cent tax offset applies even if the beneficiary is under preservation age. When the beneficiary turns age 60 the pension becomes tax-free. Death Benefit pensions paid to children (under age 18 or under age 25 and financially dependent or permanently disabled) must be converted to a tax-free lump sum benefit once the child turns age 25 unless the child is permanently disabled.

For other beneficiaries, if a Death Benefit pension is commuted to a lump sum (where permitted) within six months of the original pensioner's death or three months of grant of probate/letters of administration (whichever is the later), the lump sum is treated as a lump sum Death Benefit and taxed accordingly. If the Death Benefit pension is commuted after this period, the lump sum is no longer treated as a Death Benefit and will be taxed as a normal lump sum payment received by the beneficiary.

Special tax rates for temporary residents

Temporary residents who have departed Australia permanently can claim their Australian super as a Departing Australia Superannuation Payment. Withholding tax of 35 per cent applies to the taxable component of these payments.

Foreign taxes

Superannuation and investments may be affected by foreign tax laws, which can reduce the amount you receive. Under some foreign laws you may be subject to additional obligations if you have a connection with a foreign country (for example by birth, residence, citizenship or property ownership).

Death benefit nominations

You can nominate one or more of your dependants and/or your Legal Personal Representative to receive your benefit in the event of your death and allocate your benefit between them in any proportion.

Any dependant you nominate must be a dependant as defined by super law. A full list of eligible dependants appears below. You need to be aware that if you have an interdependency relationship with someone whom you wish to nominate, the Trustee must receive a statutory declaration which sets out the nature of your interdependency relationship before any benefit can be paid to that person.

If you nominate your Legal Personal Representative, your benefit will form part of your estate and be distributed in accordance with your Will (if you have one) or in accordance with the laws that govern those persons who die without a Will.

Eligible dependants

For super purposes, your dependant(s) are:

- your current spouse
- your children of any age (including ex-nuptial children, adopted children, step-children and your spouse's children)
- any person who is partially or wholly financially dependent on you at the date of your death
- any person with whom you have an interdependency relationship at the date of your death.

What is an interdependency relationship?

An interdependency relationship may exist between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support and personal care. For a full definition see the 'Key words explained' section of this guide.

Types of death benefit nominations

You are able to choose one of the following forms of nomination to inform us to whom you would prefer your benefit to be paid in the event of your death:

- Reversionary Dependant option
- Binding Death Benefit Nomination (Binding Nomination)
- Non-Binding Death Benefit Nomination (Non-Binding Nomination).

The most appropriate nomination will depend on your personal circumstances. As there may be taxation and other implications to consider, we recommend that you seek professional advice before making your nomination.

Reversionary Dependant option[1]

If you nominate a Reversionary Dependant, in the event of your death, we must continue to pay the remaining balance of your pension account (if any) to your nominated Reversionary Dependant. The pension will automatically continue to be paid until the account balance is exhausted.

The Reversionary Dependant may choose to make a lump sum withdrawal, rather than continue to receive the pension payments upon your death.

If you wish to nominate your child as your Reversionary Dependant, you can only nominate:

- a child who is less than 18 years of age
- a child who is over the age of 18 years and under 25 years who is financially dependent on you at the date of nomination
- a child who is permanently disabled.

At the date of your death, the child must also be either:

[1] This option is not available to you if you have received the pension as a Reversionary Beneficiary. You can, however, make a Binding Nomination or Non-Binding Nomination.

- under 18
- between 18 and 25 and financially dependent on you
- permanently disabled.

A pension that is paid to a Reversionary Dependant who is a child will automatically terminate on the child's 25th birthday and the remaining balance of the pension account (if any) will be paid to the child as a lump sum, unless the child is permanently disabled. Similarly, if the nominated child has ceased to be entitled to receive a pension (if the child turns age 18 or, in the case of a financially dependent child over 18, ceases to be financially dependent or turns 25), the benefit will be paid to the nominated child as a lump sum on your death.

Your nomination cannot be changed once your pension commences. If the Reversionary Dependant can no longer receive a Death Benefit (for example, if your nominee pre-deceases you), you cannot nominate a new Reversionary Dependant. However, you can make a binding or non-binding death benefit nomination in favour of other dependants.

The nomination of a Reversionary Dependant must be made before your pension commences.

Important note

If a pension does revert to a Reversionary Dependant, the Reversionary Dependant may nominate (under a Binding Nomination or Non-Binding Nomination) their dependant(s) and/or Legal Personal Representative to receive any remaining benefit as a lump sum in the event of their death.

Binding Nomination

If you have a valid Binding 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 Nomination remains in effect for **three years** from the date it was first signed, last amended or confirmed.

The following conditions must be met to ensure that a Binding Nomination is valid:

- The nomination must be in favour of one or more of your dependant(s) and/or your Legal Personal Representative.
- Each nominated dependant must be an eligible dependant at the date of nomination and at the date of your death.
- The allocation of your benefit must be clearly set out.
- The total benefit must be allocated (the percentage nominated must add up to 100 per cent), otherwise the entire nomination will be invalid.
- The nomination must be signed and dated by you in the presence of two witnesses, both of whom are over 18 years of age and are not nominated to receive the benefit.
- The nomination must contain a declaration signed and dated by each witness stating that the notice was signed and dated by you in their presence.

Important note

If your Binding Nomination fails to meet any one of the stated conditions, the entire nomination will be deemed to be invalid. An invalid or expired Binding Nomination will be treated as a Non-Binding Nomination.

If any of the information provided in your Binding Nomination is unclear, we will contact you to confirm the details. An unclear Binding Nomination may be invalid.

To make a Binding Nomination, please complete a 'Binding Death Benefit Nomination form' which is available from our website or by contacting our client services team.

Details of your current Binding Nomination will appear on Portfolio Online and your Annual Statement along with its expiry date.

You must confirm your nomination before it expires in order for it to remain valid. You can do this by giving us a written notice, signed and dated by you before it expires. Alternatively, you may complete the 'Confirmation of Binding Death Benefit Nomination form' which is available from our website. It is your responsibility to ensure that your Binding Nomination is confirmed before it expires.

Your Binding Nomination can be amended or revoked at any time by advising us. In order to revoke your Binding Nomination, you must give us a written notice, signed and dated by you in the presence of two witnesses, both of whom are over the age of 18 years and not nominated to receive the benefit. Alternatively, you may complete a ‘Binding Death Benefit Nomination form’ which is available from our website. You can amend your nomination at any time by making a new Binding Death Benefit Nomination and providing it to us.

Non-Binding Nomination

If you make a Non-Binding Nomination, we have the final say to determine which of your dependants and/or Legal Personal Representative are to receive your benefit and the proportions payable to each. Your nomination is **not binding** on us but we will certainly take it into account when we determine who to pay your benefit to.

To make a Non-Binding Nomination, please complete a ‘Non-Binding Death Benefit Nomination form’ which is available from our website or by contacting our client services team.

You can amend your nomination at any time by making a new Non-Binding Nomination and providing it to us.

No nomination

If you do not make a nomination, in the event of your death, the Trust Deed contains certain rules we need to follow:

- We have to pay the remaining balance of your pension account (if any) as:
  a) a continuing LifeTrack Cashback Pension to your Surviving Spouse, if the Surviving Spouse agrees
  b) if (a) does not apply, as a lump sum to your Legal Personal Representative, unless your estate is insolvent.
- If your estate is insolvent, your benefit must be paid to such of your dependant(s) and in such proportions as we consider appropriate. If you have no dependants, we must pay your benefit to the Legal Personal Representative of your insolvent estate.
- If there is no Legal Personal Representative of your estate, we must pay your benefit to such of your dependant(s) and in such proportions as we consider appropriate.
- If you have no dependants and no Legal Personal Representative, we must pay your benefit to any other person(s) as permitted by law.

Remember, everything we do when it comes to paying out your benefit upon death is heavily governed by super law and our Fund rules. Make sure you think about your nomination very carefully.

Payment options available

If you have selected the Reversionary Dependant option, in the event of your death, your benefit will be paid as a continuing pension to your nominated Reversionary Dependant, provided they are eligible to receive the benefit in the form of a pension. Otherwise, your benefit will normally be paid as a lump sum (unless a Binding Nomination is in place, in which case we have discretion as to the form of payment to be made to your dependant(s)).

In most situations, we can pay the Death Benefit as a lump sum or as a pension. However, if the benefit is paid to your Legal Personal Representative it must be paid as a lump sum.

A continuing pension cannot be paid to a child of yours aged 18 or over unless they are either:

- under age 25 and financially dependent on you immediately prior to your death
- permanently disabled.

Important note

When we receive evidence of your death, we have discretion to sell your managed investments and put your money into your Cash Account until the Death benefit is paid. We would normally exercise this discretion unless advised otherwise.

Receiving a pension on the death of a member

- When your pension is received by a Reversionary Dependant, the remaining balance of your pension account will be transferred into the Reversionary Dependant's name. A new client and account number will be allocated at this time. Your existing investment strategy and nominated level of annual pension payments will also be transferred and remain unchanged unless alternative instructions are received from the Reversionary Dependant.
- If your pension is received by a beneficiary other than a Reversionary Dependant, a new pension account will be established in the name of the beneficiary and the remaining balance of your pension account will be transferred into their new pension account. A new Investment Instruction will be required, and the level of annual pension payments payable from the pension will be re-calculated at this time.

In the case of a Reversionary Dependant who is a child of the deceased member, the benefit will only be paid as a pension if the child is either:

- under the age of 18
- over the age of 18 but less than age 25 and is financially dependent on the member when he/she died
- permanently disabled.

If a reversionary pension is paid to a child, the pension must be commuted to a lump sum on the child's 25th birthday unless the child is permanently disabled.

More about risks

All investments carry risk. There are risks involved with investing in pension products as well as specific risks that may arise with your chosen investment option(s).

General risks

- Your investment may not be sufficiently diversified if you do not spread your selection of investment option(s) across different asset classes, sectors, managers and styles.
- In the case of an investment in a restricted investment, your ability to make a lump sum withdrawal from that restricted investment may be delayed, reduced or unavailable until sufficient assets from that investment can be redeemed to fund the withdrawal.
- System failures may cause a delay in the processing of transactions to your account (or with fund managers).
- There may be a delay in purchasing or redeeming your investments if we do not receive a properly completed and authorised instruction from you.
- Delays may occur where minimum investment or withdrawal limits are imposed by fund managers.
- Economic conditions, interest rates and inflation may cause adverse investment returns.
- Changes can occur in super, taxation or other laws that may adversely affect your investment (or affect your ability to access your investment). These changes may also affect the operation of your super product or of any investment option(s) into which you invest.
- The Trustee could be replaced or the Fund could be wound up. There is also a risk that we will not carry out our duties as Trustee properly. To minimise this risk we have implemented a number of risk management strategies and corporate governance policies and procedures to assist us to meet our obligations. As Trustee, we are always required to act in the best interests of our members.

Risks specific to pensions

- Depending upon the amount of pension required, pension payments may be delayed, reduced or unavailable until sufficient assets from that illiquid investment can be redeemed to fund the pension payment.
- You may not receive the level of income for the whole of the period that you want, as annual pension payments are not guaranteed (payments are based on the value of your pension account, which reflects the ongoing fluctuating value of your investment portfolio and payments will cease when your pension account is exhausted).
- Pension payments are subject to Commonwealth Government retirement income payment rules that control the amount of payments that must be received from each pension account irrespective of investment returns.
- Where you have selected the transition to retirement pension option, access to your capital is restricted under Commonwealth Government regulations until you satisfy a condition of release.

Risks that may affect your investment options

Type of risk	Explanation
Market risk	Investment returns are influenced by the performance of the market overall. Unexpected changes in conditions (such as economic, technological or political developments) can have a negative impact on the returns of all investments within a particular market.
Company or security-specific risk	Within each asset class, company or security-specific risk refers to the many risks that can affect the value of a specific security (or share).
Currency risk	Investments in international markets can be exposed to changes in exchange rates. If foreign currencies fall in value relative to the Australian dollar, they have an adverse impact on investment returns from investments denominated in those countries, if those currencies are unhedged.
Liquidity risk	Liquidity risk is the risk that a particular investment will not be able to be converted into cash or disposed of at market value.
Derivatives and gearing risk	Underlying managed investments may use derivatives and gearing (borrowing). The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Gains and losses from derivative and geared transactions can be substantial.
Credit risk	Credit risk is the risk that a party to a contract will fail to perform its contractual obligations resulting in a financial loss.
Fund manager risk	Each managed investment option has one or more fund managers to manage the investments. There is a risk that the fund manager may not perform to our expectations, meet its stated objectives or under-perform as compared to other fund managers.

Other general information

Portability of super benefits

If you provide us with a request to transfer your benefits out of the Fund, super law requires that we transfer your benefits within 30 days of receiving all relevant prescribed information (including all information necessary to process your request).

However, restricted (illiquid) investments may have extended redemption periods of up to 360 days (or more) and therefore not be readily convertible to cash within the 30 day time frame. This may restrict your ability to switch these investments and transfer under the portability rules.

Before you invest in restricted investments, you are required to sign a written consent (which is set out in the declaration section of your Investment Instructions form) confirming that you accept that a period longer than 30 days may be required to sell those investments and so affect the transfer because of the illiquid nature of those investments. Investment options that fall into the category of restricted investments are identified in the 'Investment options menu' section of the **LifeTrack investment guide (LTR.10)** (if applicable).

Restricted investment options may include managed investments such as some property funds, hedge funds and fixed interest funds, plus term deposits and capital guaranteed investments. The time required to transfer your super will depend on the investment options chosen.

From time to time a fund manager may have a need to suspend their investments and therefore we may not be able to roll over, transfer or cash your benefit within 30 days. If this occurs we will write to you.

Where you invest in a restricted investment, part or all of a withdrawal or switching request may be delayed until sufficient assets from that investment can be redeemed to fund the withdrawal.

We maintain on our website details such as the availability of withdrawal opportunities, termination processes and recent payout ratios to enable members to monitor their restricted investment options.

Account liquidity

As Trustee we are required to meet the legislated annual minimum pension payment. Therefore we need to ensure there is sufficient liquidity to meet your annual payments. If your investment weighting in illiquid investments, listed investments, annuity funds and term deposits exceeds 80 per cent of your account balance, we are entitled to redeem sufficient funds to meet your remaining annual pension payment. These funds will be redeemed up to 30 days prior to your next pension payment. We will redeem funds proportionately from your listed investments followed by annuity funds then term deposits. Normal fees, charges and penalties may apply to these transactions.

Lost members

If we have never had a correct address for you or have had two consecutive written communications to you returned unclaimed, we will generally consider you to be a lost member.

Unclaimed benefits

We are required to pay unclaimed benefits to the ATO. Your benefit will be classified as unclaimed in various circumstances, including if:

- you turn 65, and
  - have not claimed your benefit, and
  - we have not received any contributions for you for at least two years, and
  - we have been unable to contact you for five years despite our reasonable efforts.
- you have died, and
  - we have not received any contributions for you for at least two years, and
  - after making reasonable efforts, we are unable to ensure that the benefit is received by the person who is entitled to receive the benefit.

We are also required to transfer to the ATO as unclaimed money:

- those accounts of uncontactable members with balances less than $2,000 where the Fund has not received a contribution or rollover within the previous 12 months, and
- those which have been inactive for 12 months and for which there are insufficient records to identify the owner of the account.

Individuals can reclaim their benefits from the ATO.

Super and the Family Law Act

Under the *Family Law Act 1975*, on marriage breakdown, your pension account can be divided and your spouse or former spouse can receive a payment that can be:

- transferred to a new account within the Fund
- transferred to another super fund or withdrawn (subject to satisfying certain conditions).

Super entitlements can be divided either by a court order or a super agreement that meets meet certain legislative requirements. Also your spouse or another person who intends to enter into a super agreement with you (for example through a pre-nuptial super agreement) can request information from us.

Transfers within the Fund

If you are transferring from another LifeTrack product within the Fund and your current investment options are also available in your new LifeTrack product, you can transfer those investment options directly into your new account. Where an existing investment option is not available in your new product, your holding in that investment option will be sold down within your existing account and the proceeds added to your Cash Account. Your Cash Account balance will then be transferred to your new account.

How are the unit prices determined?

To determine the value of a unit in a managed investment, we use the redemption/sell unit price provided by the fund manager for that particular managed investment.

While unit prices are normally calculated daily and may change according to market movement, the actual method by which unit prices are calculated and the timing at which unit prices are provided may vary. This is dependent on the fund manager for that particular managed investment. Please refer to the product disclosure statement of the managed investment for more information on how individual unit prices are calculated.

The Trust Deed

The Trust Deed, dated 20 June 1994, (as amended from time to time) governing the Fund, together with the relevant laws and the PDS, governs our relationship with you and sets out your rights as a member. In the event of any conflict between the PDS and the Trust Deed, the Trust Deed will apply.

When acquiring this product, you become a member of the Fund and you agree to be bound by the provisions of the Trust Deed. We may amend the Trust Deed from time to time and will, when required by law, advise members in writing of the purpose, nature and effect of the amendment.

The Trustee may not amend the Trust Deed if the amendment would have the effect of reducing or adversely affecting the rights or claims of a member to accrued entitlements under the Fund. Such entitlements include those which have arisen prior to the amendment being made, or entitlements that have already become payable. In these circumstances, the amendment to the Trust Deed could only be made if the affected members consent in writing to the amendment or the amendment is permitted by law or consented to by the Australian Prudential Regulation Authority (APRA). In making any amendment, the Trustee must act in the best interests of members.

You may obtain a copy of the Trust Deed free of charge by contacting our client services team.

The Trustee

The Trustee of the Fund holds an AFS Licence under the *Corporations Act 2001*.

The Trustee has effected and maintains in force, professional indemnity insurance. The Trustee and its directors and officers are also entitled to be indemnified out of the assets of the Fund to the extent permitted by super law.

The role of the Trustee is to operate the Fund in accordance with its Trust Deed and relevant law.

Key words explained

If you find some of the terms used in the PDS or the guides difficult to understand, don't worry, this section helps to explain some of these key terms that arise along the way. If you require further information or explanation of a term not covered in this guide, please contact our client services team.

Account-based pension (also known as a Cashback Pension throughout the PDS)	A pension arrangement where a person regularly draws down an amount from that account within prescribed limits set by the Commonwealth Government. The pension will continue until death, commutation or until the pension account is exhausted.
Administration Fee	The fee charged by the Trustee to cover the general administration of the Fund.
AML/CTF Law	*Anti Money Laundering and Counter Terrorism Financing Act 2006 (Cth)* and all sub-ordinate legislation in respect of that Act, as amended from time to time.
Annual Statement	An annual statement of your account, including a transactions summary for the financial year and other prescribed information.
Approved Deposit Fund (ADF)	A concessionally taxed trust that can receive, hold and invest certain types of rollovers (but cannot accept super contributions) until such funds are withdrawn or a condition of release is met.
Australian Financial Services Licence (AFS Licence)	A licence issued by the Australian Securities and Investments Commission (ASIC) under the *Corporations Act 2001* which, among other things, permits the issuing of a financial product or the giving of financial advice.
Benefit	The amount of money in your account to which you (or in the event of your death, your dependant(s) and/or Legal Personal Representative) are entitled to be paid in relevant circumstances.
Binding Death Benefit Nomination	A written direction to us which, if valid and in effect, binds us to pay your benefit to the dependant(s) and/or Legal Personal Representative that you have nominated in the event of your death.
Business day	A day other than a Saturday, Sunday or a public holiday in Melbourne.
Buy/sell spread	The difference between the entry price and exit price of a managed investment. This difference is an allowance for the transaction costs incurred when buying or selling units in a managed investment. These amounts are not charged separately to your account but are generally included in the unit prices of each managed investment.
Capital gains tax (CGT)	A tax applied on the increase in the value of an investment that may be payable upon the disposal of the investment. CGT does not apply to investment options redeemed in a pension account.
Certified copy	A document that has been certified to be a true and complete copy of the original, by a person authorised to witness the signing of a statutory declaration under applicable Commonwealth or State legislation.
Concessional contributions	Employer and tax deductible personal contributions. The Government sets an annual cap on the amount of concessional contributions that can be made to your super each year before additional tax applies. The cap on concessional contributions and the tax penalties that apply if you breach the cap are set out in the 'How super is taxed' section of this guide.
Condition of release	These are restrictions placed on super funds on how and when preserved benefits can be paid. A condition of release must be met before a benefit is paid. The following conditions of release have no cashing restrictions: • retirement • reaching age 65 • reaching preservation age and permanently retired • death • permanent incapacity • termination of employment and the benefit is less than $200 • terminal illness.
Contribution	Represents any amount that is a concessional or non-concessional contribution or a transfer to your account.

Death Benefits Dependant	When paying a Death Benefit, a dependant (for tax purposes) means: • a spouse • children under age 18 (including a natural child, step child, adopted child or child of your spouse) • a person who is partially or wholly financially dependent on you at the date of death • a person with whom you have an interdependency relationship at the date of death.
Dependant	A dependant (for super purposes) means: • a spouse • any child (including a child over 18) - a child includes a natural child, ex-nuptial child, stepchild, adopted child or child of your spouse • a person who is partly or wholly financially dependent on you at the date of death • a person with whom you have an interdependency relationship at the date of death.
Derivatives	Contracts that call for money to change hands at some future date, where the amount depends on, or is derived from, another security, liability or index. For example, a contract might specify that one person can buy an item from the other at today's price in six months' time, regardless of the market price at that time.
Employment termination payment	A lump sum payment that is not a super benefit or certain other specified payments (such as unused annual leave or the tax free part of a genuine redundancy payment) made from an employer to you as a result of the termination of your employment. Other than those made under transitional arrangements which ceased on 1 July 2012, an employment termination payment cannot normally be transferred to a super fund.
Financial institution	A bank, building society or credit union.
Fund	IOOF Portfolio Service Superannuation Fund (ABN 70 815 369 818)
Goods and Services Tax (GST)	A tax on the supply of goods and services.
High yielding securities	High yielding securities are investments in non-traditional debt assets that generally earn higher interest than traditional fixed interest securities. These securities may provide higher returns as they are generally regarded as being less secure than traditional fixed interest securities. As a result, there is potential for higher volatility and lower liquidity.
Income stream	A series of payments provided by a pension or annuity product.
Interdependency relationship	An interdependency relationship may exist between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support and personal care. This may include a parent or sibling with whom you live. An interdependency relationship may still exist between two people if they have a close personal relationship but do not live together because either or both of them suffer from a physical, intellectual or psychiatric disability.
Legal Personal Representative	The executor of your Will or the administrator of your estate.
Non-Binding Death Benefit Nomination	A nomination of preferred dependant(s) may assist us to determine to whom to pay your benefit in the event of your death. We are not bound by this nomination.
Non-concessional contributions	These include personal contributions and spouse contributions which are not tax deductible. The Commonwealth Government sets an annual cap on the amount of non-concessional contributions that can be made to your account before additional tax applies. Some personal contributions, such as those attributable to the sale of small business assets up to the lifetime limit of $1,255,000 and those derived from personal injury compensation payments may be exempt from the cap. For the cap on these contributions and tax penalties that apply if you breach the cap, see the 'How super is taxed' section of this guide.
Pension product	Includes allocated pension and term allocated pension.
Pensions	Pensions are provided by super funds and are established for the purpose of paying an income in retirement.
Permanently incapacitated	Ill-health (whether physical or mental) where the Trustee is reasonably satisfied that the member is unlikely, because of the ill-health, to engage in gainful employment for which the member is reasonably qualified by education, training or experience.

Portfolio	The mix and composition of an investor’s holdings among different asset classes (or if in a single asset class, between different sectors and investments).
Preservation age	The age at which retired individuals can access their super. A person’s preservation age will be between ages 55 and 60, depending on their date of birth. If you were born after 30 June 1964 your preservation age is 60.
Preserved benefits	Generally, these benefits must be retained in the super system until you permanently retire from the workforce on or after reaching your preservation age. Preserved benefits can also be paid out: • on leaving employment after age 60 • on reaching age 65 • under a transition to retirement pension • on death • on permanent incapacity • on severe financial hardship grounds • on compassionate grounds approved by the Department of Human Services. They may also be paid out to satisfy a release authority from the ATO.
Reduced input tax credits (RITC)	Refers to a portion of the GST that can be claimed back from the ATO in certain circumstances.
Release authority	An authority issued by the ATO specifying an amount to be released from the Fund in order to pay tax on contributions that exceed the annual caps.
Restricted investment	An illiquid investment for the purposes of super law relating to the portability of members' benefits. Illiquid investments are assets which either cannot be readily realised within 30 days, or where realising those assets within 30 days would have an adverse impact on their value.
Restricted non-preserved benefits	These benefits can be accessed on the same grounds that apply for preserved benefits. Also, where you terminate your employment with an employer who had, at any time, contributed to the super fund on your behalf, your restricted non-preserved benefits become unrestricted non-preserved benefits.
Reversionary Dependant	The person nominated by the primary beneficiary to continue the pension after the death of the primary beneficiary.
Salary sacrifice	An arrangement with an employer for an employee to ‘give up’ a portion of the employee’s pre-tax salary in exchange for additional contributions by the employer to the employee’s super.
Spouse	This could be: • your married husband or wife • a person with whom you have a relationship registered under State or Territory law • a person with whom you live on a genuine domestic basis in a relationship as a couple. A spouse includes an opposite-sex or a same-sex de facto partner.
Super law	Includes the *Superannuation Industry (Supervision) Act 1993*, *Corporations Act 2001*, *Income Tax Assessment Act 1997* and associated regulations.
Super product	Includes personal super, corporate super and employer super within the Fund.
Super fund	A complying fund whose trustee has elected that the fund be regulated by the *Superannuation Industry (Supervision) Act 1993*.
Surviving spouse	A person who qualifies as a spouse within the meaning of that term in the *Superannuation Industry (Supervision) Act 1993.*
Switching	The movement of monies between investment options (such as managed investments or listed investments) or between the Cash Account and investment options. Switches between managed investment options are processed as a redemption of units from one managed investment and the purchase of units in another managed investment from the available investment list. Switches between listed investments involve the sale of a listed investment and the purchase of another listed investment.
Taxable component	Tax may be payable on this component of your benefits that is not included in the tax-free component.

Tax-free component	Tax is not payable on this component of your benefits. The tax-free percentage of a pension is determined on commencement of the pension and applies to all payments made thereafter (lump sum or pension). Tax is not payable on the following components of a lump sum: • Any non-concessional contributions plus any Government co-contributions made to the super account. • Tax-free components previously transferred into the super account or crystallised within the account as at 30 June 2007.
Transfer/rollover	A lump sum paid within the super environment between super funds, between super products or into an income stream.
Transition to retirement (TTR) pension	A pension that enables persons who have reached their preservation age (at least age 55 depending on their date of birth) to transfer their preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits into an income stream while continuing to work. An income stream using a TTR pension option will generally be non-commutable and have restrictions on when withdrawals can be made.
Trust Deed	The legal document governing the Fund and its operation. A trustee must comply with its Trust Deed.
Unrestricted non-preserved benefits	These benefits may be paid to you at any time without a change in your employment status.
Withdrawal	A payment made to you or for your benefit from your super fund after allowing for taxes, fees and charges (if any). The payment can be made to another super fund or taken in the form of a lump sum cash payment (Commonwealth Government restrictions may apply; see the ‘Accessing your super’ section of this guide for further information). Cash withdrawals are only permitted in certain limited circumstances under the transition to retirement pension option and for term allocated pensions.

General advice warning

The information contained in this guide:

- does not and is not intended to contain any recommendations, statements of opinion or advice
- 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 before deciding whether to acquire this product.

Important notice

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