



IOOF

PENSION

Product Disclosure Statement

Dated: 1 July 2022

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
Unique Superannuation Identifier: SMF0126AU

About this Product Disclosure Statement

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 Pension is a pension product forming part of the Fund. The terms 'our', 'we', 'us' and 'Trustee' in this PDS refer to IIML.

Who is the Insignia Financial Group?

The Insignia Financial Group consists of Insignia Financial Ltd (formerly IOOF Holdings Ltd) ABN 49 100 103 722 and is listed in the top 200 on the Australian Securities Exchange (ASX: IFL). IIML is part of the Insignia Financial Group.

As one of the largest financial services groups in Australia, with over 170 years' experience in helping Australians secure their financial independence, the Insignia Financial Group provides services to more than 2,000,000 clients and has more than \$300 billion in funds under management and advice (as at 31 December 2021).

You can find more information about the Insignia Financial Group, director details, executive remuneration and other documents by visiting our website (www.insigniafinancial.com.au)

About the Trustee

The Trustee is a part of the Insignia Financial Group comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group). In fulfilling its duties as trustee, IIML has investment, service and other contracts with Insignia Financial Group companies, further details of which are set out in the IOOF general reference guide (IOF.02).

As Insignia is a large financial institution that participates in both domestic and international markets, conflicts of interest, both real and perceived may arise. We have policies in place that contain appropriate measures to identify, document and manage conflicts.

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 Pension do not represent assets or liabilities of IIML (other than as trustee of the Fund) or any other company or business within the Insignia Financial Group.

Neither IIML, nor any other related or associated company, the fund 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 Pension. Investments made into the investment options in IOOF Pension 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 Pension 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 superannuation (super) law.

The IOOF MultiMix Trusts, IOOF MultiSeries investments, IOOF Balanced Investor Trust, IOOF Cash Management Trust, the Specialist funds and Strategic funds (the Trusts) are operated by Insignia Financial group of companies and fees are received by the Insignia Financial Group under the Constitutions of the Trusts. These are some of the investment options offered in IOOF Pension (as listed in the **IOOF investment guide (IOF.01)**) and **IOOF investment menu**.

Investment options offered

Investment options provided in the 'Investment options offered' section of the **IOOF investment guide (IOF.01)**.

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 which 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 clientfirst@ioof.com.au
- calling us on 1800 913 118

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

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This PDS is a summary of significant information you need to help you decide whether IOOF Pension will meet your needs. It includes references to additional important information contained in the **IOOF general reference guide (IOF.02)**, the **IOOF investment guide (IOF.01)** and the **IOOF investment menu**, each of which forms part of the PDS. These references are indicated by the information icon and you should consider the PDS in its entirety before making a decision to join IOOF Pension.

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 seeking advice from a financial adviser before making a decision about IOOF Pension. This PDS and the guides can be downloaded from our website (www.ioof.com.au) or you can contact us and we will send you a paper copy at no charge. 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 **IOOF general reference guide (IOF.02)**.

Introducing IOOF Pension

Why invest in IOOF Pension?

IOOF Pension provides you with a tax effective pension in retirement and makes it very easy for you to manage your retirement goals. You can convert your accumulated super from IOOF Employer Super and IOOF Personal Super into an income stream in IOOF Pension once you reach your preservation age or meet another condition of release. In this introduction, you will find important information about IOOF Pension, including a snapshot of the key features and benefits available to help you meet your retirement goals.

IOOF Pension is an account-based pension that has a pension option to suit your needs no matter what your retirement plans. You can choose either a Retirement phase pension or a Transition to retirement (TTR) pension. An account-based pension, otherwise known as an allocated pension, is required to make a minimum payment at least annually (maximum payments only apply to TTR pensions). With an IOOF Pension account, you can select an investment strategy using one convenient administration facility.

This includes having access to:

- **Investment choice** – One impressive feature of IOOF Pension is the amount of choice offered through our low cost Core Menu and a comprehensive range of investment options from the Full Menu. The Core Menu includes IOOF's range of diversified and multi-manager trusts while the Full Menu encompassing more than 400 managed investments, a majority of the S&P/ASX 300 Index listed investments, range of exchange traded products and other listed investments approved by the Trustee and even a selection of term deposits and fixed-term annuities (maturing investments). For further details of the investment options in the Core and Full Menu, please refer to the **IOOF investment guide (IOF.01)** and **IOOF investment menu**.
- **Competitive fees** – Our fee structure is competitive and there's no bundling.
- **Full-featured online portal** – Securely manage and view your account anytime. IOOF Online gives you and/or your financial adviser access to a range of information including your portfolio summary, record of transactions, switching, account information, statements and reports. You can access multiple accounts using a single sign-on and the same email address.

Snapshot of IOOF Pension

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

Investing		Page
Investment options ¹	<p>Core Menu Our simple low-cost solution consists of:</p> <ul style="list-style-type: none"> • Ready-made portfolios – IOOF's range of diversified and multi-manager trusts. <p>Full Menu Provides access to a wide range of investment options and consists of:</p> <ul style="list-style-type: none"> • Self-selected managed funds – a range of sector or asset class specific managed investments including specialist, regional and diversified funds. • Listed investments – access to the majority of the S&P/ASX 300 Index (plus any other securities approved from time to time by the Trustee). • Maturing investments – a range of term deposits and fixed-term annuities. 	6
Investment strategy	When you apply for membership in IOOF Pension you are required to make an investment choice as part of your application. If you have not made a decision about your future investment strategy, you can choose to invest in the Cash Account until you make another investment choice.	6

Investing		Page
Options		
Retirement phase pension	If you have met a condition of release (such as retirement after reaching your preservation age or turning age 65) you can commence a Retirement phase pension.	5
Transition to retirement pension option	You can use the TTR pension option to commence a pension once you have reached your preservation age, regardless of your employment status.	5
Death benefit pension	You can commence a pension with the rollover of a death benefit either from another super fund or from another account within the fund.	5
Estate planning options	<p>Choose from the following estate planning options:</p> <ul style="list-style-type: none"> • Reversionary Pensioner • Non-Lapsing Binding Death Benefit Nomination • Lapsing Binding Death Benefit Nomination • Non-Binding Death Benefit Nomination. <p>Under the Reversionary Pensioner option, we are bound to pay your remaining account balance as a continuing pension to your nominated Death Benefits Dependant after your death. However, the Reversionary Pensioner may choose to make a lump sum withdrawal rather than continue to receive pension payments.</p> <p>Under the Binding Death Benefit Nomination and Non-Binding Death Benefit Nomination options, we retain the flexibility to pay your benefit as a lump sum or pension.</p>	5-6
Managing your pension		
Pension payment options	<p>You can choose to receive your pension payments:</p> <ul style="list-style-type: none"> • fortnightly • monthly • quarterly • half-yearly • yearly. <p>All pensions are reviewed annually on 1 July.</p>	9
Movement between IOOF Employer Super, IOOF Personal Super and IOOF Pension	If you are transferring your super benefit from an existing IOOF Employer Super or IOOF Personal Super account, the value of your account will not be reduced by the impact of buy-sell spreads ² if you maintain your investment options when transferring between the three divisions. Capital gains tax will not arise if you transfer any investments between the three IOOF products.	5
Fee Aggregation	You can link IOOF Personal Super and IOOF Pension accounts (conditions apply), including your own, those of immediate family members and in-laws of the immediate family. This may reduce the Administration Fee payable.	14
Minimum amounts		
Initial contribution	Minimum of \$30,000 per pension account.	4
Investment options limits ³	<ul style="list-style-type: none"> • Ready-made portfolios (Core Menu) and self-selected managed funds (Full Menu) – no minimum applies. • Listed investments – a minimum parcel of \$2,000 is required per listed investment trade. • Maturing investments (term deposits and fixed-term annuities) – \$5,000 per maturing investment. 	6
Pension income	Your annual pension payments are subject to a minimum level set by the Commonwealth Government. Annual pension payments made under a TTR option are also subject to a maximum level set by the Commonwealth Government.	8
Lump sum withdrawals ⁴	No minimum applies.	10

2 When you move money in or out of an IOOF Pension managed investment (including when you make a switch), you may incur a 'buy-sell spread' which is included in the unit price of the investment option you choose (see 'Transaction costs' in **IOOF general reference guide (IOF.02)** for details).

3 Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits, fixed-term annuities, and listed investments. For further information regarding these limits, see the 'Investment limits' section in the **IOOF investment guide (IOF.01)**.

4 Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals where you have selected the TTR pension option.

How does your IOOF Pension work?

Commencing an IOOF Pension is easy. As long as you have met a condition of release such as retiring after reaching your preservation age or turning age 65, you can make an initial contribution to your new Retirement phase pension and start receiving your pension straight away. Your initial contribution can include the transfer of benefits from IOOF Employer Super or IOOF Personal Super to IOOF Pension.

Alternatively, if you have reached your preservation age but you have not retired, you can commence an IOOF Pension using the TTR option but the amount of cash you can withdraw will be limited until you tell us you retire or reach age 65. The access rules are set out on page 6.

Finally, you can transfer a death benefit from another superannuation fund or another super account within the fund and commence a new Death benefit pension. The eligibility rules for starting a new Death benefit pension are set out on page 5.

Starting your IOOF Pension

You or your spouse can make a contribution to IOOF Pension. The minimum amount you need to establish an IOOF Pension account is \$30,000.

Joining is simple. Your financial adviser may be able to complete an online application form on your behalf. Alternatively, you will need to complete an Application form located in the IOOF Pension Forms booklet (Forms booklet). You can obtain a copy of this booklet:

- from your financial adviser
- by downloading one from our website
- by calling ClientFirst on 1800 913 118.

Please forward your cheque or money order with your Application form to IOOF Pension Reply Paid 264 Melbourne VIC 8060.

The cheque should be made payable to:

IPS IOOF Pension – [your full name or account number]

If you are transferring your super benefits from another super fund, please complete the 'Request to Transfer' form located in the Forms booklet.

If you are transferring your benefit from another account within the Fund, please indicate the rollover amount on the Application form.

Your initial contribution

We can accept a wide range of contributions to commence your pension. These are:

- Personal contributions you make yourself.
- Spouse contributions made by your spouse (legal or de facto) for your benefit.

- Downsizer contributions from the proceeds of selling your family home from age 60⁵.
- Transfer of super or pension benefits from other super funds, ADF's or superannuation annuities.
- Transfers from other super or pension accounts within the Fund.
- Death benefit pensions can commence with the transfer of a death benefit from another super fund or super/pension account within the Fund.

If you wish to claim a tax deduction for any personal contributions made to fund your pension, you must lodge a notice of intent to claim a tax deduction with the fund at the same time as your IOOF Pension application form. Note: once your pension has been commenced, we will be unable to acknowledge any notice given in respect of these contributions or vary any acknowledged amounts. If you are 67 or over you must have met the work test or work test exemption to be able to claim a deduction.

Please note, no additional contributions or transfers can be made to an existing pension account once your pension has commenced.

A new pension account and application are required if you are:

- combining pension accounts
- changing your nominated Reversionary Pensioner
- adding further contributions or transfers (including to a TTR pension).

Restrictions on contributions

You can commence your pension with transfers of benefits from other super funds or other super or pension accounts within the fund at any age. If you are making downsizer contributions, you must be at least age 60 and the maximum amount you can contribute is \$300,000.

If you are making a contribution there may be restrictions to the amount or the age at which you can make the contribution. To be eligible to contribute to superannuation you must be under age 75.

More information on making contributions to superannuation is available from the **IOOF general reference guide (IOF.02)**.

Personal and spouse contributions are non-concessional contributions and the Commonwealth Government sets an annual cap on the amount of non-concessional contributions that can be made to your super each year. Additionally non-concessional contributions cannot be made if your current super and pension benefits (total super balance) is already \$1.7 million or more. If your 'total super balance' is \$1.7 million or more any new non-concessional contributions must be refunded. For details about contribution caps and how to calculate your total super balance please refer to the **IOOF general reference guide (IOF.02)**.

A Death benefit pension can only commence with the rollover or transfer of a death benefit. No other types of contributions can be added to commence the Death benefit pension, including transfers from your own super.

Investing your initial contribution

For new members, your initial contribution is credited first to your Cash Account. This contribution (less any nominated Member Advice Fee – Upfront⁶ and applicable taxes) will be invested in accordance with your Deposit Instruction on your Application form.

Information on how your Cash Account balance is contained in the 'Managing your Account' section of the **IOOF general reference guide (IOF.02)**.

For existing members, transferring from IOOF Employer Super or IOOF Personal Super to IOOF Pension is simple. You can transfer your current investment options directly into your new pension account if those investment options are available in the IOOF Pension. The value of your account will not be reduced by the impact of buy-sell spreads if you maintain your investment options, nor will it create a capital gains tax event. Please note you are required to provide a Deposit Instruction as part of your application. If you have not made a decision about your future investment strategy, you can choose to invest in the Cash Account until you make another investment choice.

You may also request your existing investment options be aligned (or re-weighted) to your new investment strategy.

IOOF Pension options

1. Retirement phase pension

This is an account-based pension that is payable when you have met a condition of release and your super benefits are unrestricted non-preserved. Earnings on investments for Retirement phase pensions are tax-free. The Government sets a limit on the amount of benefits that can be transferred into Retirement phase pensions. This limit is called the transfer balance cap and is currently \$1.7 million. You can find more information about how the transfer balance cap works in the General Reference Guide. Retirement phase pensions are subject to a minimum annual pension payment and you can take cash lump sum withdrawals at any time.

2. Transition to retirement (TTR) pension

This is an account-based pension that is payable if you have reached your preservation age but you haven't met a condition of release. Earnings on investments for TTR pensions are taxable at 15 per cent. TTR pensions are subject to minimum and maximum annual pension payments and cash lump sum withdrawals are severely restricted. When you meet a condition of release (such as turning age 65), your TTR pension will become a Retirement phase pension and will then be assessed under the transfer balance cap.

3. Death benefit pension or Reversionary pensions

A reversionary pension is the transfer of an existing pension to a nominated reversionary beneficiary on death of the primary pensioner. A Death benefit pension is a new pension that commences with the transfer of death benefits from another super fund or from another account within the fund (including the commutation of a Reversionary pension or a Death benefit pension). As earnings on investments are tax-free, Death benefit pensions and Reversionary pensions are treated as Retirement phase pensions and assessed under the recipient's transfer balance cap.

For details about the transfer balance cap and how it applies to Retirement phase pensions and income streams payable on death please refer to the **IOOF general reference guide (IOF.02)**.

Conditions of release and commencement of your pension

Super funds can only release benefits, such as commencing an IOOF Pension or paying a cash lump sum, in certain circumstances. Benefits in super are 'preserved'⁷ until you meet a condition of release. Once you have met a condition of release, your super benefits become unrestricted non-preserved and you can commence a Retirement phase pension.

The main conditions of release are:

- permanently retiring after reaching your preservation age
- leaving employment after reaching age 60
- reaching age 65
- permanent incapacity.

Once you have reached your preservation age but have not retired, you can access your preserved benefits by commencing an IOOF account-based Pension using the TTR pension option.

Please read the 'Accessing your super' section of the **IOOF general reference guide (IOF.02)** for further information about conditions of release and preservation age

Dependants – paying benefits if you die

If you die while you are a member, super law requires we pay your Death Benefit (the remaining balance of your pension account) to one or more of your dependants and/or your estate.

Please read the 'Death Benefit Nominations' section of **IOOF general reference guide (IOF.02)** for further information about dependant nominations, how each nomination works and the available payment options.

Making investment choices

Your investment strategy

IOOF Pension provides access to a range of managed investments, listed investments, term deposits and fixed-term annuities. 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	Description
Core Menu	
Ready-made portfolios	Offers you 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 your investment objectives.
Full Menu	
Self-selected managed funds	This is where you and your financial adviser can tailor the investments to suit your investment strategy. Self-selected managed funds comprise a wide range of managed investments across different asset classes to meet particular investment objectives.
Listed investments	Majority of the S&P/ASX 300 Index (plus any other securities approved by the Trustee).
Maturing investments	Term deposits and fixed-term annuities.

Managed investments

The managed 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 managed investments, which may be diversified across different asset classes, fund managers and investment styles.

You can normally switch between different managed investments at any time.

We carefully research leading Australian and international fund managers before developing ready-made portfolios or choosing self-selected managed funds to be part of the investment menu. We also monitor and review the fund managers and managed investments on an ongoing basis and may add or remove managed investments from time to time.

The list of managed investment options is set out in the **IOOF investment guide (IOF.01)**. The list may change from time to time. You can obtain a list of investment options from our website (www.ioof.com.au) or request a copy free of charge by calling ClientFirst on 1800 913 118.

Important note: A buy-sell spread may be incurred when switching between managed investments.

Listed investments

You have the option to invest in various listed investments through your IOOF Pension account. IOOF Pension provides you with access to the majority of the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time. You can view the current list on our website. This list may change from time to time.

Information on how you can invest in listed investments is set out in **IOOF investment guide (IOF.01)**.

Important note: Brokerage applies to any listed investment trades (buy or sell). Refer to the Transaction costs in the 'Additional explanation of fees and costs' section of **IOOF general reference guide (IOF.02)** and the 'Investing in listed investments' section of the **IOOF investment guide (IOF.01)** for more information.

Maturing investments

Terms and conditions relating to an investment in a maturing investments (term deposits and fixed-term annuities) are contained in the relevant PDS or product guide and the 'Investing in a maturing investments' section in **IOOF investment guide (IOF.01)**.

Important note: More information about each investment option available is detailed in **IOOF investment guide and menu** the PDS issued by the fund manager for the particular managed investment and the PDS or product guide for the particular maturing investment. The information relating to investments in **IOOF investment guide and menu** 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.

PDSs 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 PDS for the managed investment(s) and the PDS or product guide for any maturing investment(s) you have selected. You can obtain a copy free of charge by requesting it from ClientFirst by calling 1800 913 118 or directly from our website.

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

Please note, listed investments do not have PDSs.

Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits, fixed-term annuities and listed investments. For further information regarding these limits, please read the 'Investment limits' section in **IOOF investment guide (IOF.01)**.

Default investment strategy

IOOF Pension does not have a default investment strategy. When you apply for membership of IOOF Pension, you must nominate a Deposit Instruction.

Pension options explained

IOOF Pension is a very flexible retirement product. It provides an account-based pension with a TTR pension option, increasing your financial planning alternatives as you near retirement.

How is the minimum annual pension calculated?

The Commonwealth Government has set a minimum annual payment that you must withdraw from your pension account each financial year based on your age. The minimum is a percentage of your account balance and is measured at commencement and on 1 July each year.

You are able to select any amount of pension payments above this minimum that you require (unless you have a TTR pension).

If you select 'Minimum' in the 'Pension amount' section of the Application form, the minimum level of payments as per the following table will apply to your pension for the remainder of the financial year unless you .

Note: The Government reduced the minimum pension payments account-based pensioners are required to withdraw from their accounts by 50% for 2022/23 financial year. These amounts are also listed below.

Age	Default minimum drawdown rates (%)	2022/23 financial year (%)
Under age 65*	4	2
65–74	5	2.5
75–79	6	3
80–84	7	3.5
85–89	9	4.5
90–94	11	5.5
95 and older	14	7

* These minimums also apply to payments made under the TTR pension option.

For Reversionary Pensioners, the minimum applying to the original pension applies for the remainder of the financial year. On 1 July, following the death of the original pensioner, the minimum pension will be calculated using the Reversionary Pensioner's age.

The percentage factor is determined by the age of the account holder on 1 July of a financial year or the date of commencement of the pension in that year as shown in the table above.

Selecting your annual pension payments

You can nominate your annual pension payment to be:

- your age-based minimum annual payment in the table, rounded to the nearest \$10; or
- a fixed dollar amount.

Where you nominate a fixed dollar amount, which does not meet your age-based minimum annual payment, your pension will be adjusted upwards to meet the minimum.

If you have nominated a fixed dollar amount, you can also elect to automatically index your pension by the consumer price index (CPI) or a fixed percentage each year, provided the pension meets the Commonwealth Government's regulated pension payment limits.

If your needs change, you can increase or decrease your selected pension payments at any time provided they meet the minimum annual pension payment. You can request a change to your selected pension payments at any time in writing. However, any lump sum withdrawal requests will not be treated as a change to your pension payments unless you specify otherwise.

For Reversionary Pensioners, the current pension payments will continue in your name. However, you can choose to change the current pension selection (subject to meeting the Government minimum).

Depending on your selection, your annual pension payment will change over time⁸. Please consult a financial adviser about how to select your required annual pension payment.

Important note: Your first year's pension payment amount will be reduced in proportion to the number of days between the date your pension account was established and the following 1 July, unless you request otherwise.

⁸ Depending on your investment selection, nominated level of pension payments and the amount of any lump sum withdrawals, your pension account balance may rise or fall.

Frequency of pension payments

You may elect to receive your annual pension payment as one annual payment or in instalments based on one of the following frequencies:

- fortnightly
- monthly
- quarterly
- half-yearly
- yearly

Irrespective of the frequency you select, where necessary, we will withhold any PAYG tax liability on the gross pension payment for that frequency as required by law. For more information, please read 'What taxes apply and how do they work?' section of this PDS.

We will deduct the required pension payments from your Cash Account and credit them electronically to your nominated account with a financial institution. Payments can be made on the 6th, 10th, 14th, 20th, 25th or 28th of the month for monthly, quarterly, half-yearly and yearly pension payments. For fortnightly pension payments, payment is made on Tuesday, every fortnight starting from 5 July 2022. We may process your pension payment earlier than the specified date to ensure it reaches your nominated financial institution on time.

Fortnightly pension payments are scheduled every second Tuesday (based on a start date of 5 July 2022).

If you choose an 'annual amount paid' in fortnightly instalments, the number of payments and the payment amount you receive will vary between financial years. Alternatively, if you choose an amount per frequency paid in fortnightly instalments, your total annual pension amount will vary based on the amount of fortnights per financial year.

Transition to retirement (TTR) pension

Special rules for TTR Pensions

When you reach your preservation age you can acquire an income stream under the TTR pension option without having to permanently retire, change employment or reach age 65.

A TTR pension has the following restrictions:

- A maximum of 10 per cent of the account balance may be paid to you in pension payments each financial year. This means your nominated pension payments need to be within the minimum 4 per cent and maximum 10 per cent limits.
- Cash lump sum withdrawals can only be made if you have unrestricted non-preserved benefits, or to give effect to a Release Authority from the ATO or a payment split under Family law.
- Investment earnings are taxable at 15 per cent, on the same basis as other accumulation superannuation investments.

Once you meet a condition of release, such as letting us know you have retired or turning age 65, these additional restrictions will no longer apply and your pension will transfer to Retirement phase pension. In this situation, if you have been receiving the maximum pension payment, we will convert your current annual pension payment to a fixed dollar amount and continue to pay the amount of pension until you advise us otherwise. Also your pension account will transfer to a tax-free investment environment and will therefore be assessed against the transfer balance cap.

How are the preservation components of a TTR pension option treated?

Your TTR pension can commence with preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits. These components will retain their existing status on transfer into your pension. However, investment earnings will be allocated to the preserved component. Your pension payments and lump sum withdrawals will reduce each component in a prescribed order. Payments will be made first from your unrestricted non-preserved benefits, then from your restricted non-preserved benefits; and lastly, from your preserved benefits.

Can I commence a TTR pension and also contribute to super?

An advantage of using the IOOF Pension for TTR purposes is that the investment option(s) you choose in your IOOF Employer Super or IOOF Personal Super can normally be transferred directly into your IOOF Pension account without being redeemed and without having to incur any capital gains tax liability. On transfer, you can either retain your existing investment option(s) or provide us with new instructions to change your investment strategy.

If you choose to transfer only part of your benefit from your IOOF Employer Super or IOOF Personal Super to an IOOF Pension, a minimum balance of at least \$10,000 must remain in your IOOF Employer Super or IOOF Personal Super account to allow for further contributions to be made and to meet the cost of fees and any insurance premiums. The minimum balance may be higher where greater fees and insurance premiums are required to be paid in respect of your personal super.

Can a lump sum withdrawal be made?

Generally, you can make a full or partial cash lump sum withdrawal from your pension account at any time, except where you have selected the TTR pension option.

Under the TTR pension option, the following restrictions apply to cash withdrawals. No lump sum cash withdrawals are permitted except:

- to give effect to a Release Authority from the Australian Taxation Office.
- to cash unrestricted non-preserved benefits
- to give effect to a payment split under the Family Law Act 1975.

Once you meet a condition of release, such as permanently retiring from the workforce or reaching age 65, the withdrawal restrictions cease, and you can make cash withdrawals at any time.

You can transfer your benefit at any time:

- to a personal super or pension product in the Fund
- to a personal super or pension product in other super funds
- to purchase an annuity⁹
- to purchase a new Death benefit pension on the commutation of an existing Death benefit pension or Reversionary pension.

If you make a withdrawal, part of the withdrawal may be paid to you as a pension payment. This will apply if you have not already received the minimum pension payments specified by the Commonwealth Government for the current year and the amount remaining in your pension account after the withdrawal would be insufficient to allow the minimum level of annual payments to be made.

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% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or your employer, as applicable, may be able to negotiate to pay lower administration fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees and advice fees for personal advice, may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees cannot be charged.

Taxes are set out in another part of this document.

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

The fees and other costs for each managed investments offered by the entity, are set out in the **Investment Menu**.

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) without your consent. However, before doing so, we will provide you with 30 days' notice of any change. We also have the right to introduce new fees. The fees quoted in this section are inclusive of GST and any applicable reduced input tax credits unless otherwise stated.

Fees and costs summary

IOOF Pension				
Type of fee or cost	Amount		How and when paid	
Ongoing annual fees and costs¹⁰				
Administration fees and costs	Administration Fee			<p>The Administration Fee is a percentage-based fee calculated daily on your account balance¹⁴. It is charged monthly in arrears and is deducted from your Cash Account¹² at the end of each month.</p> <p>The Account Keeping Fee is the dollar-based fee charged monthly in arrears and is deducted from your Cash Account at the end of the month. Where you are only a member for a portion of the month, the Account Keeping Fee will be charged on a pro-rata basis.</p> <p>If you hold any investments from the Full Menu, the Account Keeping Fee of \$180 pa for the Full Menu applies. If all funds are in Cash Account and/or Core Menu the Account Keeping Fee of \$117 pa applies.</p> <p>If your investments change between Cash Account, Core Menu and the Full Menu during a month, the Account Keeping Fee applicable at the end of the month is taken to have applied for the whole month.</p> <p>We retain a part of the interest that is earned on the Cash Account. The interest retained is the difference between the net rate of interest we credit to your Cash Account and the total interest earned in relation to pooled assets of the Cash Account. Note, the target net interest rate to be credited to your Cash Account is the official cash rate set by the Reserve Bank of Australia.</p> <p>You won't see administration costs paid from the reserve costs as direct charges to your account. They reduce the balance held in reserves and are used to cover certain costs related to the running of the IOOF Portfolio Service Superannuation Fund.</p>
	Account balance	Cash Account & Core Menu	Full Menu	
	First \$250,000	0.35% pa	0.70% pa	
	Next \$250,000	0.25% pa	0.50% pa	
	Next \$500,000	0.10% pa	0.20% pa	
	Next \$1,000,000	0.05% pa	0.10% pa	
	Amounts above \$2,000,000	0.00% pa	0.00% pa	
	Account Keeping Fee			
	Account Keeping Fee	\$117 pa	\$180 pa	
	<p>Interest retained on Cash Account Interest is also retained on your cash account, estimated between 0.50% and 0.70% pa¹¹ on the balance of the Cash Account.¹²</p> <p>Administration costs paid from the reserve Other administration costs paid from reserves estimated between 0% and 0.01%pa of your account balance.¹³</p>			
Investment fees and costs ¹⁵	The fees and costs charged by us relate only to gaining access to the underlying funds through IOOF Pension and do not include the fees and costs that relate to investing in underlying funds.		Generally calculated daily as a percentage of the amount 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 is generally charged monthly or quarterly in arrears.	
	However, investment fees and costs will apply and the amount of these fees and costs will depend on the managed investments selected by you from the Investment Menu . Performance fees may also apply to some managed investments when the investment return generated by the fund exceeds a specific criteria or benchmark.			
Transaction costs	We do not charge any transaction costs. However, transaction costs will apply and the amount of these transaction costs will depend on the managed investments selected by you from the Investment Menu .		Generally included in the unit prices of each managed investment. The transaction costs that apply to each managed investment can change from time to time. The most recent transaction costs applied by each fund manager can be obtained from the relevant PDS for each managed investment.	

IOOF Pension		
Type of fee or cost	Amount	How and when paid
Member activity related fees and costs		
Buy-sell spread	We do not charge buy-sell spreads. However, a buy-sell spread will apply and the amount of the buy-sell spread will depend on the managed investments selected by you from the Investment Menu .	A buy-sell spread is added to, or deducted from (as applicable), the unit price of the relevant managed investment. The buy-sell spread that applies to each managed investment can change from time to time. Please refer to relevant PDS for each managed investment for specific details.
Switching fee	Nil.	Not applicable
Other fees and cost¹⁵	Refer to the 'Additional explanation of fees and costs' section on page 13 for details of other fees and costs. Other fees and costs include: <ul style="list-style-type: none"> • Brokerage • Family Law Fees • Member Advice Fees • Dishonour Fees. • Portfolio Management Fee 	

10 If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

11 The interest retained on your cash account was 0.59% at 31 May 2022.

12 The interest we retain on pooled Cash Account assets is considered an indirect cost for administering your Cash Account. It is not deducted from your Cash Account directly, but through the interest generated from its underlying investments prior to crediting the 'net' interest to your Cash Account. The interest retained is subject to change. Interest on the Cash Account noted is retained at a rate between 0.50% and 0.70%. The actual interest assumes a net interest crediting rate to the cash account equal to the official cash rate set by the Reserve Bank of Australia.

13 Estimate is based on administration costs deducted from the reserve during 2021/22 and is not necessarily a set administration cost that will be deducted on an ongoing basis.

14 Your account balance comprises your Cash Account together with the value of your investment options.

15 Refer to the 'Additional explanation of fees and costs' section for more details.

Example of annual fees and costs for a superannuation pension product

This table gives an example of how the combined effect of the ongoing annual fees and costs for the IOOF MultiSeries 70 investment option through this superannuation pension product can affect your superannuation investment over a 1-year period. You should use this table to compare this superannuation pension product with other superannuation pension products.

EXAMPLE — IOOF MultiSeries 70		BALANCE OF \$50,000
Administration fees and costs	Administration Fee: (0.35% x \$50,000) Cash Account Fee: (0.70% x \$500) Account Keeping Fee: \$117 Administration costs paid from reserve (\$50,000 x 0.01%) ¹⁶	For every \$50,000 you have in the superannuation pension product, you will be charged or have deducted from your investment \$183.50 in administration fees and costs, plus \$117 regardless of your balance
PLUS Investment fees and costs	0.50%	And , you will be charged or have deducted from your investment \$247.50 in investment fees and costs
PLUS Transaction costs	0.07%	And , you will be charged or have deducted from your investment \$34.65 in transaction costs
EQUALS Cost of product		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of \$582.65 for the superannuation pension product.

Note: Additional fees may apply. This example assumes \$49,500 is invested in IOOF MultiSeries 70 and \$500 in the Cash Account. This is an example only and the fees and costs will vary depending on the managed investments selected by you. Additional costs may be charged by the issuers of the products that you decide to invest in. For more information, please refer to the PDS of the managed investments selected by you.

Warning: If you consult a financial adviser you may agree to pay your adviser an advice fee, which is disclosed in the statement of advice provided by your adviser. The amount of the fee may be deducted from your Cash Account if agreed with your financial adviser.

You should read the 'Additional explanation of fees and costs' below before making a decision. The material relating to 'Fees and other costs' may change between the time when you read this Statement and the day you acquire the product.

The information in the 'Fees and costs summary' can be used to compare costs between different superannuation pension products.

16 Estimate is based on administration costs deducted from the reserve during 2021/22 and is not necessarily a set administration cost that will be deducted on an ongoing basis.

Additional explanation of fees and costs

This section explains the fees and costs set out in the Fees and costs summary in the PDS and this section. It also provides a brief explanation about any additional fees and costs that may apply to your account. The fees and other costs for each underlying investment option offered by the entity, appear on our website in the relevant product disclosure statement for each managed investment. To understand all the fees and costs that may be payable under a particular investment strategy, you should look at both the PDS and the relevant product disclosure statement for each managed investment.

Your fees may be different

In certain circumstances, your fees may be different from those described in the PDS. Individual Licensees may have arrangements in place with us for lower fees to apply while you remain serviced by a representative of that Licensee and any arrangements will be those that have been agreed between you and your financial adviser.

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 IOOF Pension 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 different than those described in the Fee Table.

Administration Fees and costs

Administration fees and costs are made up of administration fees charged to your account and other administration costs paid from Fund reserves. This fee includes a percentage-based components and a dollar-based account keeping fee. It includes all administration and other expenses we incur, excluding any member advice fees (outlined in the following pages) and the fees and costs charged by the fund managers for each managed investment.

Family Fee Aggregation

Family Fee aggregation allows you to link your IOOF account(s) for the purpose of calculating the Administration Fee payable. This can mean a reduction in the Administration Fee payable by all 'linked' members. This is another way that we can help you lower the cost of managing your investments.

Family Fee Aggregation allows you to link:

- Your IOOF accounts.
- Your account(s) with those of your immediate family members (as defined below in the terms and conditions) who also have IOOF accounts.

Before considering the Family Fee Aggregation, it is important to read the terms and conditions:

- Any new Family Fee aggregation applications will either need to be signed by all linked members or requested by your financial adviser. Each person applying to link for the purpose of Family Fee Aggregation must be a member of the same immediate family (spouse, son, daughter, partner, father, mother, brother, sister, grandparents) and the spouses of immediate family members.
- A Family Fee aggregation request can be rejected and linking can be cancelled at any time by us.
- Any new Family Fee aggregation nomination will override any previous nomination.
- A maximum of six accounts are allowed to be linked together for Family Fee aggregation purposes.
- Members nominated for Family Fee aggregation within the same group must be associated with the same financial adviser where a financial adviser has been appointed. Where you change or remove your financial adviser, linking of your account for the purpose of calculating the Administration Fee will be cancelled.
- Each member will be able to access information about the other members in the Family Fee Aggregation group, including names, account numbers, and the aggregate account balance.

The Trustee reserves the right to change the terms and conditions at any time.

Investment fees and costs

This represents the fees and costs charged by the fund managers for the managed investment options selected by you and is generally calculated daily as a percentage of the amount you have invested in each managed investment option.

It is not deducted directly from your account but is generally incorporated into the unit price of the investment option.

The most recent investment fees and costs applied by the fund managers for the available managed investment options are set out in the Investment Menu and the relevant PDSs for each managed investment, which are available on our website.

Performance fees

As Trustee of the Fund, we do not charge any performance fees. However, a fund manager may charge a performance fee for a particular managed investment when the investment return generated by the managed investment exceeds a specific criteria or benchmark referred to in the Fee Table as a 'performance fee'.

The performance fee (if applicable) is generally calculated daily as a percentage of the amount you have invested in the managed investment. The fee is generally deducted on a monthly, quarterly or annual basis. A fund manager would normally incorporate the cost into the unit price of the managed investment. The unit price may reduce as a result of performance fees or increase as a result of negative performance fees.

Any applicable performance fee is included in the investment fees and costs stated in the **Investment Menu** and is current at the date of publication. For up to date information please refer to the relevant PDS for each managed investment.

Transaction costs

Some managed investments have a difference between their entry (purchase) and exit (sale) unit prices; 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 fund 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). 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 managed investment are outlined in the PDS issued by the fund manager for the particular managed investment which are available on our website (www.ioof.com.au).

Other transaction costs may also be incurred in managing the underlying funds of the managed investments selected by you. These transaction costs may include brokerage, buy-sell spreads, settlement costs, clearing costs, stamp duty, and custody costs. The costs of trading in over-the-counter derivatives may also give rise to transaction costs.

These transaction costs are in addition to investment fees and costs but are not charged separately to your account – they are generally included in the unit prices of each managed investment. The transaction costs that apply to each managed investment can change from time to time. Details of the transaction cost applicable to each managed investment are outlined in the **Investment Menu**, and the product disclosure statement and/or other disclosure documents issued by the fund manager for the particular managed investment, which are available on our website.

Brokerage

Brokerage is a fee charged by IOOF and is the amount paid to the broker when buying and selling listed securities through IOOF on the Australian Securities Exchange (ASX).

- **Listed investments**

Brokerage of 0.205% of the gross value of each trade (or \$2.05 per \$1,000 trade – minimum \$38.44) applies to each order to buy or sell a listed investment. Brokerage is deducted from your Cash Account at the time of the transaction.

- **Listed investments – Managed Portfolio Service**

Brokerage of 0.11% of the value of the transaction (inclusive of GST), with a minimum charge of \$20.50, applies to each order to buy or sell a listed investment within the Managed Portfolio Service (MPS). This brokerage is deducted from the model cash holding at the time of the transaction.

Portfolio Management Fee

If you use the Managed Portfolio Service (MPS) as part of your account, you will be charged a Portfolio Management Fee on the balance managed within the service.

This represents the fee payable to the managed discretionary account operator, Managed Portfolio Services Limited (MPSL), for services in managing your investments as agreed to separately in your MPS Investor Agreement. We will act on the instructions of MPSL whom you appoint to manage your investments within the MPS model and transact on your behalf.

Your financial adviser will provide you with the applicable fee rate. The fee is calculated daily on your balance managed within the service and deducted from the model cash holding shortly after the last day of the month.

Please refer to your financial adviser or the MPS Investor Agreement for more details.

Member advice fees

You can request that we acquire and pay for the services of a financial adviser selected by you to provide financial advice in relation to your IOOF account. We do not supervise the provision of services by your selected financial adviser. The following optional fees are available for you to select the most appropriate remuneration with your financial adviser:

- Member Advice Fee – Upfront
- Member Advice Fee – Ongoing
- Member Advice Fee – Fixed Term Arrangement (FTA)
- Member Advice Fee – One-Off.

You may agree to one or more of these options. For any agreed member advice fee, it must only be applied where the financial advice or services received relate solely to benefits held in your IOOF Pension account.

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 authorised by you, will be an additional cost to you and charged against your Cash Account. IIML, as Trustee of your super fund, is required to obtain specific written consent before a fee for financial advice can be deducted from your account. You are not under any obligation to consent to the fee being deducted. 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 otherwise.

The member advice fees quoted in this section are inclusive of GST. However, the actual amount deducted from your account may be different due to the effects of any applicable reduced input tax credits (RITCs).

On termination of an advice fee agreement accrued but undeducted Member Advice Fees may be deducted after the termination date.

Member Advice Fee – Upfront

You can agree that this advice fee is to be deducted from contributions and transfers/rollovers made to your account. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for financial advice and services provided to you in relation to the establishment of your account.

You can agree with the financial adviser on the amount of this fee up to a maximum of 5.5% (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 contributions and transfers/rollovers made to your account. 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, or
- contributions or rollovers paid for or facilitated by the Government or the Trustee (e.g. Government co-contributions; Low Income Superannuation Contribution).

Important Note

You cannot elect to have a Member Advice Fee – Upfront at the same time as a Fixed Term Arrangement.

Member Advice Fee – Ongoing

You can agree to have this advice fee to be deducted based on the value of your account and/or a fixed dollar amount on an ongoing basis. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount 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:

- flat percentage fee of up to a maximum of 2.2% per annum (inclusive of GST) of your account balance (calculated daily), or
- tiered percentage fee up to a maximum of 2.2% per annum (inclusive of GST) to apply at different account balance (calculated daily) subject to a maximum of 7 tiers, and/or
- flat dollar fee of up to a maximum of \$18,000 per annum (inclusive of GST).

The amount of this fee is calculated based on your daily balance and/or the number of days in IOOF and is deducted from your Cash Account on the last day 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 annum) (inclusive of GST).

Whilst the Member Advice Fee – Ongoing can continue indefinitely, we will require your consent to continue the fee every year. Your financial adviser will arrange for this annual renewal each year. If we do not receive your consent by the 'consent end date' as advised when the fee was established or last renewed, your Member Advice Fee – Ongoing will cease.

Member Advice Fee – Fixed Term Arrangement (FTA)

You and your adviser may agree for a fee to be charged for financial advice services that are to be provided within a fixed period. A Member Advice Fee – FTA will have a specified start date and end date, where the end date cannot be more than 12 months from the start date. The fee can be calculated based on the value of your account and/or a fixed dollar amount for the period. You can agree on the amount of this fee, up to:

- flat percentage fee of up to a maximum of 2.2% per annum (inclusive of GST) of your account balance (calculated daily), or
- tiered percentage fee up to a maximum of 2.2% per annum (inclusive of GST) to apply at different account balance (calculated daily) subject to a maximum of 7 tiers, and/or
- flat dollar fee of up to a maximum of \$18,000 per annum (inclusive of GST).

The amount of this fee is calculated based on your daily balance and/or the number of days in your IOOF Pension account and is deducted from your Cash Account on the last day 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 – FTA of 2.2% per annum) (inclusive of GST). Where a fixed term starts or ends partway through a month, the fee will be proportioned based on the number of days in the month.

Note:

- You cannot elect to have a Member Advice Fee – Upfront or a Member Advice Fee – Ongoing at the same time as a Member Advice Fee – FTA. Your account can only have one active FTA at any time.
- You must sign the FTA within 90 days of the start date, and the FTA must be received within 90 days of the date signed.
- The FTA start date cannot be backdated, as such if the start date is prior to the processing date, then the FTA will start on the date that it is processed.

Member Advice Fee – One-Off

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

The amount of this fee can be up to:

- a maximum of 10% of the account balance up to a fee of \$11,000 (inclusive of GST), or
- a maximum of \$3,300 (inclusive of GST) where the fee is greater than 10% of the account balance.

A new request must be supplied each time you wish this fee to be applied.

What happens if IIML does not receive consent to continue fees?

If you have a Member Advice Fee on your account (excluding Member Advice Fee – One-Off) and either you do not provide your consent to continue the fee, or do not apply for a new Member Advice Fee – FTA before the expiry of your current fee, IIML may seek to confirm with your adviser as to whether they are still providing services to you. Should your adviser either confirm no further services are to be provided, or does not provide IIML with any confirmation, we may remove your advisers access to your account.

What happens if I change my mind in relation to an advice fee?

Should you wish to revoke your consent to the deduction of any fees, please contact us and/or your adviser to terminate the fee arrangement. Note this will prevent any further deduction of member advice fees from your account after the consent has been revoked, but does not reverse any fees paid before revocation. We may also confirm with you or your adviser whether to remove the adviser's access to your account.

Other fees and costs

Expense Recovery Fee

The Trustee is entitled to recoup out-of-pocket expenses from the assets of the Fund, where such expenses are properly incurred (such as certain regulatory levies or government imposts, professional fees and other expenses). The amount charged is the actual amount of the expense incurred. Such expenses will be recovered from the Fund, where practicable, and may flow through as a deduction from your account at the time the expense is applied.

Family Law Fees

Legislation allows the Trustee to impose reasonable fees and pass on any expenses incurred, where your retirement savings are affected by superannuation requirements under the *Family Law Act 1975* or related legislation. The Trustee will charge a payment splitting fee (minimum \$80). When charged, \$40 will be debited directly from each account at the time of the payment split.

Dishonour Fees

If any direct debit 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.

Operational Risk Financial Reserve

The Government requires super funds to keep a financial reserve to cover any losses that members incur due to operational risk events. A Reserve has been established and is currently maintained within the fund by the Trustee. We may require members to contribute to the Reserve in the future. If we do, we will notify you in advance of any deductions.

Transferring external assets into your account

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 a fee per asset transferred into IOOF Pension on a cost recovery basis.

Low account balances

If there are insufficient funds in your account to pay the fees (including the Administration Fee and any member advice fees) due in any month, the fees will be waived. Where a member advice fee is waived no further member advice fee will be paid to the financial adviser until there are sufficient funds to meet the fees. Any member advice fee waived will not be recovered.

Fee rebate for low account balances

You will receive a fee rebate if:

- Your account balance is less than \$6,000 at the end of the financial year; or
- The withdrawal benefit on closure of your account is less than \$6,000.

In these cases, a fee cap of 3% of your account balance will apply to the total administration fees, expense recovery and investment fees incurred during that financial year. If excess fees are charged, you will be paid a fee rebate to your account at the end of the financial year or to your benefit prior to withdrawal.

GST and taxes

The fees quoted in this section are inclusive of GST, less any applicable RITCs, unless otherwise stated. The benefits of any available input tax credits are passed on to you in the form of reduced fees or costs. See the *'What taxes apply and how do they work'* section of this document.

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 instructions. 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.

Fund manager payments

We may receive a fee from the fund managers of certain investment options for administration and investment related services. The fees for arrangements are in line with government reforms and will be charged on a flat dollar basis but may vary between fund managers. They are an administration-related fee retained by us and are not an additional cost to you.

Managed fund rebates

The Trustee is often able to obtain wholesale fund fee rates from fund managers, which are generally lower than the fee rates applicable for direct investment into retail managed funds. The lower fee may be provided by the fund manager as a rebate of the fees and costs associated with your investment in a managed fund. These rebates are returned to you in full and paid into your Cash Account typically monthly or quarterly, depending on the frequency set by the fund manager. Your entitlement to any rebate is determined by the fund manager, however, where you have closed your account prior to the processing of a rebate, you will not be entitled to that rebate.

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 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. External cost pressures such as increased regulatory complexity and the introduction of new or improved member services are but two of the circumstances that may give rise to an increase in fees and other costs. The Trust Deed does not impose maximum limits in relation to fees and costs for IOOF Pension.

The Trustee or fund managers may impose redemption fees with the intention of safeguarding members' investments. You will be given 30 days' written notice of these proposed alterations if there is an increase.

Example of annual fees and costs using the full investment list for a \$250,000 balance.

This table gives an example of how the combined effect of the ongoing annual fees and costs using a choice of investments this superannuation pension product can affect a \$250,000 superannuation investment over a 1-year period. You should use this table to compare this pension product with other superannuation pension products.

Investment held	Account balance
Cash Account	\$2,500
Term Deposit	\$47,500
Annuity	\$25,000
Listed Investment 1	\$25,000
Managed Investment 1 – Full	\$50,000
Managed Investment 2	\$100,000
TOTAL	\$250,000

EXAMPLE – IOOF Pension using a range of investments on the investment menu (including Full Menu).		Balance of \$250,000
Administration fees and costs	Administration Fee: (\$102,500 x 0.35%) (\$147,500 x 0.70%) Account keeping Fee: \$180 Cash Account Fee: (\$2,500 x 0.70%) Administration costs paid from reserve (\$250,000 x 0.01%) ¹⁶	For every \$250,000 you have in the superannuation pension product, you will be charged or have deducted from your investment \$1,433.75 in administration fees and costs, plus \$180.00 regardless of your balance
PLUS Investment fees and costs	Term Deposit: (\$47,500 x Nil) Annuity: (\$25,000 x Nil) Listed Investment 1: (\$25,000 x Nil) Managed Investment 1: (\$50,000 x 0.60%) Managed Investment 2: (\$100,000 x 0.70%)	And , you will be charged or have deducted from your investment \$1,000.00 in investment fees and costs
PLUS Transaction costs	Term deposit: (\$47,500 x Nil) Annuity: (\$25,000 x Nil) Listed Investment 1: (\$25,000 x Nil) Managed Investment 1: (\$50,000 x 0.06%) Managed Investment 2: (\$100,000 x 0.08%)	And , you will be charged or have deducted from your investment \$110.00 in transaction costs
EQUALS Cost of IOOF Pension		If your balance was \$250,000 then for that year you'll be charged fees of \$2,723.75 for IOOF Pension

NOTE: Additional fees may apply. This is an example only and the fees and costs will vary depending on the investments selected by you. For more information, please refer to the PDS of the investments selected by you.

- Assumes that the estimated investment fees and cost for Managed Investment 1 is 0.60% pa, the estimated investment fee and cost for Managed Investment 2 is 0.70% pa and no investment fees and costs apply to the listed investment, annuity and term deposit.
- Assumes that the transaction costs for Managed Investment 1 is 0.06% pa and the transaction costs for Managed Investment 2 is 0.08% pa.
- For this example, the contribution of \$250,000 is made at the start of the year.
- The above example does not include brokerage. Brokerage of \$51.25 would also apply to the purchase of the listed investment.

What taxes apply and how do they work?

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

- how pension payments will be taxed
- how super benefits will be taxed if a cash withdrawal is made
- how earnings will be taxed in an IOOF Pension.

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

This section sets out a summary of the key taxes that affect super and pensions. If you would like more information on specific super taxation rules, please see the 'How super is taxed' section of **IOOF general reference guide (IOF.02)**.

Tax on contributions made to commence your pension

Non-tax deductible personal contributions, spouse contributions and downsizer contributions used to directly purchase a pension are non-concessional contributions and are not taxed when credited to your pension account. Also most rollovers and transfers into your account are not taxable, however 15 per cent tax may apply if you are transferring an untaxed element from an unfunded public sector scheme into your pension account.

Tax on Capital gains

If you commence your pension with the transfer of investment options from another IOOF super or pension product, your investment assets are not realised on transfer and therefore no capital gains tax applies.

Tax on investment earnings in your pension account

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

The tax treatment of investment earnings will depend on whether your pension is a Retirement phase pension or a TTR pension.

Retirement phase pensions

If you have commenced a Retirement phase pension (including a Death benefit or a Reversionary pension), your investments will be held in a tax-free environment. 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-free environment, no Capital Gains Tax (CGT) applies if you choose to switch your investments or redeem any investments to provide for pension payments or cash lump sums.

Transition to retirement pensions

Investment earnings in your TTR pension account are taxed in a low tax environment and you can still take your retirement benefits tax-free once you turn age 60. The maximum rate of tax applied to investment 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.

When you meet a condition of release (such as turning age 65) your pension becomes a Retirement phase pension and the investment earnings will then become tax exempt. At this point the ATO will assess your pension against the transfer balance cap.

Tax on pension payments and lump sum withdrawals

When you are aged 60 and over Pension payments and lump sum withdrawals are tax-free.

If you are under age 60

We are required to deduct tax, depending on your age and the tax components of your benefit. The tax components are calculated on a proportional basis¹⁷ as follows:

Component	Pension payment	Lump sum withdrawal
Tax-free	Tax-free and not included in assessable income.	
Taxable	Included in assessable income. 15% tax offset applies if received after reaching preservation age or if totally and permanently disabled.	Under preservation age: 20% (+ Medicare Levy) Preservation age to age 59: Up to \$230,000 ¹⁸ threshold: 0% Excess over threshold: 15% (+ Medicare Levy) ¹⁸

¹⁷ The proportion of tax-free component and taxable component of the pension is determined at commencement and applies to all payments from the member account. For super, the tax-free and taxable proportions are calculated at the time of the withdrawal and again with each subsequent withdrawal.

¹⁸ Threshold increases annually with movements in Average Weekly Ordinary Time Earnings rounded down to the nearest \$5,000. Rates apply to 2022/23 financial year, please refer to the ATO website for current rates.

Tax on benefits paid as a result of death

The tax payable depends on whether the benefit is paid as a pension or a lump sum.

Death benefit pensions

These are either Reversionary pensions or new Death benefit pensions paid to a nominated beneficiary or on the rollover of a death benefit from another super fund. A Death benefit pension is tax-free if either the deceased person or the beneficiary is aged 60 or over. Death benefit pensions, where both the deceased person and the beneficiary are under age 60, are taxed on the same basis as pensions paid to members under age 60. However, the 15 per cent offset applies even if the beneficiary is under preservation age. When the beneficiary turns age 60 the pension becomes tax-free.

Death benefit pensions can be commuted to a tax-free cash lump sum or rolled over to commence a new Death benefit pension at any time. However, Death benefit pensions paid to dependent children must be fully commuted to a tax-free cash lump sum benefit once the child turns age 25 (unless the child is disabled).

Lump sum Death benefits

If the payment is made directly to your Death benefits dependants it will be tax-free.

If the lump sum benefit is to be paid direct to a beneficiary who is not a Death benefits dependant, the benefit is taxed on a similar basis to lump sum benefits paid to those under age 60. However, the entire taxable component is taxed at 15 per cent (plus Medicare).

For more information regarding the tax on lump sum Death benefits see the 'How super is taxed' section of the General Reference Guide.

Tax file numbers

Please provide your tax file number (TFN) when acquiring this product. Under the *Superannuation Industry (Supervision) Act 1993*, the Trustee is authorised to collect your TFN, which will only be used for lawful purposes and in accordance with the *Privacy Act 1988*. It is not an offence if you choose not to provide your TFN, but providing it has advantages including:

- we will be able to accept all permitted contributions
- other than the tax that may ordinarily apply, you will not pay more tax than you need to, and
- it will be easier to find different super accounts in your name.

The Trustee requires your TFN in order to process your IOOF Pension application.

If you are aged 60 or over

You can notify us of your TFN on the Application form located in the Forms booklet. If we already hold your TFN (for example, you are transferring from another super account within the Fund) you do not have to submit it again.

If you are under age 60

You will need to complete a TFN declaration. You can obtain a copy of the TFN declaration form by calling ClientFirst on 1800 913 118 or by email (clientfirst@ioof.com.au).

Please complete this form even if we already have your TFN, as the form includes additional tax information for us to appropriately deduct tax from your pension.

Centrelink/Department of Veterans' Affairs information

The Commonwealth Government determines whether you are eligible for a Centrelink or Department of Veterans' Affairs (DVA) pension or allowance payment.

For more information see the 'How is super treated for Centrelink/Department of Veterans' Affairs purposes' section of **IOOF general reference guide (IOF.02)**.

Centrelink or DVA may require the Trustee to provide information directly to Centrelink/DVA about your pension on an ongoing basis.

General information

Cooling-off period

To ensure you are happy with your IOOF Pension, you have a 14 day cooling-off period to ensure it meets your needs. The 14 day period starts from the earlier of the date you receive your welcome letter, or five business days after your pension account has been established.

If you want to close your pension account during the 14 day cooling-off period, you must provide written notice by mail to the postal address on the back cover of this PDS.

The amount returned (if applicable) will be adjusted for any market movements in your chosen investment option(s) (up or down) up to the date we receive your notification. We will not refund taxes and reasonable transaction or administration costs incurred by us in issuing your investment (excluding the payment of any member advice fee or similar fee). As a result, the amount received may be more or less than the amount of your initial contribution.

Please note, the cooling-off period ceases to apply if you exercise your rights or powers in an IOOF Pension, such as if you make an investment switch during the 14 day cooling-off period.

If you have selected the TTR pension option, we cannot rePAY your initial contribution directly to you. You must nominate another complying income stream or a provider that offers a TTR pension option so your initial contribution can be transferred.

If you do not make a nomination within one month after notifying us of your intention to seek the return of your initial contribution or your nominated provider does not accept the transfer, the contribution will be retained in the Cash Account until you provide us with alternative instructions.

What are the risks?

Information relating to risks is contained in the **IOOF general reference guide (IOF.02)**.

Managing your account

Additional information to assist you in managing your pension account is contained in the 'Managing your account' section in the **IOOF general reference guide (IOF.02)**.

Your instructions and communications

Information relating to providing instructions and communications is contained in the 'Your instructions and communications' section of the **IOOF general reference guide (IOF.02)**.

Electronic communications

Information relating to electronic communications is contained in the 'Electronic communications' section of the **IOOF general reference guide (IOF.02)**.

Keeping track of your investments

Information to assist you in keeping track of your investments is contained in the 'Keeping track of your investments' section of the **IOOF general reference guide (IOF.02)**.

Transferring assets into your IOOF Pension account

Any external assets that you currently hold may be able to be transferred into your account in the Fund on commencement of your pension. As a transfer of external assets is treated as a contribution to the Fund, tax and super 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.

Transferring from another IOOF product or other product within the Fund

If you apply to transfer to IOOF Pension from IOOF Employer Super or IOOF Personal Super, you are authorising us to transfer each investment option (where possible), and the balance of your Cash Account the sum of which is the total balance of your existing account), to your new pension account.

Any investment options you may have held in your existing product that are not currently available in IOOF Pension, will be redeemed and invested in the Cash Account until you provide us with new Investment Instructions. If any of those investments are redeemed prior to the transfer, you may incur a CGT liability.

If you are transferring an existing account to an IOOF Pension account and you do not complete Deposit and Standing Instructions, your existing instructions will be transferred. You are not required to provide Deposit and Standing Instructions, unless you are making additional contributions to your transfer from an existing account to commence your pension.

A Member Advice Fee – Upfront will not be charged on the transfer of your existing account balance to your new account. If you would like to transfer your benefit from another super or pension product, please complete the relevant section of the Application form located in the Forms booklet.

Where you wish to make a partial transfer to IOOF Pension from an existing IOOF product or other product within the Fund, you will need to maintain a minimum balance of \$10,000 in the remaining account.

Transfers from pension accounts within the Fund

For transfers from pension accounts within the Fund, your current pension will automatically continue in your new IOOF Pension account, but under the investment and fee options and other terms set out in this PDS.

If you would like to commence a new pension account, you can indicate this in the relevant section of the Application form. A new pension account will automatically commence if you are:

- making a partial transfer
- transferring more than one pension changing your nominated Reversionary Beneficiary
- adding further contributions.

Please note that no additional contributions or transfers can be made to an existing pension account once your pension has commenced.

Financial adviser authority

Information relating to financial adviser authority is contained in the 'Financial Adviser Authority' section of the **General Reference Guide**.

What if you have a complaint?

If you have a complaint (or wish to obtain further information about the status of an existing complaint), please contact Customer Care on 1800 913 118 or write to Customer Care, GPO Box 264, Melbourne VIC 3001.

We will provide you with all reasonable assistance and information you may require for the purpose of making a complaint and assist you in understanding our complaints handling procedures.

You have the option to lodge a complaint with AFCA directly rather than lodging a complaint with us. Otherwise, you can also lodge a complaint with AFCA if you are not satisfied with our response or if your complaint has not been resolved within the maximum timeframe prescribed by ASIC's Regulatory Guides (RG 271). AFCA provide a fair and independent financial services complaint resolution that is free to consumers. Time limits may apply to complain to AFCA. Please act promptly and consult the AFCA website to find out if or when the time limit relevant to your circumstance expires.

Website: www.afca.org.au
Email: info@afca.org.au
Tel: 1800 931 678 (Free call)
Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne, VIC 3001

Your privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of the Insignia Financial Group privacy policy, please contact ClientFirst on 1800 913 118 or visit our website (www.ioof.com.au/privacy).

We collect your personal information from the application form you complete when applying for this product for the purpose of providing you with the products and services that you request and for related purposes, including providing you with financial advice and ongoing services in relation to your account with us, or providing information about other products and services that may be of interest to you. If you do not provide all the information requested in your application form, we may not be able to process your application.

To verify your identity for Know Your Customer (KYC) purposes, we may also solicit personal information about you from reliable identity verification service providers.

For the purpose of providing you with the products and services that you have requested, we may disclose your information to our related bodies corporate or external parties, including your financial adviser or employer, banks or other financial institutions, medical professionals, insurers, legal or accounting firms, auditors, mail houses, or when required or authorised to do so by law. It is generally unlikely that we will disclose your personal information overseas, however any overseas disclosure does not affect our commitment to safeguarding your personal information and we will take reasonable steps to ensure any overseas recipient complies with Australian privacy laws.

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

We are required to by law carry out proof of identity procedures before establishing a pension. These requirements arise under the 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 during the application process and/or when you request a pension payment. 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 (including your pension) may be delayed or refused.

How do I apply?

Joining is simple. Your financial adviser may be able to complete an online application form on your behalf via IOOF Online. Alternatively, you can complete the appropriate Application form and any other relevant forms in the IOOF Pension Forms booklet.

You can obtain a copy of this booklet:

- from your financial adviser
- by downloading one from our website (www.ioof.com.au)
- by calling ClientFirst on 1800 913 118.

Contact us

Postal address

IOOF Pension
GPO Box 264
Melbourne VIC 3001

Telephone

1800 913 118

Fax

03 6215 5800

Email

clientfirst@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 1, 800 Bourke Street
Docklands VIC 3008

Unique Superannuation Identifier

SMF0126AU