

# Guaranteed Income Account Product Disclosure Statement

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This legalsuper *Guaranteed Income Account Product Disclosure Statement* is issued by Legal Super Pty Ltd, Level 37, 140 William Street, Melbourne, 3000 (ABN 37 004 455 789, AFSL 246315) as the Trustee for legalsuper ABN 60 346 078 879.

Issued 1 July 2019

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## PRODUCT DISCLOSURE STATEMENT

Issued by Legal Super Pty Ltd  
Level 37, 140 William Street, Melbourne VIC 3000  
ABN 37 004 455 789, AFSL 246315, L0002585  
legalsuper ABN 60 346 078 879

## Fund Contact Details

Phone: 1800 060 312 (8am to 8pm [AEST] Monday to Friday)  
Email: mail@legalsuper.com.au  
legalsuper.com.au

Date of preparation: 28 June 2019

# About this document

The information contained in this legalsuper *Guaranteed Income Account Product Disclosure Statement (PDS)* is correct at the date of preparation being 28 June 2019. A copy of this legalsuper *Guaranteed Income Account PDS* is available from us on request at any time without charge.

The Lifetime Guaranteed Income and Fixed Term Guaranteed Income products are offered by legalsuper and are collectively referred to in this PDS as Guaranteed Income Accounts. Where the term 'account' is used in this PDS, it refers to an interest in the income products covered by this PDS. However, there is no actual account balance attributable to a member's interest in a Lifetime Guaranteed Income Account or Fixed Term Guaranteed Income Account.

Information contained in this PDS may change from time to time and may be updated on our website at **legalsuper.com.au** or by information updates, except for that information which could be materially adverse.

Paper copies of any updated material will also be available without charge upon request to the Trustee by telephone on **1800 060 312** (8am to 8pm [AEST] Monday to Friday) or by writing to the Trustee at the address shown on the back cover of this PDS.

The Trustee is responsible for the issue of this PDS and for the contents (except where otherwise stated).

Whilst every effort has been made to ensure that the contents of this PDS are accurate and consistent with the governing rules of the Guaranteed Income Accounts, including legalsuper's Trust Deed, the governing rules of the Guaranteed Income Accounts are the final authority if there are any discrepancies.

If you wish to commence a legalsuper Guaranteed Income Account, you must use the application form provided in the back of this PDS.

Please note that the Trustee reserves the right not to accept an application where the Trustee considers that to do so would or might cause a breach of any actual or announced legislative or regulatory restriction relating to Guaranteed Income Accounts, or would or might result in adverse tax consequences for the applicant or legalsuper. Nonetheless the Trustee does not take responsibility for assessing or determining the tax consequences for you of investing in a Guaranteed Income Account. We recommend that you seek the advice of a licensed financial adviser before investing.

The Trustee does not guarantee the performance of legalsuper, the repayment of capital or any particular rate of return. The advice given in this PDS is of a general nature only and is not intended to take the place of personal advice from a licensed financial adviser. Before making any decisions on the basis of the information in this PDS, we recommend that you obtain independent advice from a licensed financial adviser that takes into account your personal circumstances. We have not taken into account your personal investment objectives, financial situation or particular needs.

This PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. The distribution of this PDS in jurisdictions outside Australia may be restricted by law. Any persons outside Australia who come into possession of this PDS should seek advice on and observe any restrictions that apply. A failure to comply with such restrictions may constitute a violation of applicable securities law. The offer constituted by this PDS if received in electronic form is available only to persons in Australia. Please note that legalsuper does not accept application forms electronically. We require an original signature on a hard copy of any application form.

References in this PDS to 'the Fund' are references to legalsuper.

References to 'the Trustee', 'us', 'we' or 'our' throughout this PDS are references to the Trustee, Legal Super Pty Ltd.

# Important notice

When you invest in a Guaranteed Income Account, your money is invested by the Trustee in a life policy issued to the Trustee by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (Challenger Life), a life insurance company regulated under the *Life Insurance Act 1995 (Cth)* (Life Act). Challenger Life is authorised by the Australian Prudential Regulation Authority (APRA) to operate a life insurance business in Australia. The benefits provided by the Guaranteed Income Accounts are supported by the policy issued by Challenger Life, and the Trustee will only pay members their income payments, withdrawal value or residual capital value to the extent that the Trustee receives payment from Challenger Life.

All references to guarantees in relation to benefits provided by the Guaranteed Income Accounts are to the guarantee from Challenger Life pursuant to the life policy issued to the Trustee by Challenger Life. An investment in a Lifetime Guaranteed Income Account is designed to be treated as an 'innovative' superannuation income stream governed under pension rules.

**The Trustee, as issuer of the Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts, relies wholly on Challenger Life to fund your agreed income payments, any withdrawal amount and any residual capital value (if applicable). The Trustee does not guarantee the performance of Guaranteed Income Accounts, the repayment of capital, or the payment of any income. Under no circumstances will the Trustee pay your entitlements under a Guaranteed Income Account if Challenger Life is unable to fund these entitlements.**

Challenger Life's ultimate parent company is Challenger Limited (ABN 85 106 842 371). Neither Challenger Limited nor any other company within the Challenger group of companies guarantees the performance of Challenger Life's obligations or assumes any liability in connection with the life policy issued to the Trustee.

For more information on the guarantee, please refer to 'Your guarantee' on page 8.

Information about the Guaranteed Income Accounts is based on information contained in the policy documents issued by Challenger Life. Challenger Life has given, and not withdrawn before the date of this PDS, its written consent for this information to be included in this PDS in the form and context in which it appears. Challenger Life takes no responsibility for any other information contained in this PDS.

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# Chief Executive's welcome



## Thank you for your interest in legalsuper

This Product Disclosure Statement includes important information about legalsuper and the Guaranteed Income Accounts available to members.

I encourage you to read it and to contact us if you have any questions.

## Introduction

Our mission at legalsuper is to empower people in Australia's legal community to build wealth for their life in retirement.

Established in 1989, as at the date of this PDS it manages \$4.0 billion for more than 44,656 members.

We are run only to benefit our members, do not pay commissions to financial planners and keep our fees low.

The shareholders of the Trustee (Legal Super Pty Ltd) are the Law Institute of Victoria and Law Society of New South Wales. No dividends are paid to the shareholders.

Our members include judges, barristers, solicitors and the management and staff of legal businesses.

## What are Guaranteed Income Accounts?

Guaranteed Income Accounts provide a regular income in exchange for an initial capital investment.

A regular income will be paid for your chosen investment term or for the rest of your life (and, if you choose, your spouse's life), regardless of how investment markets perform.

A Guaranteed Income Account can give you peace of mind during your retirement, and in certain circumstances you may be able to request that the income cease to be paid and receive a withdrawal benefit.

The regular income is paid at intervals that you choose.

Your guaranteed income is determined at the time you establish a Guaranteed Income Account and will depend on the income options you choose and prevailing interest rates.

## In closing

If you have questions, please call **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

Welcome. We look forward to helping you in your life in retirement.

Yours sincerely

Andrew Proebstl,  
Chief Executive

# About legalsuper

legalsuper is the superannuation fund for the Australian legal community. It is a profit for member superannuation fund.

Legal Super Pty Ltd is the trustee of legalsuper. It is responsible for managing legalsuper in the best interests of its members. The shareholders of Legal Super Pty Ltd are, in equal part, the Law Institute of Victoria and Law Society of New South Wales. No dividends are paid to these shareholders.

Employed and self-employed members (and their spouses) can join legalsuper. As legalsuper is a public offer fund, those outside the legal community can also join legalsuper.

Members who retire can remain members of legalsuper and can choose to transfer their accumulated balance into a pension account from which a regular income is paid to them.

Two pension options are available:

- a Retirement Pension; and
- a Transition to Retirement Pension.

Members aged over 60 can also access guaranteed income accounts (annuities) which are supported by a policy issued by Challenger Life Company Limited. These accounts provide members a regular income either for life or a fixed term.

Superannuation is complex. It is also subject to ongoing change. Our website – [legalsuper.com.au](http://legalsuper.com.au) – includes information about superannuation and pensions as well as interactive calculators and fact sheets to help you engage with your savings. Our Client Service Managers are available to meet with you one-on-one. If you wish to arrange a workplace seminar or one-on-one meeting with a Client Service Manager, call or email us.

If you have questions, please call **1800 060 312** (8am to 8pm [AEST] Monday to Friday) or email [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au).

Members can log-on via our website – [legalsuper.com.au](http://legalsuper.com.au) – to enquire upon (e.g. check your current balance or review recent transactions) and update their account (e.g. change investment option or change address).

The balance of this *Guaranteed Income Account PDS* sets out more information about legalsuper and its products and services.

## Risks of legalsuper

Investing in superannuation pensions has risks. The main risks of investing in legalsuper are:

- **Investment risks.** Generally, the higher an investment's potential return, the greater the risk associated with that investment. Historically, investment in shares has provided the highest average returns, but has also demonstrated the greatest volatility in the short term. Over the longer term, lower-risk investments, such as cash or fixed interest, generally provide lower returns, but are less volatile than shares. Further information about risks are set out on page 7.
- **Changes in laws.** You need to be aware that superannuation and taxation laws change often, and this can impact on your investment in legalsuper. Changes can also occur to the taxation of pensions, which may affect the value of your investment.
- **Outsourcing risk.** legalsuper outsources a number of services such as administration and insurance. There is a risk that the companies to which we have outsourced may not perform in accordance with the agreements we have signed. This may lead to delays in actioning any member requests such as processing contributions, withdrawals, investment instructions, or insurance claims.
- **System risk.** There is a risk that the value or access to member benefits could be affected by interruption to legalsuper's administration systems. An example would be if there was an interruption or fault in any part of legalsuper's computer or telecommunications systems. Such interruption may be caused by breakdown, system overload, virus attack, unauthorised access, denial of service, or other malicious attack. The legalsuper website could become congested due to abnormal activity such as if the stock market falls significantly and many investors wish to simultaneously access the website.

There are also some risks particular to pensions:

- A legalsuper pension may not be the most appropriate product for your needs.
- The investment returns on your pension account may not keep pace with inflation.
- The pension you choose may not provide adequate income to meet your needs or may not provide income for as long as you need it.

# Benefits of Guaranteed Income Accounts

The benefits of Guaranteed Income Accounts are set out below. The benefits must be considered along with the risks, which are described on page 7.

## Regular payments

In exchange for an initial capital investment, a Guaranteed Income Account provides regular payments for a fixed term that you select, or for your lifetime.

You can also choose to have regular payments paid to your spouse, known as your 'reversionary', in the event you die before that person. Your reversionary can continue to receive payments:

- until the end of the fixed term, if you have a Fixed Term Guaranteed Income Account, or
- for their lifetime, if you have a Lifetime Guaranteed Income Account.

The initial amount of your regular payments is determined at the time you open a Guaranteed Income Account, and will depend on the initial capital investment, the account options you choose, prevailing interest rates and, if starting a Lifetime Guaranteed Income Account, your life expectancy (and the life expectancy of any reversionary).

The dollar value of your regular payments can change over time if you choose an indexation option or, if you are starting a Lifetime Guaranteed Income Account, a benefit reduction option (under which payments will reduce once made to your reversionary).

## Market and inflation protection

Guaranteed Income Accounts can provide you with the comfort of knowing you will receive regular payments for your chosen fixed term or your lifetime, regardless of how investment markets perform. You will not bear any market risk in relation to how your capital is invested. Challenger Life bears the market risk as it guarantees to make payment, regardless of how investment markets perform. For more information please refer to 'Your guarantee' on page 8.

If you choose indexation, your Guaranteed Income Account can also help protect you from the effects of inflation reducing the purchasing power of your regular payments.

## Longevity protection

A Lifetime Guaranteed Income Account provides you a regular income that lasts for your lifetime. Challenger Life guarantees to make the regular payments while you are alive. If you choose a reversionary and that person survives you, regular payments continue to be made to that person after your death.

## The comfort of access to your money

If you wish, such as if your circumstances change, you have the comfort that you can withdraw early from your Fixed Term Guaranteed Income Account, or early from your Lifetime Guaranteed Income Account during your nominated withdrawal period, and receive a lump sum.

The withdrawal value varies over time and you might (and generally would) receive less money than you invested or less than the amount you might have received had you continued to hold your account until the end of the fixed term or for your lifetime (as applicable).

**Important: A Lifetime Guaranteed Income Account ceases to have a withdrawal value after the end of the withdrawal period.**

Once you are paid the withdrawal value, your account ceases and no further payments will be made.

For more information on withdrawing from a Guaranteed Income Account, please refer to 'Withdrawals' page 17.

## Competitive rates

The dollar amount of your regular payments is based on competitive rates. The dollar amount will depend on the initial capital investment, prevailing market conditions (such as interest rates at the time you start your account), the account options you choose and, if starting a Lifetime Guaranteed Income Account, your life expectancy (and the life expectancy of any reversionary). Depending on the options you choose, your regular payments will be higher or lower. For more information on account options, please refer to pages 9 – 14.

## Death benefits

You can choose to have regular payments paid to your reversionary in the event you die before that person. If your nominated reversionary dies before you or can't receive the benefits, or you don't elect a reversionary, and you die within the withdrawal period or fixed term, any remaining benefits are payable in accordance with your binding death benefit nomination (if any) or to your dependants or legal personal representative in the proportions determined by the Trustee.

For more information please refer to the 'Your account on death' section on page 19.

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# Risks of Guaranteed Income Accounts

All investments carry some risk. The appropriate level of risk for you will depend on factors such as your age, financial goals, investment timeframe, where other parts of your wealth are invested, and your risk tolerance.

Listed below are the key risks that you should take into account when deciding whether to open a Guaranteed Income Account.

## Withdrawal risk

If applicable, you may only make a full withdrawal, after which your Guaranteed Income Account will be closed.

There is the risk that if you withdraw early from your Fixed Term Guaranteed Income Account, or early from your Lifetime Guaranteed Income Account during your nominated withdrawal period, whether voluntarily or on death, the amount paid is less than what you invested even after taking into account payments you have already received or what you might have received had you continued to hold your account until the end of the fixed term or for your lifetime. Generally you would receive less than the amount you invested even taking into account the regular income you have received.

The withdrawal value will vary over time as the amount payable depends on how long you've held the account and the prevailing rates at the time your account is withdrawn (whether voluntarily or on death).

**Important: A Lifetime Guaranteed Income Account ceases to have a withdrawal value after the end of your chosen withdrawal period.**

For more information on withdrawing from a Guaranteed Income Account, please refer to 'Withdrawals' page 17.

## Counterparty risk

This is the risk that Challenger Life becomes unable to meet its commitment to the Trustee under the life policy issued to the Trustee by Challenger Life in which your money is invested. The Trustee relies wholly on Challenger Life to fund your agreed income amounts, any withdrawal amount and any residual capital value (if applicable).

However, Challenger Life is subject to detailed legislative and regulatory requirements under the Life Act which are designed to reduce the likelihood of Challenger Life being unable to meet its commitment to the Trustee.

Challenger Life is regulated under the Life Act (which governs the provision of annuities in Australia) and the prudential standards made under it, which prescribe minimum capital and solvency requirements for Challenger Life.

APRA actively supervises Challenger Life's compliance with these requirements which are designed to ensure that Challenger Life is able to meet its obligations to investors, including the Trustee. For example, Challenger Life is required to hold enough capital to withstand a 1 in 200-year shock event.

Even so, unforeseen and/or extreme circumstances that might impact on the ability of Challenger Life to make payments to the Trustee can never be completely ruled out.

The Trustee does not provide any guarantee in respect of Guaranteed Income Accounts. The guarantee is provided by Challenger Life under the life policy issued to the Trustee. Under no circumstances will the Trustee pay your entitlements under a Guaranteed Income Account if Challenger Life is unable to fund these entitlements.

For more information, see 'Your guarantee' on page 8.

## Inflation risk

This is the risk that the real value of your regular payments may reduce over time as a result of inflation.

To help manage this risk, you can choose from indexation options under which your regular payments will be adjusted.

Even if you choose an indexation option, there is a risk that your own income needs will increase beyond the rate of inflation reflected in movements in the CPI or, if the CPI decreases, that your own income needs will not decrease accordingly.

For more information, see 'Indexation' on pages 12 and 14.

## Regulatory risk

The terms of the Guaranteed Income Account have been established in accordance with current superannuation and taxation legislation and regulatory requirements. There is a risk that such legislation and/or requirements may change in the future and that the tax and social security consequences of you investing in a Guaranteed Income Account may change.

# Your guarantee

The funds you invest in a Guaranteed Income Account are invested by the Trustee in a life policy issued by Challenger Life, a life insurance company within the Challenger group of companies.

All references to guarantees in relation to benefits provided by the Guaranteed Income Accounts are to the guarantee from Challenger Life pursuant to the life policy issued to the Trustee by Challenger Life.

legalsuper, as issuer of the Guaranteed Income Accounts, does not provide any guarantee in respect of the accounts. In order to pay you your entitlements in respect of a Guaranteed Income Account, legalsuper relies wholly on Challenger Life to fund your agreed income amounts, any withdrawal value and any residual capital value (for a Guaranteed Fixed Term Income).

If, for any reason, Challenger Life is unable to pay these amounts to legalsuper, then legalsuper will be unable to pay you your regular income payments, withdrawal value or residual capital value. Under no circumstances will legalsuper pay you any amount under a Guaranteed Income Account if Challenger Life does not fund that amount.

Challenger Life allocates your investment to a fund with money from other Guaranteed Income Account members and investors other than legalsuper who have also bought a life policy issued by Challenger Life. Challenger Life adds to this fund from its own money.

This fund is known as a statutory fund and is regulated under the Life Act.

All payments are made from the statutory fund and Challenger Life is required to keep the fund above a minimum level needed to meet its guarantees to all investors, including legalsuper. If it falls below this level, Challenger Life can be required to top up the fund with its own money.

APRA supervises this requirement and has extensive powers to intervene to ensure that Challenger Life can meet its guarantees even during volatile or adverse movements in the broader financial markets.

If the statutory fund receives additional investment return above the amount necessary to make all guaranteed payments, then Challenger Life can take some surplus income from it as its remuneration for providing benefits under the policy. However, it is only legally permitted to do so after it has made sure that there are sufficient funds to meet the current and future payments for all investors in the statutory fund, which includes legalsuper. You do not share in any surplus generated by the statutory fund.

Challenger Life will invest the statutory fund, subject to investment restrictions in the Life Act. Generally, the fund will be invested in cash, shares, corporate bonds, convertible notes, debt instruments, geared and ungeared property investments, infrastructure investments and other assets.

The investment objectives for the statutory fund include achieving consistent returns on investments, so that the cash flow in from investments matches the cash flow out to investors thereby ensuring that all present and future guaranteed payments can be made to all investors.

The name of Challenger Life's statutory fund that your money will go to when you invest in a Guaranteed Income Account is Challenger Life's Statutory Fund No.2. All references to guarantees refer to payments being guaranteed by Challenger Life pursuant to the life policy issued to the Trustee from the available assets of that statutory fund (which Challenger Life can be required to top up).

Challenger Limited is a signatory to the Principles of Responsible Investment (PRI) and aims to be a responsible investor by considering environmental, social and governance (ESG) factors when investing the assets of the statutory fund. In signing up to PRI, Challenger Limited has committed to extending ESG integration activities across its investments, as it recognises that such factors are important, impacting investment performance over the longer term.

Whilst Challenger Life takes into account ESG considerations when investing the assets of the statutory fund, it does not adhere to any particular set of standards and has no predetermined view as to what constitutes such considerations, or the extent to which they will be taken into account in its investment management practices.

# Choosing a Guaranteed Income Account

Guaranteed Income Accounts offer a number of options, so you can tailor your account to meet your needs. The dollar amount of the regular payments you receive will depend on the options you choose. A summary of the features of the Guaranteed Income Accounts is set out on the next page. Further detail is then contained in the pages as indicated.

## Lifetime Guaranteed Income

Page 11

## Fixed Term Guaranteed Income

Page 13

### Transfer Balance Cap

Please note that a Transfer Balance Cap (currently set as \$1.6 million and indexed periodically in \$100,000 increments in line with CPI) applies to the amount of super that can be transferred into the retirement phase. This means that a maximum of up to \$1.6 million can initially be invested in a legalsuper Guaranteed Income Account.

The maximum you can invest in a legalsuper Guaranteed Income Account will be reduced by the amount you have invested in any other annuity or pension (**excluding** Transition to Retirement Pensions unless you have reached age 65 or have otherwise met a condition of release such as retirement and have notified the Trustee) with legalsuper or another provider.

If you exceed the Transfer Balance Cap you may be subject to a tax on the earnings on the excess amount.

For Guaranteed Income Accounts it is the purchase price that is reportable to the ATO and credited to a member's Transfer Balance Cap.

For further information on the Transfer Balance Cap, please refer to the ATO website ([ato.gov.au](http://ato.gov.au)) or speak to your financial adviser regarding your individual circumstances.

# Guaranteed Income Account – features at a glance

Once you have selected your options and your Guaranteed Income Account has commenced you are unable to:

- change the options you have selected; and
- add additional amounts to your Guaranteed Income Account.

	Lifetime Guaranteed Income	Fixed Term Guaranteed Income
<b>Type of product</b>	Non-account based pension	Non-account based pension
<b>Who can start an account</b>	Members aged 60 or over who have access to unrestricted non-preserved superannuation money	Members aged 60 or over who have access to unrestricted non-preserved superannuation money
<b>Minimum term</b>	Your lifetime or the lifetime of you and your spouse	1 to 40 years
<b>Minimum investment amount</b>	\$20,000	\$20,000
<b>Payment indexation</b>	<p>You can choose to have your regular payments adjusted:</p> <ul style="list-style-type: none"> <li>• Fully in line with changes in the consumer price index (CPI);</li> <li>• Partially in line with changes in the CPI; or</li> <li>• Not at all</li> </ul>	<p>If your chosen investment term is at least two years and you choose to have all your capital returned to you as part of your regular payments throughout the term, you can choose to have your regular payments adjusted:</p> <ul style="list-style-type: none"> <li>• Fully in line with increases in the consumer price index (CPI);</li> <li>• By a fixed whole percentage rate of up to 5%; or</li> <li>• Not at all</li> </ul>
<b>Payment frequency</b>	You can choose to receive payments monthly, quarterly, half-yearly or yearly	You can choose to receive payments monthly, quarterly, half-yearly or yearly (yearly only available for fixed terms longer than 1 year)
<b>Capital repayment</b>	Capital is repaid to you over the investment term as part of your regular payments	<p>You can choose to have your capital repaid to you:</p> <ul style="list-style-type: none"> <li>• at the end of the investment term; or</li> <li>• as part of your regular payments throughout the investment term; or</li> <li>• as a combination of both</li> </ul>
<b>Voluntary withdrawal</b>	<ul style="list-style-type: none"> <li>• You can withdraw fully within your nominated withdrawal period; and</li> <li>• You cannot make a partial withdrawal</li> </ul>	<ul style="list-style-type: none"> <li>• You can withdraw fully before the end of the investment term; and</li> <li>• You cannot make a partial withdrawal</li> </ul>
<b>On death</b>	<p>If you die and you have elected a reversionary who survives you, regular payments (after any benefit reduction) are payable for the lifetime of the reversionary.</p> <p>If you die before the withdrawal period has ended and you have not elected a reversionary, or your reversionary has died before you, a lump sum death benefit is payable to your dependants and/or your legal personal representatives.</p> <p>If you die after the withdrawal period has ended and you have not nominated a reversionary, or your reversionary has died before you, no death benefit is payable and your account ceases.</p>	<p>If you die and you have elected a reversionary who survives you, regular payments are payable to the reversionary for the remainder of the investment term, together with any residual capital value.</p> <p>If you die and you have not elected a reversionary or your reversionary has died before you, the remaining benefits are payable as a lump sum to your dependants and/or your legal personal representatives.</p>

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## Lifetime Guaranteed Income

A Lifetime Guaranteed Income Account gives you a regular cash flow for life, regardless of how long you live or how investment markets perform. If you wish, such as if your circumstances change, you can also access your capital for a chosen withdrawal period.

### Reversionary

If you have a spouse, you can choose to include your spouse as a reversionary pensioner. If you select this option, if you predecease your spouse, a pension will continue to be paid to your spouse until they die. This choice is only available before your pension commences and cannot be changed later. This means that, if you have nominated your spouse as your reversionary, and they survive you, they will receive pension payments after you die for their own lifetime, unless:

- they do not qualify to receive the pension for superannuation law purposes, such as if they had ceased to be your spouse at the time of your death; or
- the Trustee is prevented from making such payments by operation of an order under the *Family Law Act 1975 (Cth)*.

### Benefit reduction

This option is only available if you have elected a reversionary.

With this option, you can choose that regular payments made after your death are paid at a reduced level. If you choose this option, payments made to your reversionary will reduce by 33% as against the payments that you were receiving immediately prior to your death. Your payments do not reduce if your reversionary dies while you are still alive.

If you choose the benefit reduction option, you will generally receive higher regular payments than if you do not choose this option (although the payments will reduce when the benefit reduction applies).

The benefit reduction only applies to regular payments and does not apply to your withdrawal value or death benefit.

#### Benefit reduction example:

You are receiving regular monthly payments of \$1,000 prior to your death. Following your death, monthly payments to your reversionary will reduce to \$670.

1. Calculated in accordance with the Australian Life Tables, rounded down to whole years then multiplied by 365 days. This may be different from what Challenger Life estimate your life expectancy to be.

### Payment frequency

You can choose to have your regular payments paid monthly, quarterly, half-yearly or yearly. Your regular payments are made to your nominated bank account at the end of each payment period. If you do not make a selection, the default payment frequency is monthly.

### Withdrawal period

You can choose a withdrawal period up to your life expectancy<sup>1</sup>.

During the withdrawal period:

- you can choose to cancel your entire account early in return for a lump sum payment (see page 17); or
- if you die and you do not have a reversionary, or your reversionary has died before you or cannot receive payments, a lump sum is payable (see page 17).

**After the end of the withdrawal period, your account does not have a withdrawal value, you cannot withdraw voluntarily and a lump sum is not payable on death.**

You must choose the withdrawal period when you apply for the account and it cannot be changed once your Lifetime Guaranteed Income Account has commenced. The minimum withdrawal period is generally 10 years (although the Trustee will consider a request for a shorter period) and the maximum withdrawal period is your life expectancy (see page 26). If you have nominated a reversionary, the longer life expectancy (as between you and your nominated reversionary) determines the maximum withdrawal period you can choose.

If you want to select a shorter withdrawal period than 10 years you should contact legalsuper to discuss further.

The option to withdraw early applies to your entire account and if exercised will result in the closure of your Lifetime Guaranteed Income Account.

## Indexation

You can choose to have your regular payments adjusted annually to reflect movements in the CPI<sup>2</sup>. The adjustment occurs after each anniversary of the start of your Lifetime Guaranteed Income Account. You can choose full indexation or partial indexation and can also choose to have no indexation. If you do not make a choice, the default is partial indexation.

Any change will be applied to the first payment after each anniversary of the start of your account, and the regular payments for the year that follows will be made at the indexed level.

## Partial Indexation

This option enables you to have your regular payments increased annually in line with any increase in the CPI that is greater than 2% and decreased annually in line with any decreases in the CPI.

If the CPI increases but the increase is less than 2%, your regular payments will not change.

If the CPI decreases, the full amount of the decrease will be applied and your regular income payment will decrease.

If the CPI increases by more than 2%, your regular payments will increase by the increase in the CPI, less 2%.

Although your regular payments will not increase during periods of low inflation, and will decrease during periods of deflation, this option will provide some protection in periods of high inflation. Choosing this option will generally mean that you will receive higher initial regular payments, when compared to an account with the full indexation option chosen, and lower initial regular payments than an account with no indexation option chosen. It is not possible to predict how your future payments might compare, as it is not possible to predict changes in the CPI.

## No Indexation

This option fixes the dollar amount of your regular payments. By choosing this option, the regular payments will not change from year to year.

Choosing this option will generally mean that you will receive higher initial regular payments when compared to an account with the full or partial indexation option chosen. However, because the regular payments will not be adjusted, it means that, in periods of inflation, the purchasing power of your regular payments will reduce, and your future regular payments could be less than if you had chosen full or partial indexation.

## Full indexation

This option enables you to have your regular payments indexed annually in line with the CPI. The change will be applied to the first payment after each anniversary of the start of your account, and the regular payments for the year that follows will be made at the indexed level. If the CPI increases, your regular payments will also increase by that proportion.

You should be aware that if the CPI decreases in any particular year, your regular payments will decrease.

## Nominating a beneficiary

You can nominate a beneficiary or beneficiaries to receive any remaining benefits of your Lifetime Guaranteed Income Account if you die. At the time you apply for your account, you can:

- nominate your spouse as your reversionary; or
- make a binding death benefit nomination; or
- make a non-binding death benefit nomination.

For more information, please refer to 'Death benefit nominations – choosing a beneficiary' (page 20).

2. The CPI is the weighted average of the Eight Capital Cities Index as published by the Australian Statistician, to provide a general measure of price inflation for all Australian households. We reserve the right to adjust the index if there is a change in law which results in a material change to the CPI or its use. The index used to calculate the CPI can be changed at any time. The CPI is only a proxy for inflation and does not exactly match actual price or wage inflation in the economy.



## Fixed Term Guaranteed Income

A Fixed Term Guaranteed Income Account gives you a regular cash flow for your chosen investment term, regardless of how investment markets perform. You also have the comfort of being able to withdraw early at any time. The option to withdraw early applies to your entire account and if exercised will result in the closure of your Fixed Term Guaranteed Income Account.

### Investment term

You can choose to receive regular payments over a fixed term of 1 to 40 years, inclusive (in whole years), subject to the Government's minimum payment requirements. For an account with no residual capital value (see below), the maximum fixed term must be no greater than the number of whole years until you reach age 100.

### Reversionary

If you have a spouse, you can choose to include your spouse as a reversionary pensioner. If you select this option, if you predecease your spouse, a pension will continue to be paid to your spouse for the remainder of the investment term. This choice is only available before your pension commences and cannot be changed later. This means that, if you have nominated your spouse as your reversionary, and they survive you, they will receive pension payments after you die for the remainder of the investment term, unless:

- they do not qualify to receive the pension for superannuation law purposes, such as if they had ceased to be your spouse at the time of your death; or
- the Trustee is prevented from making such payments by operation of an order under the *Family Law Act 1975 (Cth)*.

### Payment frequency

You can choose to have your regular payments monthly, quarterly, half-yearly or yearly. An account with a term of one year must have payments made monthly, quarterly or half-yearly.

Your regular payments are made to your nominated bank account at the end of each payment period.

If you do not make a selection, the default payment frequency is monthly.

### Capital repayment

The initial capital you use to start a Fixed Term Guaranteed Income Account can be repaid to you:

- throughout the investment term as part of your regular payments;
- at the end of the investment term; or
- as a combination of both.

When you apply for a Fixed Term Guaranteed Income Account, you choose between 0% and 100% of your initial capital investment that you wish to receive at the end of the term. This is known as the residual capital value (RCV).

If you choose a RCV of 100%, all of your initial capital will be repaid at the end of the term. If you choose a RCV of 0%, all of your initial capital investment will be repaid to you during the investment term (and none at the end). Because of this, an account with a RCV of 0% will give you higher regular payments but no capital at the end of the term, while an account with a RCV of 100% will give you lower regular payments but all your capital returned at the end.

You can choose a combination of both capital repayment methods and your regular payments will adjust accordingly. For example, if you invest \$20,000 and choose to receive 90% of your capital back at the end of the term (a RCV of 90%), you will receive a capital repayment at the end of the term of \$18,000. Throughout the term you will have received the other \$2,000 of your initial capital as part of your regular payments (the precise amount of capital per payment will depend on the investment term and the payment frequency).

Depending on prevailing interest rates, you may be required to choose a RCV that is lower than 100% in order for your payments to meet the Government's minimum payment standards. Please see page 15 for more information.

## Indexation

If you choose to have all of your capital repaid throughout the investment term (a RCV of 0%), and the term is at least two years, you can choose to have your regular payments indexed annually. The increase can either be in line with increases in the CPI<sup>1</sup> or by a fixed percentage between 1% and 5%. The increase will be applied to the first payment after each anniversary of the start of your Fixed Term Guaranteed Income Account and applies to the dollar amount of the regular payments as at the anniversary date.

If you choose to index in line with CPI and the change in the CPI is negative, then your regular payments will not reduce. If there is a negative change in the CPI in a given year, then the next time we calculate indexation the portion of any increase that will apply to your regular payments will be the increase in the CPI since the last time we applied CPI indexation to your regular payments.

If you choose fixed indexation, your regular payments will be increased by your chosen percentage, each year.

If you do not choose indexation, your regular payments will not be adjusted, which means that in periods of inflation, the purchasing power of your regular payments will reduce, and your future regular payments could be less than if you had chosen indexation.

By choosing indexation, your initial regular payments will be lower than if you start an account without indexation.

## Nominating a beneficiary

You can nominate a beneficiary or beneficiaries to receive any remaining benefits of your Fixed Term Guaranteed Income Account if you die. At the time you apply for your account, you can:

- nominate your spouse as your reversionary; or
- make a binding death benefit nomination; or
- make a non-binding death benefit nomination.

For more information, please refer to 'Death benefit nominations – choosing a beneficiary' (page 20).

1. The CPI is the weighted average of the Eight Capital Cities Index as published by the Australian Statistician, to provide a general measure of price inflation for all Australian households. We reserve the right to adjust the index if there is a change in law which results in a material change to the CPI or its use. The index used to calculate the CPI can be changed at any time. The CPI is only a proxy for inflation and does not exactly match actual price or wage inflation in the economy.

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# Starting, managing and making withdrawals from your account

## Starting your account

To start a Guaranteed Income Account, you must be a legalsuper member aged 60 or over and the money used to start the account must be unrestricted non-preserved superannuation money.

All of the monies to be used to purchase a legalsuper Guaranteed Income Account must be held in one or more legalsuper accounts and you must be a legalsuper member.

If you invest in a Fixed Term Guaranteed Income Account, the regular payments you receive from your account must meet the Government's minimum payment standards, set out in the following table.

Age	Minimum annual regular payments (% of the initial capital investment)
Under 65	4%
65 – 74	5%
75 – 79	6%
80 – 84	7%
85 – 89	9%
90 – 94	11%
95 or older	14%

If you invest in a Fixed Term Guaranteed Income Account with no residual capital value, the minimum payment standards must be met in the first year of the account only.

If you invest in a Fixed Term Guaranteed Income Account with a residual capital value, the minimum payment requirements must be met in each year of payment.

The regular payments shown on the quotes your licensed financial adviser provides will meet these minimum payment standards.

Once your Guaranteed Income Account starts, the first payment will be made at the end of the payment frequency period you have chosen. For example, if you choose to be paid monthly, the first payment will be made one month after the account starts. If you choose to be paid annually, the first payment will be made on the first anniversary of the start of the account.

Annual payments are not available for one year Fixed Term Guaranteed Income Accounts.

## Getting advice and obtaining a quote

You should read this PDS and speak with your licensed financial adviser before deciding to start a Guaranteed Income Account. You should also get a quote from your licensed financial adviser setting out the regular payment amounts, withdrawal period (if any), residual capital value (if applicable) and other terms of your account. The regular payments offered are reviewed and updated regularly to reflect market conditions. Your quote will be valid for 14 days from the date on which it is provided.

Once you are comfortable with the Guaranteed Income Account options you have selected, the terms of the account and the purchase price, you will need to complete the application form provided in the back of this PDS and forward this to legalsuper at the address set out in the form.

## How to start your account

Your account will be started once legalsuper receives and accepts a valid application.

**legalsuper must receive all of the documents no later than 6 business days before the date on which your quote expires and you must already hold the purchase price in your legalsuper account(s) in investment options other than the Direct Investment option.**

You must provide:

1. a completed and signed application form;
2. your valid quote;
3. your acceptable proof of identity documents (see the 'Administration instructions' on page 32 for acceptable proof of identity); and
4. your capital investment (see 'How to pay' on this page).

To be valid the quote must match the personal details and the type of Guaranteed Income Account you are applying for on your application form.

**Please note that quotes are only valid for 14 days from the date they are produced unless you or any reversionary have a birthday within this 14 day period in which case a new quotation will be required.**

The Trustee recommends that once you have obtained a quote and have decided to start a legalsuper Guaranteed Income Account, you complete an application form and send this together with all other documents mentioned above to legalsuper without delay.

Please note that the Trustee reserves the right not to accept an application where the Trustee considers that to do so would or might cause a breach of any actual or announced legislative or regulatory restriction relating to Guaranteed Income Accounts, or would or might result in adverse tax consequences for the applicant or legalsuper. Nonetheless the Trustee does not take responsibility for assessing or determining the tax consequences for you of investing in a Guaranteed Income Account. We recommend that you seek the advice of a licensed financial adviser before investing.

## Customer identification

In accordance with Anti-Money Laundering and Counter Terrorism Financing legislation, legalsuper is required to obtain verification of your identity before your account can be opened. This means that you must provide certified copies of the identification documents. See the 'Administration instructions' on page 32 for acceptable proof of identity.

## How to pay

You can only commence a legalsuper Guaranteed Income Account with money from existing accounts with legalsuper that are not invested in the Direct Investment option.

If you have more than one legalsuper membership account you must specify the amount to be used from each membership account and the total must match your purchase price.

If required, legalsuper will amalgamate amounts from your separate membership accounts for you.

We recommend you discuss how you will provide the funds to start your Guaranteed Income Account with your licensed financial adviser, or contact legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

## Managing your account

### Welcome letter

When you start your account, you will be sent an account confirmation, which sets out your account details. We will also send you a Centrelink schedule for social security purposes. You should read these documents carefully and contact your licensed financial adviser or legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday) if you have any questions.

### Continuity Certificates

If you invest in a Lifetime Guaranteed Income Account, prior to the end of the withdrawal period and every six months thereafter, we will send you and any reversionary a form to complete as evidence of survival.

Where you have chosen the benefit reduction option, you will be sent the form to complete every six months after the commencement of the account.

The form must be returned to us within 30 days of being sent. If evidence of survival is not provided to us, we reserve the right to discontinue any regular payments and/or cancel the account.

## When your Fixed Term Guaranteed Income Account matures

The last day of your Fixed Term Guaranteed Income Account is called the maturity date. If you choose not to have any residual capital value, your account will terminate on that date and no further payments will be made.

If you choose to have a residual capital value, we will notify you 30 days prior to your account maturity date. The maturity value will be returned to your legalsuper accumulation account (which we will open for you in the Cash investment option and with no insured benefit if you do not have an open account) and you can then choose to:

- leave the residual capital value in the legalsuper accumulation account;
- start a new Lifetime Guaranteed Income or Fixed Term Guaranteed Income Account with the same or different options;
- roll over some or all of the residual capital value to another superannuation fund account; or
- have some or all of the residual capital value repaid to you as a lump sum by legalsuper.

**The Trustee will only pay a residual capital value to the extent that the Trustee receives such payment from Challenger Life.**

## Withdrawals

### Lifetime Guaranteed Income

Your account has a withdrawal value during the withdrawal period chosen by you when you open your account. The withdrawal value is payable as a lump sum if during this period you:

- choose to close your account early;
- die without a reversionary;
- die and your reversionary has died before you; or
- die and your reversionary does not qualify to receive the pension for superannuation law purposes, or the Trustee is prevented from making payments to your reversionary by operation of an order under the *Family Law Act 1975 (Cth)*.

If your reversionary is receiving payments, they may also choose to make an early withdrawal during the withdrawal period.

**Important: After the end of the withdrawal period, your account does not have a withdrawal value, you cannot withdraw voluntarily and a lump sum is not payable on death.**

The option to withdraw early applies to your entire account and will 'if exercised' result in the closure of your Lifetime Guaranteed Income Account.

**The Trustee will only pay a withdrawal value to the extent that the Trustee receives such payment from Challenger Life.**

### Calculating the withdrawal value

The withdrawal value of your Lifetime Guaranteed Income Account reduces over the withdrawal period. At the start of your account the withdrawal value is equal to the initial investment amount. The withdrawal value then reduces over the withdrawal period generally in a linear manner, until it reaches zero at the end of the withdrawal period.

The calculation of the withdrawal value is dependent on movements in interest rates between the time you open the account and the time the withdrawal is processed. As interest rates change over time, it is only possible to determine the withdrawal value at the time of withdrawal and the withdrawal value may be less than what you invested, even after taking into account payments you have already received.

Please visit [legalsuper.com.au](http://legalsuper.com.au) to see 'Withdrawal value illustrations' provided for illustrative purposes. Actual outcomes will depend on actual changes in the CPI, the length of your chosen withdrawal period, your initial investment and the actual movement in interest rates between the time of your investment and the time of withdrawal.

### Fixed Term Guaranteed Income

A Fixed Term Guaranteed Income Account is designed to be held for the term you choose; however, full early withdrawals are permitted prior to the end of the investment term.

The withdrawal value is payable as a lump sum if during the investment term you:

- choose to close your account early;
- die without a reversionary;
- die and your reversionary has died before you; or
- die and your reversionary does not qualify to receive the pension for superannuation law purposes, or the Trustee is prevented from making payments to your reversionary by operation of an order under the *Family Law Act 1975 (Cth)*.

If your reversionary is receiving payments, they may also choose to make an early withdrawal during the investment term.

The early withdrawal value of your account is the value of future projected payments remaining for the entire chosen investment term, considering indexation, and discounted to reflect that the payments will be made prior to the scheduled payment dates (the 'present value'). The discount rate will vary depending on movements in interest rates between the time you start the account and the time the early withdrawal is requested.

The option to withdraw early applies to your entire account and will if exercised result in the closure of your Fixed Term Guaranteed Income Account.

### Calculating the early withdrawal value

To calculate the withdrawal value, the present value of all the payments (including any residual capital value (RCV)) that you would have received from the date of calculation to the end of the investment term will be calculated. This can involve a significant discount in some circumstances, and may result in the early withdrawal value being less than the amount you invested. The calculation is as follows.

1. The present value of your RCV is calculated, to reflect the fact that the payment will be made earlier than the maturity date.
2. The present value of each of the future regular payments you would have received during the remainder of the investment term is calculated (to reflect their early payment).
3. The amounts of the present value of your RCV and all future payments (as calculated in steps 1 and 2) are added together.

The combined total in step 3 is your early withdrawal value.

The early withdrawal value might, and generally would, be less than what you invested, even after taking into account payments you have already received. The calculation method of the present value is impacted by changing interest rates, which means it is only possible to determine the withdrawal value at the time of withdrawal.

Please visit [legalsuper.com.au](http://legalsuper.com.au) to see 'Withdrawal value illustrations', provided for illustrative purposes. Actual outcomes will depend on actual changes in the CPI, the length of your investment term, your initial investment, the amounts and number of future payments payable under the terms of the account and the actual movement in interest rates between the time of your investment and the time of withdrawal.

### Requesting an early withdrawal value

If you want to withdraw early, contact your licensed financial adviser or contact legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday) for your withdrawal value. On your request, we will send you a letter with your early withdrawal value as at the date of that request, along with an early withdrawal form for you to complete and return to us.

If you choose to proceed with your early withdrawal, a minimum payment amount may first be required to be paid to you. The minimum payment is based on the scheduled payments apportioned for the number of days the account was open. The early withdrawal value we pay will take into account any minimum payment requirement.

The early withdrawal value of your account on the day we make the payment may vary from the early withdrawal value stated in the letter we send you.

# Your account on death

## Payment information

We will not make any part-payment in respect of the period that has elapsed between the last regular payment that was guaranteed to be made and the date of death. We will require the return of any payments made after the date of death that had not been guaranteed to be made under the terms of the account. It is therefore important that we are notified promptly of a death.

## Lifetime Guaranteed Income

You have two beneficiary nomination options when applying for a Lifetime Guaranteed Income Account.

### Option 1 – Reversionary nomination

You may nominate a reversionary when you first commence a Lifetime Guaranteed Income Account. You cannot change this reversionary.

**If you make a reversionary nomination, you cannot also make a binding or non-binding nomination (as shown at Option 2).**

If you die and you have elected a reversionary who survives you and is able to receive payments, your reversionary will receive the regular payments for their lifetime. If you have chosen a benefit reduction option, the regular payments the reversionary receives will be reduced by 33%.

Your reversionary, if they are receiving payments, may also make a death benefit nomination as described below.

If your reversionary is receiving payments, they may also choose to make an early withdrawal during the withdrawal period.

If the reversionary dies after the withdrawal period has ended, no further payments will be made from the date of their death.

If your reversionary nomination pre-deceases you, you should consider updating your beneficiary nomination. In this case only Option 2 is available.

### Option 2 – Binding or Non-binding nomination

A lump sum death benefit is payable if you die before the withdrawal period ends and you have not elected a reversionary or your reversionary has not survived you or is not able to receive payments. A lump sum is payable to your dependants or legal personal representative in the proportions you have determined in a valid binding death benefit nomination. If there is no valid binding death benefit nomination for the account, the withdrawal value is payable to your dependants or legal personal representative in the proportions determined by the Trustee.

You may make a death benefit nomination as detailed in the section 'Nominate a preferred beneficiary/ies' on the next page.

If you die after the withdrawal period has ended, no further payments are payable after the date of death and no death benefit is payable.

## Fixed Term Guaranteed Income

You have two beneficiary nomination options when applying for a Fixed Term Guaranteed Income Account.

### Option 1 – Reversionary nomination

You may nominate a reversionary when you first commence a Fixed Term Guaranteed Income Account. You cannot change this reversionary.

**If you make a reversionary nomination, you cannot also make a binding or non-binding nomination (as shown at Option 2).**

If you die and you have elected a reversionary who survives you and is able to receive payments, the regular payments and any residual capital value are payable to the reversionary.

If your reversionary is receiving payments, they can if they wish elect to make a full withdrawal of the account and receive a lump sum, in which case the withdrawal value will be determined as set out on page 17.

Your reversionary, if they are receiving payments, may also make a death benefit nomination as described on the next page.

## Option 2 – Binding or Non-binding nomination

If you have not elected a reversionary, or your reversionary has not survived you or is not able to receive payments the Fixed Term Guaranteed Income Account ceases on your death and a death benefit is payable. You may make a death benefit nomination as detailed in the section 'Nominate a preferred beneficiary/ies' on this page.

A lump sum is payable to your dependants or legal personal representative in the proportions you have determined in a valid binding death benefit nomination. If there is no valid binding death nomination, the withdrawal value is payable to your dependants or legal personal representative in the proportions determined by the Trustee.

Where the death benefit is payable as a lump sum, there may be a period of time between death and payment of the withdrawal value. Where this occurs, any regular payments that have been suspended since we were notified of your death, will earn interest at the Reserve Bank of Australia official cash rate and form part of the death benefit payable.

## Death benefit nominations – choosing a beneficiary

The following information applies to both the Fixed Term Guaranteed Income Account and Lifetime Guaranteed Income Account.

The treatment of death benefits is a complex and sensitive area, so you need to consider how your wishes can be best implemented. We recommend that you obtain advice on the most effective way to plan your estate.

## Nominate a preferred beneficiary/ies

You may nominate one or more of your dependants (as defined in superannuation law) or your legal personal representative as the recipient of any amount payable in respect of your Guaranteed Income Account in the event of your death.

You can choose the type of nomination that suits your needs, either:

- A. Non-binding nomination; or
- B. Binding nomination.

You should seek advice from a licensed financial adviser if necessary. If you do not make a binding nomination, the Trustee will, in its absolute discretion, pay the remainder of your Guaranteed Income Account (if any) and all other benefits entitlements with legalsuper upon your death to your dependants and/or your legal personal representative in the proportions determined by the Trustee.

Any nomination you make should be carefully considered and updated regularly, or whenever your personal circumstances change.

Please note that a death benefit nomination only applies to the particular legalsuper account that you specify that nomination for and the most recent valid nomination will apply only to that particular account.

The most recent valid non-binding nomination will replace any previous non-binding nomination for that account, whilst the most recent valid binding nomination will replace any previous binding or non-binding nomination for that account.

### A. Non-binding nominations

You have the option to nominate one or more of your dependants, or your legal personal representative, as the person or persons to whom you would like any amount payable in respect of all of your benefits entitlements with legalsuper to be paid in the event of your death. If you nominate more than one beneficiary, you should specify the proportion of your benefit that you wish each to have. This kind of nomination is not binding on the Trustee. However, your nomination will be taken into account when the Trustee determines who should receive any payment.



## B. Binding nominations

You have the option to make a binding nomination in which you nominate one or more of your dependants, or your legal personal representative, as the person or persons to whom any amount payable in respect all of your benefits entitlements with legalsuper is to be paid in the event of your death. If you make a binding nomination, we must pay any such amount in accordance with your nomination, provided the nomination complies with legal requirements, including the following:

- Each nominated beneficiary must either be a dependant (as defined in superannuation law) or your legal personal representative at the time of your death.
- A binding nomination is only valid for three years from the date you sign it or any confirmation or amendment of it. If your circumstances change, or those of any of your beneficiaries change, we strongly recommend that you review your nomination and change it if required. This is your responsibility.
- Your nomination must be signed and dated by you in the presence of two adult witnesses, neither of whom is a nominated beneficiary.
- legalsuper does not accept binding nominations made under any form of Power of Attorney.

You may revoke or change a binding nomination notice in accordance with legalsuper's procedures at any time.

If your binding nomination does not comply with these requirements, any amount payable in respect of your Guaranteed Income Account on your death will be paid by the Trustee in its discretion to or for the benefit of one or more of your dependants or your legal personal representative in such proportions as the Trustee determines.

If you wish your benefit to pass in accordance with your Will, or if you do not wish to nominate a dependant, or you have no dependant to nominate, you may nominate your legal personal representative. Your nomination should be carefully considered and updated regularly, or whenever your personal circumstances change.

## Who is eligible to receive a death benefit in the form of a pension?

Only the following persons can receive a death benefit in the form of a pension:

- your spouse
- a person with whom you had an interdependent relationship
- your financial dependant, or
- your child who is:
  - less than 18 years of age; or
  - 18 years old but less than 25 and financially dependent on you; or
  - suffering a disability that meets the definition in subsection 8(1) of the *Disability Services Act 1986*.

A pension paid to a child can only continue until the child turns 25 (save in the case of a disabled child). At that point, any remaining benefits must be paid out as a lump sum, but this will be free of tax.

Where a death benefit is payable as a lump sum, and the beneficiary is a person who can receive a death benefit in the form of a pension, they can apply to legalsuper to commence a pension rather than receive a lump sum.

## How does the Transfer Balance Cap impact death benefits?

As mentioned on page 9, a Transfer Balance Cap (currently \$1.6 million) applies to the amount of super that can be transferred into the retirement phase. All super you transfer to start a legalsuper Guaranteed Income Account or other pension or annuity (but excluding a Transition to Retirement Pension) will count towards your Transfer Balance Cap.

In addition, the Transfer Balance Cap also includes the value of other pensions or annuities you may start to receive for some other reason, including where your spouse has died and you are receiving, or start to receive, a pension from their superannuation.

If the Transfer Balance Cap is exceeded because of the receipt of a death benefit pension, it may be necessary to commute some or all of the pension and withdraw this as a lump sum.

# Fees and costs

legalsuper works hard to keep fees and costs low. Our sole purpose is to maximise the retirement savings of our members. We do not pay commission to agents, and return all profits to members.

Taxes and other costs 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.

## 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 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)** website ([moneysmart.gov.au](http://moneysmart.gov.au)) has a superannuation fee calculator to help you check out different fee options.

\* The above wording is required by legislation. legalsuper fees and costs are not negotiable.



## Lifetime Guaranteed Income

Types of fees and costs	Amount	How and when paid
Investment fee	Nil	Not applicable
Administration fee	0.15% p.a. of initial investment amount	Included in the calculation of your regular income payments (not deducted directly from your account or from your regular income payments)
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Advice fees	Nil	Not applicable
Other fees and costs	Refer to 'Additional explanation of fees and costs' for more information on other fees and costs.	
Indirect cost ratio	Nil	Not applicable

## Fixed Term Guaranteed Income

Types of fees and costs	Amount	How and when paid
Investment fee	Nil	Not applicable
Administration fee	RCV100 0.20% p.a. of initial investment amount  RCV0-99 0.20% p.a. of reducing initial investment amount <sup>1</sup>	Included in the calculation of your regular income payments (not deducted directly from your account or from your regular income payments)
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Advice fees	Nil	Not applicable
Other fees and costs	Refer to 'Additional explanation of fees and costs' for more information on other fees and costs.	
Indirect cost ratio	Nil	Not applicable

1. The initial investment is reduced after each regular income payment by an amount calculated as: initial investment minus any residual capital value, divided by the total number of income payments in the investment term.

There are no indirect charges, borrowing costs, property operating costs or performance fees payable in relation to your Guaranteed Income Account. Costs of providing the account are taken into account when setting the amount of your regular payments, and we also make assumptions about potential investment returns and your longevity (for Lifetime Guaranteed Income).

All fees and costs stated are GST inclusive.

Definitions of the above fees and costs can be found at [legalsuper.com.au/super-retirement/fees-and-costs](https://legalsuper.com.au/super-retirement/fees-and-costs). They can also be found on page 25 of this PDS.

## Additional explanation of fees and costs

### Member fee capping

Amounts invested in legalsuper Guaranteed Income Accounts and the administration fee are not included in any entitlement to member fee capping.

### Example of annual fees and costs for the Guaranteed Income Accounts

The following table gives an example of how the fees and costs for the Lifetime Guaranteed Income and Fixed Term Guaranteed Income products can affect your superannuation investment over a one-year period. You should use the table to compare this product with other superannuation products.

Lifetime Guaranteed Income investment of \$50,000		
<b>Investment fees</b>	Nil	For every \$50,000 you have in a Lifetime Guaranteed Income Account you will be charged \$0 each year.
<b>PLUS Administration fees</b>	0.15% pa	And, you will be charged \$75 in administration fees (taken into account when setting the amount of your regular payments and not a direct fee or charge to you)
<b>PLUS Indirect costs for the product</b>	Nil	And indirect costs of \$0 each year will be deducted from your investment.
<b>EQUALS Cost of product</b>	\$75	If your balance was \$50,000 then for each year you will be charged fees of \$75.
Fixed Term Guaranteed Income (RCV100) investment of \$50,000		
<b>Investment fees</b>	Nil	For every \$50,000 you have in a Fixed Term Guaranteed Income Account you will be charged \$0 each year.
<b>PLUS Administration fees</b>	0.20% pa	And, you will be charged \$100 <sup>1</sup> in administration fees (taken into account when setting the amount of your regular payments and not a direct fee or charge to you)
<b>PLUS Indirect costs for the product</b>	Nil	And indirect costs of \$0 each year will be deducted from your investment.
<b>EQUALS Cost of product</b>	\$100	If your balance was \$50,000 then for each year you will be charged fees of \$100.

1. For Fixed Term Guaranteed Income Accounts with a RCV of 100, the administration fee is based on the initial investment amount. For Fixed Term Guaranteed Income Accounts with a RCV between 0 and 99, the administration fee is based on the reducing initial investment.

## Defined fees<sup>1</sup>

### Activity fees

A fee is an activity fee if:

- (a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
  - (i) that is engaged in at the request, or with the consent, of a member; or
  - (ii) that relates to a member and is required by law; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

### Administration fees

An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

- (a) borrowing costs; and
- (b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
- (c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

### Advice fees

A fee is an advice fee if:

- (a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
  - (i) a trustee of the entity; or
  - (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

### Buy-sell spreads

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

### Exit fees

An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

### Indirect cost ratio

The indirect cost ratio (ICR), for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

Note: A dollar based fee deducted directly from a member's account is not included in the indirect cost ratio.

### Investment fees

An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:

- (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- (b) costs incurred by the trustee of the entity that:
  - (i) relate to the investment of assets of the entity; and
  - (ii) are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

### Switching fees

A switching fee for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

<sup>1</sup> The wording in this section is required by legislation.

# Maximum withdrawal periods

## Lifetime Guaranteed Income

The table below shows the maximum withdrawal period you can choose for a Lifetime Guaranteed Income Account, based on your gender and age. These terms are based on life expectancies<sup>1</sup> (rounded down to whole years then multiplied by 365 days). If you have nominated a reversionary (see page 11), the longest life expectancy determines the maximum withdrawal period you can choose.

The withdrawal period must be chosen at commencement\* and cannot be changed once your account starts.

Age	Male	Female	Age	Male	Female
60	23	26	81	8	9
61	22	25	82	7	8
62	21	24	83	7	8
63	20	23	84	6	7
64	20	22	85	6	7
65	19	22	86	5	6
66	18	21	87	5	6
67	17	20	88	4	5
68	16	19	89	4	4
69	16	18	90	4	4
70	15	17	91	3	4
71	14	16	92	3	4
72	13	16	93	3	3
73	13	15	94	3	3
74	12	14	95	3	3
75	11	13	96	2	3
76	11	13	97	2	2
77	10	12	98	2	2
78	9	11	99	2	2
79	9	10	100	2	2
80	8	10			

1. Calculated in accordance with Australian Government Actuary life expectancy tables and this may be different from what Challenger Life estimate your life expectancy to be.

# Taxation

## Is there tax on money you rollover into legalsuper?

No tax is payable when you roll over money from another superannuation fund to legalsuper, unless the amount includes an untaxed element (for example, a benefit from certain public sector funds). We are required to deduct tax of 15% from any untaxed element and this is done on receipt of the untaxed benefit.

## Is there tax on your income payments?

No, you do not pay any tax on your regular income payments.

## Taxation of lump sum benefits

You do not pay tax on lump sum withdrawals (including in respect of any residual capital value).

## What is the tax treatment of death benefits?

The tax payable on death benefits will depend on who receives the payment, the components of the benefit and whether the benefit is paid as a lump sum or a pension.

While superannuation law determines who can receive a death benefit (see page 21), taxation laws determine how those recipients will be taxed. A person determined to be a tax dependant will receive death benefits tax free.

For tax purposes, a dependant is:

- your spouse or former spouse;
- your child aged less than 18;
- a person with whom you have an interdependency relationship; or
- a person who is financially dependant on you just before your death.

An interdependency relationship is a close personal relationship between two people who live together where one or both provides for the financial, domestic and personal support of the other (or who would meet these conditions except they are temporarily living apart due to a physical, intellectual, psychiatric or other disability).

Death benefits in respect of the Guaranteed Income Accounts are taxed as follows:

Lump sum	
Tax Dependants	Tax-free
Non-Tax Dependants	<p>The tax-free component is tax-free.</p> <p>The taxable component (what remains after deduction of the tax free component) is divided into an element taxed in the Fund and an element untaxed in the Fund.</p> <p>The element taxed in the Fund is taxed at 15% (plus Medicare levy).</p> <p>The element untaxed in the Fund is taxed at 30% (plus Medicare levy).</p>
Pension	Tax-free

## Transfer Balance Cap

Please note that a Transfer Balance Cap (currently set as \$1.6 million and indexed periodically in \$100,000 increments in line with CPI) applies to the amount of super that can be transferred into the retirement phase. This means that a maximum of up to \$1.6 million can initially be invested in a legalsuper Guaranteed Income Account.

The maximum you can invest in a legalsuper Guaranteed Income Account will be reduced by the amount you have invested in any other annuity or pension (**excluding** Transition to Retirement Pensions unless you have reached age 65 or have otherwise met a condition of release such as retirement and notified the Trustee) with legalsuper or another provider.

If you exceed the Transfer Balance Cap you may be subject to a tax on the earnings on the excess amount.

For Guaranteed Income Accounts it is the purchase price that is reportable to the ATO and credited to a member's Transfer Balance Account.

For further information on the Transfer Balance Cap, please refer to the ATO website ([ato.gov.au](http://ato.gov.au)) or speak to your financial adviser regarding your individual circumstances.

# Social Security

The following information is general information only, and we recommend you obtain advice regarding your individual circumstances. Your local Centrelink or Department of Veterans' Affairs office can help answer any questions you may have. Your financial adviser can also help.

Centrelink and Department of Veterans' Affairs entitlements are determined by two means tests – an assets test and an income test. This general information outlines how your Guaranteed Income Account is assessed under these tests.

## Lifetime Guaranteed Income

The Lifetime Guaranteed Income Account is assessed as follows:

Assets test	Income test
60% of the purchase price until the life expectancy for a 65-year-old male (currently 84 years old) or a minimum of five years. 30% of the purchase price thereafter.	60% of the regular payments received.

Where you are over Age Pension age, the social security treatment of your account under the assets test and income test will be outlined in your quote.

## Fixed Term Guaranteed Income

Where Centrelink considers your Fixed Term Guaranteed Income Account to be a long term income stream, the assessable amount is reduced by a deduction amount that represents the return of your capital. The deduction amount can be calculated by using the following formula:

**Deduction amount = (Initial capital investment amount – RCV) / investment term**

A short term Fixed Term Guaranteed Income Account, which is an account with a term of five years or less and not considered to be a long term income stream, is assessed as follows:

Assets test	Income test
The initial capital investment less 50% of the deduction amount, calculated every six months in arrears (or 100% of the deduction amount every 12 months in arrears where yearly payments are made)	Deeming rules apply. Under these rules, an assumption is made that financial investments earn a certain amount of income, regardless of the income they actually earn.

A long term Fixed Term Guaranteed Income Account, which is an account with a term that is greater than five years or equal to or greater than the legalsuper member's life expectancy, is assessed as follows:

Assets test	Income test
The initial capital investment less 50% of the deduction amount, calculated every six months in arrears (or 100% of the deduction amount every 12 months in arrears where yearly payments are made)	Regular payments received, less the deduction amount.

Where you are over Age Pension age and the term of your account is greater than five years the social security treatment of your account under the assets test and income test will be outlined in your quote.

# Other important information

There are many ways that legalsuper protects you and your retirement savings. We also provide regular information about your account and the operations of the Fund, so you know how your account is being managed.

## Cooling-off period

A 14-day cooling-off period is applicable when you open a Guaranteed Income Account.

The 14-day cooling-off period starts from the **earlier** of:

- The date that you receive confirmation of commencement of your Guaranteed Income Account, or
- Five calendar days after your Guaranteed Income Account commences.

During this time, you can close your Guaranteed Income Account and have your initial capital investment repaid. If you wish to exercise this right, you must advise the Trustee in writing during the cooling-off period.

You cannot exercise your cooling-off period entitlement after you have exercised any of the other rights of your legalsuper membership, such as receiving an income payment.

Before exercising your cooling-off period rights, you may wish to obtain financial advice on any implications of cancelling your legalsuper Guaranteed Income Account.

Please note that the value will be returned to your legalsuper accumulation account (which we will open for you in the Cash investment option and with no insured benefit if you do not have an open account).

## Enquiries and Complaints

We have a dispute resolution procedure in place. The Trustee's procedure for dealing with enquiries and complaints requires all complaints to be properly considered and dealt with within 90 days.

If you have an enquiry or complaint, please contact legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday). or write to:

Complaints Officer, legalsuper  
Locked Bag 5042  
Parramatta NSW 2124

Once your complaint has been investigated, you will receive a written reply advising of the Trustee's decision.

If you are dissatisfied, a complaint about the quality or management of legalsuper should be made to the Trustee as soon as possible after receipt of the Trustee's response to your enquiry. There are time limits in relation to certain complaints. If you are not satisfied with the Trustee's response to your complaint or you have not received a response within 90 days, you may take your complaint to the Australian Financial Complaints Authority (AFCA). AFCA is an external dispute resolution (EDR) scheme to deal with complaints from consumers in the financial system.

AFCA may be contacted at:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Telephone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [afca.org.au](http://afca.org.au)

Consumers have a right to access the AFCA scheme without charge.

## Privacy

Privacy laws regulate, amongst other things, the way organisations collect, use, disclose and store personal information. legalsuper is committed to respecting the privacy of your personal information.

legalsuper collects personal information to establish and manage your Guaranteed Income Account. If you choose not to provide your personal information, we may not be able to process your application and administer your account.

The Trustee may disclose your personal information to its service providers and third parties where required by law or in order to administer and manage your Guaranteed Income Account, e.g. the Australian Taxation Office, Fund administrator and other superannuation funds.

The Trustee may make members aware of products and services that are available to them as Fund members. If you do not wish to receive information of this kind, please contact legalsuper by email at **[mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)** or telephone **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

Your personal information will not be used or disclosed for any other purpose without your consent. You are entitled to request access to the personal information we hold about you and to correct any information that is inaccurate or out of date.

If you would like a copy of legalsuper's privacy policy, please contact us on **1800 060 312** (8am to 8pm [AEST] Monday to Friday) or visit legalsuper's website at **legalsuper.com.au** or write to:

legalsuper  
Locked Bag 5042  
Parramatta NSW 2124

## Bankruptcy and superannuation

The *Bankruptcy Act 1996* has a number of provisions that affect superannuation. It now specifies that contributions to a superannuation fund not made in good faith (i.e. 'excessive contributions') and contributions made with an intention to defeat creditors in a set period before bankruptcy may be returned to creditors.

Additionally, it specifies that, above set limits, a trustee in bankruptcy is able to claim income received by a bankrupt from a superannuation fund.

## Tax File Numbers (TFN)

Under the *Superannuation Industry (Supervision) Act 1993*, legalsuper is authorised to collect, use and disclose your TFN.

legalsuper may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request legalsuper, in writing, not to disclose your TFN to any other superannuation provider.

Declining to quote your TFN to legalsuper is not an offence. However, giving your TFN to legalsuper will have the following advantages:

- legalsuper will be able to accept all permitted types of contributions to your account/s;
- other than the tax that may ordinarily apply, you will not pay more tax than you need to. This affects both contributions to your superannuation and benefit payments when you start drawing down your superannuation benefits; and
- it will make it much easier to find different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

The consequences of not providing your TFN may change in future as a result of legislative changes. If you do tell us your TFN, we will treat it as confidential and use it for legal purposes, such as:

- to calculate tax on any benefit payment you may be entitled to;
- to give your TFN to the relevant authority, if we are paying unclaimed money;
- to give your TFN to the Commissioner of Taxation if you receive a benefit; and
- if we transfer your benefits to another superannuation fund or retirement savings account.

These purposes may change in future as a result of legislative changes.

## Regular reports on your Guaranteed Income Account

The Trustee will provide members with the following information on an annual basis:

### Member Statement

The Annual Member Statement shows details for your Guaranteed Income Account for the reporting period. It will be issued before 31 December each year.

### Fund information

The Annual Report provides you with information on the management and financial position of legalsuper and on legalsuper's investment performance. It will be available before 31 December each year.

## Electronic communication

If you or your employer has provided your email and/or mobile number, information relating to legalsuper and your legalsuper account will be provided to you electronically via email, MemberAccess, **legalsuper.com.au** or SMS, unless you request otherwise. This includes annual statements, notices (including Significant Event Notices), updates and information about your account.

If we do not hold a valid email address for you we will send communications which we are required to provide under superannuation law to you in the post.

To opt out of electronic communications or to provide a different address (either electronic or postal) simply call, email or visit MemberAccess at **legalsuper.com.au** where you can choose your communication preferences.



## Confirmation of transactions

Where required by law, all transactions will be confirmed by the Trustee in writing.

## Trust Deed amendments

The Trustee can amend the Trust Deed of legalsuper without your consent if:

- the amendment does not reduce the existing accrued benefits of members or beneficiaries; or
- all relevant consents as required by law or by the Trust Deed are obtained; or
- in the opinion of the Trustee, the principal purpose of the amendment is to improve relief or concessions from taxes or other Government imposts or to better enable legalsuper to comply with any law, subject to superannuation law.

## Consent

Each party described in this Document as performing a role in connection with legalsuper has consented to being named in this Document and, where applicable, to the inclusion in this Document of statements, in the form and context in which they are included, that are made by them or said to be based on statements made by them.

## Family Law

Family Law legislation allows for superannuation benefits to be divided between couples upon their separation or divorce. By legislation, legalsuper may be precluded from paying your reversionary should you divorce. It is strongly recommended you obtain expert legal advice should separation or possible divorce apply to you.

A request for information about a member's benefits can be made by the member, the member's spouse or de facto partner, whether same sex or opposite sex (irrespective of whether the spouse or de facto partner is a member) or a person considering entering into a superannuation agreement with a member. By law, the Trustee is not permitted to tell you if such a request has been made.

Currently legalsuper does not charge a fee for family law matters.

## Contact us

The Trustee of legalsuper's contact details are:

Legal Super Pty Ltd  
Level 37, 140 William Street, Melbourne VIC 3000  
Phone: (03) 9602 0100  
Email: mail@legalsuper.com.au

# Administration instructions

## How to apply?

Before you complete the application form you should have read the legalsuper *Guaranteed Income Account PDS*.

- You must have a valid quotation.

If you have received personal advice from a licensed financial adviser you will also have been given a Statement of Advice regarding the appropriateness of a legalsuper Guaranteed Income Account.

If you have not spoken to a licensed financial adviser legalsuper strongly recommends you consider doing so.

### To apply:

- Complete and sign the *Guaranteed Income Account Application* form (complete each section)
- Attach your valid quotation and certified proof of identity to the application form
- Post the application form, the valid quotation and your certified identity to:

legalsuper Guaranteed Income Account  
Locked Bag 5042  
Parramatta NSW 2124

**You should ensure that legalsuper receives the required documentation at least 6 business days (NSW) before the date of expiry of your quotation.**

## Optional

If you wish to either update your existing Nominated Beneficiary/ies or you wish to make a new nomination you can use the *Nomination of beneficiary/ies* form in this PDS and include that with your other documents.

## Certified proof of identity

You will need to submit one or two forms of acceptable proof of identity with your application form. You must provide certified copies of your original documents.

legalsuper will accept:

### ONE OF THE FOLLOWING DOCUMENTS ONLY:

- driver's licence issued under State or Territory law; or
- passport.

### OR

### ONE OF EACH OF THE FOLLOWING:

- notice issued by Commonwealth, State or Territory Government or local council within the past twelve months that contains your name and residential address; and
- a bank statement or utility notice with your current mailing address.

A *certified copy* means a document that has been certified as a true copy of an original document by one of the following persons:

- a person who is enrolled on the roll of Supreme Court of a State or Territory, or the High Court of Australia, a legal practitioner (however described);
- a judge of a court;
- a magistrate;
- a chief executive officer of a Commonwealth court;
- a registrar or deputy registrar of a court;
- a Justice of the Peace;
- a notary public (for the purposes of the *Statutory Declarations Regulations 2018*);
- a police officer;
- an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- a permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public;
- an Australian consular officer or an Australian diplomatic officer (within the meaning of the *Consular Fees Act 1955*);
- an officer with 5 or more continuous years of service with one or more financial institutions (for the purposes of the *Statutory Declarations Regulations 2018*); or
- a member of the Institute of Chartered Accountants in Australia and New Zealand, CPA Australia, the Association of Taxation and Management Accountants or the Institute of Public Accountants.

The certification should be dated and include the full name, telephone number and type of authority (from the above list) of the person certifying.

The document bearing the original certifying signature must be received by legalsuper, and therefore CANNOT be faxed or scanned and emailed.

**Although they may be qualifying members of the legal profession, members (as well as their family members) cannot certify their own ID.**

Please note that you may be able to use electronic verification to prove your identity. Please call **1800 060 312** (8am to 8pm [AEST] Monday to Friday) for further information.

# Guaranteed Income Account Application

**Return this completed form to:**

legalsuper Guaranteed  
Income Account  
Locked Bag 5042  
Parramatta NSW 2124

Before you complete this application form, you must read the legalsuper *Guaranteed Income Account Product Disclosure Statement (PDS)*, which includes important information about legalsuper Guaranteed Income Accounts. The legalsuper PDS and all forms that you may require are available free of charge at **legalsuper.com.au** or by calling **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

Please use **BLOCK letters and black ink** when completing this form and ensure all relevant fields are completed and signed. Attach all required documentation before returning to legalsuper.

**This form will be invalid if unsigned or undated by the applicant (see Sections 1 and 5).**

## 1. Declaration

I declare that I am: (a) aged 60 or over and have ceased an employment arrangement; or (b) over age 65.

Member's signature

Date (dd/mm/yyyy)

## 2. Guaranteed Income Account Type

**Fixed Term Guaranteed Income**

Purchase Price \$

Quote ID

**Lifetime Guaranteed Income**

Purchase Price \$

Quote ID

### Source of Purchase Price

Please detail which legalsuper membership account and the amount you wish to transfer to the Guaranteed Income Account:

Membership Number

Amount

\$

Membership Number

Amount

\$

Membership Number

Amount

\$

## 3. Guaranteed Income Account member details

Mr  Mrs  Ms  Miss  Dr  Justice

Surname

Given Name(s)



Date of birth (dd/mm/yyyy)

Residential Address



Town or Suburb

State

Postcode

Postal Address (if different to Residential Address above)



Town or Suburb

State

Postcode

Tax File Number

Telephone Number

Mobile Number

Email



**WARNING: YOU WILL BE UNABLE TO LODGE A VALID 'NOTICE OF INTENT TO CLAIM A TAX DEDUCTION' FOR ANY AMOUNT INCLUDED IN THE PURCHASE PRICE.** If you intend to claim a tax deduction and you have not lodged this form, and received the acknowledgment back from legalsuper, you should not complete or submit this application form.



### Reversionary Guaranteed Income Account details

Mr
  Mrs
  Ms
  Miss
  Dr
  Justice

Surname

Given Name(s)

Date of birth (dd/mm/yyyy)

There are restrictions on who can receive payments from your Guaranteed Income Account as a reversionary (please refer to the *Guaranteed Income Account PDS* for further information).

### Collection of Tax File Numbers (TFN)

Under the *Superannuation Industry (Supervision) Act 1993*, legalsuper is authorised to collect, use and disclose your TFN. legalsuper may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request legalsuper, in writing, not to disclose your TFN to any other superannuation provider.

Declining to quote your TFN to legalsuper is not an offence. However, giving your TFN to legalsuper will have the following advantages:

- legalsuper will be able to accept all permitted types of contributions to your account/s;
- other than the tax that may ordinarily apply, you will not pay more tax than you need to. This affects both contributions to your superannuation and benefit payments when you start drawing down your superannuation benefits; and
- it will make it much easier to find different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

### 4. Payment instructions

Payment instructions for regular income payments (and withdrawals, if applicable).  
 Bank name/financial institution

Address of bank (suburb or town)

Account holder's name

BSB number      Account number

**Note:**

- Please provide a copy of your bank statement (not more than 3 months old) so we can verify that the above details you have provided are correct.
- legalsuper can only deposit amounts into an account held in your name or jointly in your name.

### 5. Declaration

The personal information that you have provided on this form will be used by legalsuper to establish your Guaranteed Income Account in accordance with your instructions.

The legalsuper Privacy Policy is available at [legalsuper.com.au](http://legalsuper.com.au)

I consent to legalsuper (including its service providers) sending me information about products and services that other companies may offer to legalsuper members.

(If you do not want legalsuper to send such information to you, simply tick the box below).

No, I do not consent to the provision of this information.

I declare that the information provided by me in this form is correct and complete. I acknowledge that:

- my membership of legalsuper is governed by the Trust Deed of legalsuper and I agree to be bound by the rules of that Trust Deed;
- legalsuper strongly recommends I should seek independent professional financial advice from a licensed financial adviser before making this application to purchase a legalsuper Guaranteed Income Account;
- I have received and read a copy of the legalsuper *Guaranteed Income Account PDS*, and understand how the Guaranteed Income Account I am applying for operates;
- I understand that my legalsuper Guaranteed Income Account quote is only valid for fourteen (14) days from the day it is produced and that legalsuper must receive this application and the required documents no later than six (6) business days before the date on which the quote expires. If this requirement is not met, I acknowledge that legalsuper may issue the Guaranteed Income Account based on the rates which apply on the date it receives the required documentation;
- I declare and agree that I am not a temporary resident\*;
- the Trustee is not responsible for any delays in implementing my instructions;
- if I invest in a Fixed Term Guaranteed Income Account and have a residual capital value at the maturity date, legalsuper will automatically roll over the residual capital value into an accumulation account within legalsuper. I authorise legalsuper to open an accumulation account for me within the Personal Division of legalsuper for such purposes if I do not already have such an account and to invest the residual capital value in the Cash option (or equivalent) and that the account will not have an insurance component.\*\* I also acknowledge that legalsuper will only pay a residual capital value to the extent that it receives such payment from Challenger; and
- Any super I use to start a legalsuper Guaranteed Income Account is subject to the Transfer Balance Cap and I am not exceeding the Transfer Balance Cap in starting a legalsuper Guaranteed Income Account.

Member's signature

Date (dd/mm/yyyy)

\* A temporary resident is a holder of a temporary visa under the *Migration Act 1958*, other than a retirement visa holder (subclass 405 or 410), and is not an Australian citizen, a New Zealand citizen or a permanent resident.

\*\* Please see [legalsuper.com.au](http://legalsuper.com.au) for more information on the Personal Division and a copy of the legalsuper Superannuation Product Disclosure Statement.

**Licensed Financial Adviser declaration** (if applicable)

By signing this section I declare that:

- any proof of identity documents that I have certified are true copies of the original documents which satisfy the legalsuper customer identity verification requirements;
- I have complied with my obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*;
- my client has been provided with a copy of the legalsuper *Guaranteed Income Account PDS* and my Statement of Advice containing a recommendation regarding the choice of a legalsuper Guaranteed Income Account;
- my Statement of Advice includes an explanation of the guarantee provided by Challenger Life to legalsuper, the implications should Challenger Life not make payments to legalsuper and I am satisfied that my client fully understands this explanation;
- I have fully explained to my client the early withdrawal conditions including the workings of the Lifetime Guaranteed Income Account withdrawal period (if any) that apply to them and the financial implications of taking an early withdrawal benefit and I am satisfied that they fully understand those conditions and implications; and
- in the provision of these financial services to my client I have complied with all my legal obligations under the *Corporations Act 2001* and the conditions required by the AFSL (if applicable).

Adviser Name

AFSL Number

ASIC Adviser Number

Signature

Date (dd/mm/yyyy)

**OR**

**No advice required declaration**

By signing this declaration, I acknowledge that:

- legalsuper strongly recommends I should obtain advice from an appropriately qualified licensed financial adviser in relation to the legalsuper Guaranteed Income Account;
- I have elected not to obtain such advice;
- legalsuper has provided me with a quotation only and has not provided personal financial advice in relation to this application;
- I have received and read a copy of the legalsuper *Guaranteed Income Account PDS*, and understand how the Guaranteed Income Account I am applying for operates;
- my income payments are subject to the guarantee provided by Challenger Life to legalsuper and that legalsuper will not make any payment to me under my Guaranteed Income Account unless monies are paid to legalsuper by Challenger Life; and
- I understand the early withdrawal conditions including the workings of the Lifetime Guaranteed Income Account withdrawal period (if any) that apply and the financial implications as they will apply to me should I choose to withdraw early.

Member signature

Date (dd/mm/yyyy)

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# Nomination of beneficiary/ies

You must complete every section of this form.

This request will be invalid if unsigned or undated by the member.

Please use **BLOCK letters and black ink** when completing this form.

You should obtain and read a copy of the relevant legalsuper Product Disclosure Statement (PDS) before you complete this form. The legalsuper PDS, which contains important information that you may require, is available free of charge at [legalsuper.com.au](http://legalsuper.com.au) or by calling **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

You can make non-binding nominations online at [legalsuper.com.au](http://legalsuper.com.au) 'Login'.

Return this completed form to:

legalsuper  
Locked Bag 5081  
Parramatta NSW 2124

## 1. My legalsuper member number is

legalsuper membership number

Other legalsuper membership numbers (if any):

## 2. My personal and contact details previously notified to legalsuper

Mr  Mrs  Ms  Miss  Dr  Justice

Surname

Given Names

Date of birth (dd/mm/yyyy)

Postal Address

Town or Suburb

State Postcode

Telephone Number

Mobile Number

Email

Occupation

Judge  Barrister  Solicitor/Lawyer

Management staff  Administration/Support Staff

Other (please specify)

## 3. Nomination of beneficiary/ies

All members of legalsuper may make a death benefit nomination. The Trustee will consider the most recent valid nomination that you have with legalsuper.

You may elect to make either a Binding or Non-binding nomination of beneficiaries to whom all your accrued legalsuper entitlements (including any lump sum payable in respect of a Guaranteed Income Account) will be paid in the event of your death.

Please note that a death benefit nomination only applies to the particular legalsuper account that you specify that nomination for, and the most recent valid nomination will apply only to that particular account.

The most recent valid Non-binding nomination will replace any previous Non-binding nomination for that particular account, whilst the most recent valid Binding nomination will replace any previous Binding or Non-binding nomination for that particular account.

A valid Non-binding nomination of preferred dependants is not binding on the Trustee, but will assist the Trustee in exercising its discretion. The Trustee will determine what proportion of your entitlement goes to one or more of your dependants or your legal personal representative (estate) on your death. Unless the Trustee decides to pay the benefits to your legal personal representative, your entitlement will not form part of your estate and will therefore not be subject to the terms of your Will.

A valid Binding nomination of dependant(s) or legal personal representative (estate) will bind the Trustee to pay your entitlement on your death exactly as you specify. Your nomination will only be valid and binding if it is made in accordance with the relevant requirements. One of these requirements is that you sign the declaration and have two persons over 18 years of age witness the declaration in your presence.

legalsuper does not accept any Binding nomination made under any form of Power of Attorney.

You are able to nominate both individual beneficiaries and a legal personal representative (estate).

### 'Dependant' is defined as:

- (a) the spouse of the person, any child of the person and any person with whom the person has an interdependency relationship at the relevant time (being in the case of a deceased person the date of their death); and
- (b) any other person who in the opinion of the Trustee is at the relevant time (being in the case of a deceased person the date of their death) wholly or partially dependent on the person.

### Interdependency

Two persons have an interdependency relationship if:

- (a) they have a close personal relationship;
- (b) they live together;
- (c) one or each of them provides the other with financial support; and
- (d) one or each of them provides the other with domestic support and personal care.

Two people have an interdependency if they have a close personal relationship but do not satisfy the other requirements of an interdependency relationship because either or both of them suffer from physical, intellectual or psychiatric disability.

If you wish to make a Binding Nomination, you must submit this form with original signatures.

Please nominate the type of beneficiary option you wish to be implemented in the event of your death. (Please select one option.)

**OPTION 1 - Lump sum to be paid to your nominated beneficiary/ies (this includes your legal personal representative (estate))**

Please provide names of your preferred beneficiary/ies in the event of your death. You can photocopy the next page of the form if you have more than four beneficiary nominations.

**Benefit allocations can only be up to 2 decimal places and must add up to 100%.**



1. Surname  
 \_\_\_\_\_  
 Given name(s)  
 \_\_\_\_\_  
 Relationship \_\_\_\_\_ % of benefit \_\_\_\_\_  
 \_\_\_\_\_

2. Surname  
 \_\_\_\_\_  
 Given name(s)  
 \_\_\_\_\_  
 Relationship \_\_\_\_\_ % of benefit \_\_\_\_\_  
 \_\_\_\_\_

3. Surname  
 \_\_\_\_\_  
 Given name(s)  
 \_\_\_\_\_  
 Relationship \_\_\_\_\_ % of benefit \_\_\_\_\_  
 \_\_\_\_\_

4. Surname  
 \_\_\_\_\_  
 Given name(s)  
 \_\_\_\_\_  
 Relationship \_\_\_\_\_ % of benefit \_\_\_\_\_  
 \_\_\_\_\_

**OPTION 2 - Lump sum to be paid to your legal personal representative (estate)**

**Do you wish to make a Binding nomination?**

No - my nomination is to be Non-binding (**go to Section 4**)

Yes - my nomination is to be Binding (**go to Section 5**)

**4. Non-binding nomination signature Declaration**

I acknowledge that:

- I have read the relevant legalsuper Product Disclosure Statement (PDS).
- The Trustee is not responsible for any delays in implementing my instructions.
- This nomination will replace any previous Non-binding nomination that I have made with legalsuper only for this particular account I hold with legalsuper.
- I understand that legalsuper will confirm my nominations in writing.
- I acknowledge that I should seek independent professional financial advice if I need assistance in making a choice.

Member's signature  
 \_\_\_\_\_  
 Date (dd/mm/yyyy)  
 \_\_\_\_\_

**5. Binding nomination signatures**

The following signatures confirm my Binding nomination(s) (my signature plus those of two witnesses over the age of 18 and who are not nominated beneficiaries nor my legal personal representative).

**Declaration**

I acknowledge that:

- I have read and understood the information in this form and the relevant legalsuper PDS regarding Binding nominations.
- Each beneficiary must be either a dependant as defined in this form or my legal personal representative at the time of my death.

- My beneficiary/ies and I will be bound by the provisions of the legalsuper Trust Deed relating to Binding nominations.
- This Binding nomination is only valid for three years from the date I sign it or any confirmation or amendment of it. I accept that should my circumstances change, or those of any of my beneficiary/ies, it is my responsibility to review my nomination and change it if required.
- I may at any time revoke or change a Binding nomination in accordance with legalsuper's procedures.
- If this nomination is invalid or has not been sent to the Trustee when I die, the Death benefit will be paid by the Trustee in its discretion to or for the benefit of one or more of my dependants or my legal personal representative in such proportions between them as the Trustee determines.
- This nomination will replace any previous Binding or Non-binding nomination that I have made with legalsuper only for this particular account I hold with legalsuper.
- I agree and understand that my superannuation arrangements will be governed by prevailing legislation and the terms and provisions of legalsuper's governing rules as in force from time to time.
- I have read the above information setting out the terms upon which this nomination is made.
- legalsuper does not accept any Binding nomination made under any form of Power of Attorney.
- The Trustee is not responsible for any delays in implementing my instructions.
- I understand that legalsuper will confirm my nominations in writing.
- I acknowledge that I should seek independent professional advice if I need assistance in making a choice.

Member's signature  
 \_\_\_\_\_

Date (dd/mm/yyyy)  
 \_\_\_\_\_

**Two witnesses are required for a Binding nomination (see notes above).**

In witnessing this nomination, I declare that the member signed and dated the nomination above in my presence, I am at least 18 years of age and I am not a beneficiary nor the legal personal representative of the member.

**Witness 1**

Surname  
 \_\_\_\_\_  
 Given names  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Signature  
 \_\_\_\_\_  
 Date (dd/mm/yyyy)  
 \_\_\_\_\_

**Witness 2**

Surname  
 \_\_\_\_\_  
 Given names  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Signature  
 \_\_\_\_\_  
 Date (dd/mm/yyyy)  
 \_\_\_\_\_



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-  [legalsuper.com.au](https://legalsuper.com.au)
-  1800 060 312 (8am to 8pm [AEST] Monday to Friday)
-  [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)
-  Locked Bag 5042  
Parramatta NSW 2124

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Issued by Legal Super Pty Ltd, ABN 37 004 455 789, AFSL 246315, legalsuper ABN 60 346 078 879

The information contained in this legalsuper *Guaranteed Income Account Product Disclosure Statement (PDS)* is about legalsuper. Any advice contained in this PDS is of a general nature and does not take into account your specific needs. You should consider your own financial position, objectives and requirements before making any financial decisions. Past performance is not a reliable indicator of future performance.