

# Pension Product Disclosure Statement

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This legalsuper *Pension 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 November 2020

**LEGALSUPER PENSION  
PRODUCT DISCLOSURE STATEMENT**

Issued by Legal Super Pty Ltd  
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ABN 37 004 455 789, AFSL 246315, L0002585  
legalsuper ABN 60 346 078 879 (the Fund)

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Date of preparation: 31 October 2020

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# About this document

The information contained in this legalsuper *Pension Product Disclosure Statement (Pension PDS)* is correct at the date of preparation being 31 October 2020. This *Pension PDS* updates and replaces any previous *Pension PDS* issued by legalsuper in its entirety. A copy of this *Pension PDS* is available from us on request at any time without charge.

Information contained in this *Pension 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 *Pension PDS*.

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

Whilst every effort has been made to ensure that the contents of this *Pension PDS* are accurate and consistent with legalsuper's Trust Deed, the Trust Deed is the final authority if there are any discrepancies.

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

The Trustee does not guarantee the performance of legalsuper, the repayment of capital or any particular rate of return. The advice given in this *Pension 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 *Pension 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 in preparing and issuing this *Pension PDS*.

This *Pension 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 *Pension PDS* in jurisdictions outside Australia may be restricted by law. Any persons outside Australia who come into possession of this *Pension 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 *Pension PDS* if received in electronic form is available only to persons in Australia. Please note that legalsuper does not accept application forms for a pension product electronically. We require an original signature on a hard copy of any application form.

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

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

# Chief Executive's welcome



## Introduction

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

At the date of this PDS, we manage \$4.3 billion on behalf of more than 42,937 members across Australia.

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

Once you are a member of legalsuper, you can customise your arrangements, for example by choosing how your balance is invested in any combination of 12 investment options.

More information about the above and other choices is included in this PDS.

## What are pension accounts?

Pension accounts provide a regular income in exchange for an initial capital investment. The regular income is paid at intervals that you choose. This PDS provides more information about two of the pension products that legalsuper offers:

1. A legalsuper Pension is a type of account which provides regular payments and the option to receive lump sums for members who are no longer working or are eligible to access their super.
2. A legalsuper Transition to Retirement Pension is available to members who are aged 57–65 and want to access their super while working, by receiving regular payments from their super, while keeping the balance of their funds invested.

## 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 accumulate wealth for 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 or 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 legalsuper Pension; and
- a legalsuper 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. Further information can be found in the legalsuper *Guaranteed Income Account Product Disclosure Statement*. You can obtain a copy at [legalsuper.com.au](http://legalsuper.com.au) or by contacting us on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

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 *Pension PDS* sets out more information about legalsuper and its products and services.

## Risks of legalsuper

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 investment risks are set out on page 12.
- **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 accounts could be affected by disruption to systems. An example would be if there was an interruption or fault in computer or telecommunications systems. Such interruption may be caused by breakdown, system overload, virus attack, unauthorised access, denial of service, or other malicious attack.

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 vary, and 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.

# The main features of legalsuper pensions

There are two legalsuper pension products which are summarised below.

These pension products allow you to put your superannuation money into your selected type of pension, choose your investment options, earn tax free investment earnings (for the legalsuper Transition to Retirement Pension when it is in the 'retirement phase' (see below) and the legalsuper Pension), and choose the amount and timing of income you receive. The above is subject to superannuation laws explained more fully in this *Pension PDS*.

The two legalsuper pension products explained in this *Pension PDS* are:

1. The **legalsuper Pension** which is available to those members who:
  - have reached preservation age and are either retired from the workforce or do not intend to work more than 10 hours a week ever again, or
  - are over 65, or
  - aged 60 to 64 and leave or change employment.

Please note that a Transfer Balance Cap (\$1.6 million from 1 July 2017 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 be invested in a legalsuper Pension.

The maximum you can invest in a legalsuper Pension will be reduced by any pensions (excluding any Transition to Retirement Pensions which are **not** in the 'retirement phase') or annuities that you may have with legalsuper or another provider.

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

2. The **legalsuper Transition to Retirement Pension** which is available to those members who have reached preservation age and are still working but wish to generate a regular income from their accumulated super. Please note that funds invested in a legalsuper Transition to Retirement Pension do not count towards, nor are subject to, the Transfer Balance Cap until it is in the 'retirement phase' (see below). Accordingly, if your legalsuper Transition to Retirement Pension is in the 'retirement phase' (as described below), it will count towards, and be subject to, your Transfer Balance Cap.

## When is a Transition to Retirement Pension in the 'retirement phase'?

Your Transition to Retirement Pension will be in the 'retirement phase' upon the earlier of you:

- turning age 65; or
- notifying us that you have satisfied a condition of release with a nil cashing restriction (i.e. retirement, terminal medical condition or permanent incapacity).

If you take your superannuation benefit in the form of a pension rather than as a lump sum, you receive income at regular intervals of your choice, while your remaining capital remains invested in legalsuper. We recommend that you seek independent financial advice before making any decisions.

## What documentation do you need to complete to apply for a legalsuper pension?

Simply complete the *Pension membership application* form at the back of this *Pension PDS*. If you are under age 60, you must also complete and attach to the application form a *Tax File Number declaration* form available from legalsuper, the Post Office or the Australian Taxation Office (ATO).

If you are transferring monies from another fund, you may also need to complete a legalsuper *Request to transfer* form, to consolidate your other superannuation into your legalsuper superannuation account. Your legalsuper superannuation account can be converted to your legalsuper pension account once all transfers are received.

If you are not an existing legalsuper member and you wish to consolidate your superannuation before you purchase a Pension, you should contact us.

You must also supply the certified ID as detailed on page 47.

## What confirmation will you receive?

Once your application is accepted by legalsuper, you will receive a summary that shows the details of your pension. You should check that the details are correct.

If your application is not accepted, you will be notified in writing.

## What regular reporting will you receive?

**Annual Member Statement** – this provides details of the value of your pension as at 30 June, transactions, investment earnings, fees and costs deducted from your account, and any tax deducted from the pension during the relevant period. The statement will keep you informed about how your pension is performing and help you manage your investment. It will be issued before 31 December each year.

**legalsuper Payment Summary** – issued at the end of each financial year. This details the tax components of your pension(s) and what should be included in your income tax return.

**Annual Report to members** – the Annual Report (which is available online at [legalsuper.com.au](http://legalsuper.com.au)) includes information about investment performance and asset allocation of legalsuper's investment options. It will be available before 31 December each year.

**MemberAccess** – a secure web-based online portal to view and manage your pension account at any time.

## What are the taxation benefits of superannuation pensions?

- Investment earnings on your legalsuper Transition to Retirement Pension in the 'retirement phase' and your legalsuper Pension account balance are tax-free.
- Pension payments to a member aged 60 or over will be tax-free.
- Pension payments paid to members aged under 60 may consist of two components:
  - part of the pension may be tax-free; and/or
  - part of the pension may be taxable and will be taxed at your marginal tax rate.

If you have reached your preservation age, or you are being paid a disability or death benefit pension income, you may be entitled to a 15% tax offset for the taxable pension portion.

See page 37 for further details.

## What features or options are available with a legalsuper pension?

You have access to 12 investment options. You can choose more than one investment option as well as the proportion of your pension account balance to which each investment choice is to apply.

You have the flexibility to choose how often your pension is paid, whether yearly or more often, such as fortnightly.

The same fees and costs apply as for legalsuper superannuation members, except that there is no insurance cover associated with your pension account, and therefore no deductions for insurance fees.

## What initial investment amount do you need?

You need at least \$20,000 to start a legalsuper pension.

## Do you have to be a member of legalsuper to apply for a legalsuper pension?

No, anyone can use their superannuation monies to open a legalsuper pension.

## Can you add funds to a pension account once pension payments have started?

No. Money cannot be added to an existing pension account once that pension is established. If you wish, you may commence another pension, but the eligibility requirements, including the minimum investment amount, apply separately to each pension. You may also choose to start a new pension using any additional superannuation funds. This is sometimes called a 'recycle' or 'reboot' strategy.

## How and when do you receive income?

No matter which legalsuper pension you choose, you will receive your income payments by Electronic Funds Transfer (EFT) to your bank, building society or credit union account.

You can choose to receive your payments fortnightly (paid according to the schedule below), monthly (paid on the 28th of each month), quarterly (paid on the 28th of each quarter), half-yearly (paid on the 28th of the relevant months) or yearly (paid on the 28th of the relevant month). Quarterly payments are paid in March, June, September and December. Half-yearly payments are paid in June and December if you do not specify your preferred months of payment. Yearly payments are paid in June if you do not specify your preferred month of payment.

### 2020/2021 Fortnightly Pension Payment Schedule

2020		2021	
Month	Date	Month	Date
July	2nd, 16th, 30th	January	14th, 28th
August	13th, 27th	February	11th, 25th
September	10th, 24th	March	11th, 25th
October	8th, 22nd	April	8th, 22nd
November	5th, 19th	May	6th, 20th
December	3rd, 17th, 31st	June	3rd, 17th

## Do I need to choose an investment option(s)?

Yes, you must select an investment option(s) by completing the 'Investment profile' section of the *Pension membership application* form.

You must select at least one or more of the investment options and this selection must total 100%.

Existing legalsuper members may select to have their existing superannuation investment option selections transferred to their pension account.

Please note that the MySuper balanced option is not available to pension members and therefore any investment in that option will be transferred to the closest pension investment option which is called the Balanced option.

For more information as to how legalsuper establishes your pension investment option(s) please see page 14.

## Can I transfer an existing legalsuper Direct Investment option to my new pension?

If you have an existing Direct Investment option (DIO) balance you may be able to transfer that option from your superannuation account to your new pension account. Please refer to page 30 of this *Pension PDS* for further detail.

## What happens if I do not select an investment option?

If you do not select an investment option(s) or if the selection is incomplete or incorrect, your investment will be held in a legalsuper holding account, while we attempt to contact you to obtain this instruction. If we do not receive a revised investment instruction the pension amount will be returned after 28 days.

Any interest earned while legalsuper retains your contribution will be credited to the expenses reserve of legalsuper and will not be paid to you.

You should be aware that we may not be able to refund the money directly to you as superannuation law may require legalsuper to pay this to another superannuation fund.

## What investment option(s) will your pension payment be paid from?\*

You have three options to choose for your pension to be paid to you.

**Option 1 (default):** Pension payments are paid proportionately across your Investment Profile selection as chosen by you in the *Pension membership application* form.

For example, if you chose to invest your pension equally across three of the available investment options, then you will be paid your pension amount in equal proportion from the three investment options.

**Option 2:** You can specify a different pension payment drawdown split from your Investment Profile selection as chosen by you in the *Pension membership application* form.

For example, if you chose to invest your pension equally across three of the available investment options, then you can elect to have your pension paid, for example, out of any combination of the investment options (e.g. 100% paid from one option, or 20% paid from one option, 30% from another option and 50% from the final option).

**Option 3:** You can specify the order of investment options that you would like your pension payment paid from your Investment Profile selection as chosen by you in the *Pension membership application* form.

For example, if you chose to invest your pension equally across three of the available investment options, then you can elect to have your pension paid, for example, from any sequence of those options (e.g. paid from investment option 1 first until its underlying balance is unable to meet your pension payment requirement followed by investment option 2 followed by investment option 3).

This is sometimes referred to as a 'pecking order', 'tiered' or 'bucket' strategy.

\*Please note that pension payments cannot be made directly from any investment that you may have in the DIO. You must first sell your chosen DIO investment(s) and/or transfer excess DIO Cash account funds to one of the other legalsuper investment options from which your pension can be paid.

## How can I change the investment option(s) that my pension payment will be paid from?

By completing the *Pension change details* form and sending this to legalsuper, you can alter your particular investment option(s) from where your pension payment is paid.

## How long will your investment last?

Your pension will be paid until your pension account balance reaches less than \$1,000. Your pension will then be terminated and the balance will be paid to you.

Each time you receive a pension payment or make a lump sum withdrawal, the balance of your account reduces. How long your pension lasts will depend on four factors:

- the level of pension payments you choose;
- investment returns which may be positive or negative;
- any lump sum withdrawals you make; and
- the amount of taxes, fees and costs deducted from your account.

### Please note:

- Your pension is not guaranteed to last for any specific period.
- legalsuper investment options are not guaranteed and the value of your investment can rise and fall.
- Your pension payments are subject to splitting in a Family Law context.
- You cannot use your pension account balance or pension income stream as security for any borrowing.

## Are you eligible to become a legalsuper Pension member?

Eligibility varies depending on the type of legalsuper pension you wish to take:

### legalsuper Pension

You can open a legalsuper Pension account with a minimum balance of \$20,000 comprising unrestricted non-preserved benefits, either held in a legalsuper accumulation account, or transferred from other superannuation or rollover funds if you have satisfied a relevant condition of release.

### legalsuper Transition to Retirement Pension

You can open a legalsuper Transition to Retirement Pension account with a minimum balance of \$20,000, once you have attained preservation age.

See page 36 of this *Pension PDS* for a table showing your preservation age.

It does not matter whether, or how much, you are working. You may want to reduce your working hours and receive a pension.

When you retire, you can choose to maintain or increase your pension payments (within the limits set by the Federal Government), or take all or part of your pension account balance as a lump sum, or commence another pension (e.g. a legalsuper Pension) provided you are eligible to do so.

The minimum \$20,000 pension balance can comprise unrestricted non-preserved benefits, either held in a legalsuper accumulation account, or transferred from other superannuation or rollover funds. Your current fund will be able to tell you what kind of benefits you have if you are not sure.

## How much are you paid?

Your annual legalsuper pension payments must be at least the minimum limit set by the Federal Government. The limit applicable to you is determined by your age, your annual pension account balance, and the Government's minimum payment percentage. The table below shows the Government's minimum payment percentage and the minimum annual payment for each \$100,000 of your pension account balance.

There is no maximum percentage for a legalsuper Transition to Retirement Pension in the 'retirement phase' or a legalsuper Pension. However, there is a 10% maximum on all Transition to Retirement Pensions (as set by the Government) that are not in the 'retirement phase'.

### legalsuper Pension and Transition to Retirement Pension

Age	Minimum percentage (%) to receive as income	Minimum amount (\$) to receive as income per \$100,000
Under 65	2%	\$2,000
65 – 74	2.5%	\$2,500
75 – 79	3%	\$3,000
80 – 84	3.5%	\$3,500
85 – 89	4.5%	\$4,500
90 – 95	5.5%	\$5,500
95 or older	7%	\$7,000

The minimum income amount is based on your starting balance and then your balance as at 1 July each year.

To work out your minimum limits, see the legalsuper Pension and Transition to Retirement Pension table above. If you do not make a choice, we will pay you the minimum once a year in June for that financial year. If a pension is commenced prior to 1 June in a year, the minimum amount is pro-rated by the number of days between date of commencement and the following 30 June.

If you set up a pension in June, no payment is required to be made for that financial year.

We will monitor your pension account to ensure it complies with the Federal Government limits. We will always pay you at least the minimum amount each financial year and, if you are taking a Transition to Retirement Pension that is **not** in the 'retirement phase', never more than the maximum amount each financial year. We will let you know if it is necessary to adjust your pension payments to stay within Federal Government limits. If you are taking a Transition to Retirement Pension that is **not** in the 'retirement phase', and you receive your maximum limit during the financial year, we will not make further pension payments to you that financial year.

## Can you make lump sum withdrawals?

### legalsuper Pension and legalsuper Transition to Retirement Pension in the 'retirement phase'

You can make lump sum withdrawals from your account at any time. This is also known as a 'commutation'.

### legalsuper Transition to Retirement Pension not in the 'retirement phase'

There is a very limited right to make lump sum withdrawals. You will only be allowed to take any restricted non-preserved and/or preserved benefits as a lump sum if you will use it to pay any surcharge tax, satisfy a family law order regarding splitting of superannuation benefits, or acquire another Transition to Retirement Pension.

Otherwise, to make a lump sum withdrawal, you have to satisfy a condition of release in respect of which there is no cashing restriction (for example, if you permanently retire from the workforce on or after your preservation age).

Although the circumstances in which you can withdraw a lump sum are very limited, you have the option of stopping the Transition to Retirement Pension at any time, and having the balance of your pension account transferred into an accumulation account with legalsuper or another fund.

If your circumstances change and you believe that you meet a condition of release, please contact us to confirm the preservation status of your account balance.

## How can I nominate a beneficiary?

A legalsuper Pension and Transition to Retirement Pension may allow you to nominate:

- A reversionary beneficiary who *may* continue to receive your pension after your death; or
- A lump sum beneficiary who will receive the value of your account after your death.

Further details about how these options work, the restrictions that apply and the taxation of death benefits is contained on pages 39 – 40.

## What if I am working and my employer is paying super contributions?

### legalsuper Pension

If you have used all of your account balance to commence a pension but continue to work, a new legalsuper accumulation account can be set up in your name to receive future contributions. Future contributions cannot be added to an existing pension account.

### legalsuper Transition to Retirement Pension

If you remain working while being paid a legalsuper Transition to Retirement Pension, legalsuper may continue to receive super contributions for you. Such contributions will be paid into another legalsuper superannuation account, as you cannot make additional contributions to a pension account once a pension has started.

## I want a Transition to Retirement Pension, and I have heard about tax-free components and taxable components. How do they impact on a Transition to Retirement Pension?

We will separately record the tax-free component and taxable component which make up your Transition to Retirement Pension. See the 'Glossary' on pages 44 – 46 for further details on tax-free and taxable components.

Your Transition to Retirement Pension payments will be paid in proportion from the tax-free component and taxable component amounts.

You can cash out any unrestricted non-preserved benefits in your Transition to Retirement Pension at any time. Any such amount will be paid in proportion from the tax-free component. Tax may be applicable depending on your age. However, restricted non-preserved and preserved benefits cannot be taken in cash until you meet a condition of release or meet one of the conditions noted above.

## What are the main implications of a Transition to Retirement Pension being in the 'retirement phase'?

If a Transition to Retirement Pension is in the 'retirement phase' (see 'When is a Transition to Retirement Pension in the 'retirement phase'?' on page 5), it will:

- no longer be subject to withdrawal restrictions;
- no longer have income earnings taxed; and
- count towards, and be subject to, your Transfer Balance Cap.

We strongly recommend you consult a licensed financial adviser about these implications.

## legalsuper pension products at a glance

	legalsuper Pension	legalsuper Transition to Retirement Pension
Can I choose where my money is invested?	Yes	Yes
Do I have access to my money at all times?	Yes	Restrictions apply when your Transition to Retirement Pension is not in the 'retirement phase'
Can I choose the amount of my income payments (within limits set under Federal legislation)?	Yes	Yes
Are my pension payments and lump sum withdrawals tax-free if I am age 60 and over?	Yes	Yes (subject to restrictions on lump sum withdrawals for Transition to Retirement Pensions that are not in the 'retirement phase')
Can I receive a tax offset on my income if I am eligible?	Yes	Yes
Can I choose the frequency of my income payments?	Yes	Yes
Can I elect a reversionary beneficiary?	Yes	Yes
Can I submit a binding death benefit nomination?	Yes	Yes
Can I submit a non-binding death benefit nomination?	Yes	Yes
Is there a maximum amount I can invest?	Yes	No if your Transition to Retirement Pension is not in the 'retirement phase'. A Transition to Retirement Pension in the 'retirement phase' is subject to a maximum investment amount.
Are investment earnings taxed?	No	Yes if your Transition to Retirement Pension is not in the 'retirement phase'. A Transition to Retirement Pension in the 'retirement phase' will not have its investment earnings taxed.
Does my investment count towards my Transfer Balance Cap?	Yes	No if your Transition to Retirement Pension is not in the 'retirement phase'. A Transition to Retirement Pension in the 'retirement phase' will count towards your Transfer Balance Cap.

# Unitisation

**PLEASE NOTE:** This section does not apply to the Direct Investment option (DIO). Refer to pages 22 – 30 for further details on the DIO.

## How does my investment work?

Contributions are applied to purchase units in one or more of 11 Investment Choice options, which are then used to purchase assets such as shares, property, bonds and cash for that option.

The assets of each option pool are notionally divided into units – or a share of those assets. The value or price of each unit is determined by the value of the pool of assets. As the value of the assets increase, the unit price rises. If the value of the pool of assets decreases, the unit price falls.

If you contribute additional money to an option, you buy more units. If money is withdrawn to pay fees or to pay you a benefit, units are sold.

To calculate the value of your investment, you multiply the number of units you have been allocated in the option by the current unit price.

The twelfth investment option is the DIO. See pages 22 – 30 for details of how this option works.

## What is a unit worth?

Each National Business Day (i.e. a week day that is not a national public holiday or the NSW Queen's Birthday weekend or another day at Trustee discretion), legalsuper values the assets of each investment option to determine the unit price of the option.

## Are there any costs to buy or sell units?

As contributions are made to an investment option, that option's pool increases in size and more assets are purchased. If money is withdrawn from the option, the pool decreases in size and assets may need to be sold.

Buying or selling shares, property and bonds frequently incur transaction costs and other expenses.

To reflect transaction costs incurred by each option, legalsuper has a buy price when you contribute and a sell price for when you withdraw. The difference between the buy and sell prices is called a buy-sell spread and the amount charged depends on the option chosen. The current buy-sell spreads are detailed in the 'Fees and costs' section of this *Pension PDS*.

## How does legalsuper value my investment?

legalsuper always values your investments using the sell price.

## When are unit prices available?

Unit prices are updated on each National Business Day.

Prices can be obtained at the legalsuper website or by contacting legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

## Can prices be delayed?

legalsuper recognises the importance of accuracy of unit pricing and the risks surrounding the process, especially when a significant event occurs such as:

- the market rises or falls by 5% or greater;
- suspension of trading;
- large cash flows (greater than or equal to 50% of option value);
- freezing or closure of an investment option; or
- a material or significant event which results in the inability to access meaningful market values for a prolonged period.

The Trustee may suspend the application of unit prices if a significant event occurs.

# Investment choice

legalsuper recognises that every member is different. That's why we give you a say in how your superannuation savings are invested.

Each different investment option offered by legalsuper involves a different level of exposure to the various asset classes. This section explains some of the characteristics of each asset class.

## Understanding asset classes

### Australian shares

Australian shares represent a slice of the ownership of a company that is publicly listed on the Australian Stock Exchange. Investment returns from shares can come from increases in share value over time or from dividends paid by a listed company.

### Overseas shares

These are shares in listed companies based outside Australia. Australian companies make up a small percentage of the value of the world's listed shares, so investing in overseas companies has the potential to open up more investment opportunities. The performance of overseas shares is also influenced by factors such as the economy of a particular country and the relative value of the Australian dollar to overseas currencies.

### Property

A superannuation fund can invest in properties such as office buildings and shopping centres. This may be done by the Fund purchasing a property outright, or by the Fund purchasing units in a trust that invests in a portfolio of properties. Property trusts generally use funds from a group of investors to buy a range of properties. Property investment returns come from rent and/or increases in property values over time.

### Alternative assets

Alternative assets can include infrastructure, private equity investments, inflation indexed bonds, credit instruments and hedge funds. This asset class targets long-term returns and related risks consistent with the underlying characteristics and risks associated with each investment.

### Fixed interest

These investments include government bonds, corporate bonds, mortgage and asset backed securities and other fixed interest securities. They are investments that offer a fixed return for an agreed period of time. Some of these securities will be based outside Australia, in which case the Trustee will consider currency hedging strategies designed to mitigate currency risk.

### Enhanced cash

These investments include cash, bank deposits, bank bills, commercial paper and floating rate notes. Enhanced cash is very liquid, but includes slightly more credit risk than cash in the expectation of a slightly higher return.

### Cash

These investments include cash, term deposits, bank bills, and other debt securities which are made on very short terms – usually less than 12 months – and for an agreed return.

## Labour, environmental, social and ethical standards

No investment option invests directly into the shares of companies whose main activity is the production of tobacco products.

Except for the Balanced Socially responsible option, labour standards are not taken into account in the selection of investment managers, or the selection, retention or realisation of investments.

Environmental, social and corporate governance factors are considered in the selection of investment managers and investment opportunities to the extent that they may affect long-term investment returns.

A summary of the labour standards and environmental, social and ethical standards taken into account by Pandal Group Limited ABN 28 126 385 822, the investment manager for the Balanced Socially responsible option, is set out on pages 20 – 21.

The investment structure of legalsuper is generally based on the appointment of sector specialist investment managers. This means that, on the advice of the Fund's asset consultant, Willis Towers Watson, the Trustee chooses individual investment managers for their expertise in managing specific asset classes.

After selecting a manager, the Trustee then engages the manager to invest assets either directly on behalf of the Trustee, or through an investment product.

All of the investment options in legalsuper except for the Cash, Enhanced cash, Overseas shares, and Balanced index options are managed by multiple investment managers. The Cash, Enhanced cash, Overseas shares, and Balanced index options are invested with a single investment manager.

## Investment risks

Investment risk is the degree to which investment returns fluctuate over time, including the likelihood of negative returns over shorter periods. Generally, the higher the investment risk, the higher the expected return but also the higher chance that there will be short-term fluctuations in the value of the investment, including capital losses. However, investment risk can be reduced by holding a spread of individual investments across different asset classes. Each asset class carries its own levels of risk and return. By holding a spread of investments, when an investment or asset class falls in value, there are other investments or asset classes to offset the falls.

You must make an investment selection. legalsuper may discontinue an investment option that you have previously selected, as described on page 15. There is a risk that any reallocations may not be consistent with your personal investment objectives, financial situation or needs. However, by becoming a member of legalsuper, you acknowledge that we can make these reallocations.

## Standard Risk Measure

legalsuper utilises the Standard Risk Measure, which is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives.

You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment options.

The most significant investment risks include those that relate to:

- **Liquidity risk** – some investments such as property and private equity are relatively illiquid. They may not readily be converted to cash. legalsuper limits exposures to illiquid investments to manage this risk.
- **Inflation risk** – the value of your retirement benefit should at a minimum keep up with the cost of living, so that the purchasing power of your retirement benefit is not reduced over time. legalsuper has designed investment options to exceed inflation over the medium to long-term.
- **Valuation risk** – the value of an investment can fall over time, driven by many factors including:
  - **redemption/switching risk** – in the event that underlying investments cannot be redeemed or properly valued, legalsuper may delay the processing of a request to withdraw or switch investments;
  - **market risk** – risks associated with investing in a certain investment market which is driven by economic, technological, political or legal conditions, or changes in market sentiment;
  - **credit risk** – the risk that a borrower may default on its commitments or the cost of credit varies with market fluctuations;
  - **currency risk** – value of overseas investments may change due to changes in the value of the currencies of those countries;
  - **interest-rate risk** – changes to interest rates may have a negative impact on investment values or returns;
  - **derivatives risk** – there are various risks associated with the use of derivative products. Derivatives are used to manage risk, enhance portfolio characteristics or manage investment exposures. legalsuper engages professional investment managers to manage derivatives. Risks associated with these derivatives include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, not being able to meet payment obligations as they arise, and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under a contract); and
  - **Less frequently valued assets** – some assets such as property are valued by appraisal at regular intervals. legalsuper invests in these assets through investment products, and relies upon the manager of each product to ensure unit prices are representative of underlying asset values at all times. These investment managers have adopted valuation policies that require the periodic revaluation of individual assets held by the pooled investment vehicle.

## Investment managers

legalsuper utilises specialist investment professionals, including investment managers and an asset consultant, to take into consideration and assist with the management of these risks.

The level of risk will depend in part on your choice of investment options. legalsuper provides a number of investment options with a mix of investments designed to provide particular risk and return characteristics. For more information about the risk profiles of each of legalsuper's investment options, see pages 16 – 21 of this Document

Past performance is not necessarily indicative of future performance. As you bear the risks associated with the investments you choose, we recommend that you seek licensed investment advice before selecting your investment option and strategy.

Your investment in legalsuper is not guaranteed. The value of your investment can rise or fall.

Due to the volatility of investment returns and the costs associated with investing in superannuation, it is possible that you could get back less than you paid into legalsuper.

As at the date of preparation of this Document, legalsuper's assets were invested with the following investment managers:\*

<b>Australian Share managers</b>
Hyperion Asset Management
Alliance Bernstein
Solaris Investment Management
<b>Overseas Share managers</b>
American Century Investments
Sanders Capital
Schroder Investment Management
Queensland Investment Corporation (currency and derivatives overlay)
Genesis Investment Management
GQG Partners
State Street Global Advisors
Aikya Investment Management
<b>Alternative Assets managers</b>
Lazard Asset Management
Partners Group AG
Siguler Guff & Company
Oak Hill Advisors
Lighthouse Infrastructure Management
Ancala Partners
Intermediate Capital Group
Magellan Asset Management
BlueBay Asset Management
Wellington Management Company
<b>Diversified Fixed Interest managers</b>
Colchester Investors
Macquarie Investment Management
<b>Property managers</b>
Dexus Fund Management
GPT Group
Goodman Funds Management
Lend Lease Investment Management
Resolution Capital
Barwon Investment Partners
<b>Diversified managers</b>
Pendal Group Limited
State Street Global Advisors
<b>Cash and Enhanced cash managers</b>
First Sentier Investors
IFM Investors

The investment manager exposures may change from time to time at the discretion of the Trustee.

\* The investment manager listing excludes investments that are made by the member in the Direct Investment option.

# Your investment options

Pension members can choose to invest in one or a combination of 12 different investment options, including the Direct Investment option.

Investment returns for our investment options are disclosed on our website, in the Annual Report and on member statements.

## Your pension investment options

You can select any combination of the following Investment Choice options which is where the purchase price for your pension will be invested.

### Investment Choice options

- Cash
- Enhanced cash
- Conservative
- Conservative balanced
- Balanced index
- Balanced
- Growth
- High growth
- Australian shares
- Overseas shares
- Balanced Socially responsible

### Direct Investment option (DIO)

Once your legalsuper pension balance is invested in your selection of Investment Choice options you may wish to consider transferring some money to the DIO. Members in the DIO select and manage their own securities and Term Deposits. Pages 22 – 30 explain how this option works.

### Making a choice

You must select an 'Investment profile' when you first commence a pension and we recommend that you seek the advice of a financial planner to assist you in determining your choice.

### Your initial investment choice

If you are an existing legalsuper member, unless you choose otherwise, your pension account will be invested in the investment option(s) that applied to your superannuation (accumulation) account at the time your pension application is accepted. No buy-sell spread will be applied. Please note, to the extent your accumulation account in legalsuper is invested in the MySuper balanced option, your pension account will be invested in the closest pension equivalent – the Balanced option – in the legalsuper pension that you choose.

If you have chosen to invest in options for your pension that you do not currently hold in your accumulation account,

then once a pension account is created and the transfer of assets from your accumulation account has been completed, we will process a switch to the investment option(s) you have selected – a buy-sell spread may apply.

## Changing your investment choice

### Switching – existing balance

You may decide to change your current investment selection by 'switching' – or transferring – some or all of your balance to another option(s) of your choice. To do this you must submit an investment instruction to switch some or all of your existing balance into a different investment option(s). You can submit an investment instruction online using MemberAccess or you may submit a written instruction by completing a *Pension change details* form.

A buy-sell spread may apply to money transferred into another investment option(s) of your choice.

Please note different rules apply for investments held in the DIO. Please see pages 22 – 30 for further details.

### Investment option switching cycle

Requests to switch investment option(s) received before 4pm (AEST)\* on a National Business Day will receive the unit price of that day. Your account records will be updated two National Business Days after the request.

The following table confirms this switching cycle:

Requests received on or before 4pm AEST*	And will be made effective on your record on:
Friday	Tuesday
Saturday	Wednesday
Sunday	Wednesday
Monday	Wednesday
Tuesday	Thursday
Wednesday	Friday
Thursday	Monday

\* The 4pm (AEST) cut-off applies to requests received via all channels (e.g. online, forms).

## Can my investment selection be different to my pension payment selection?

Yes. You can choose any combination of investment options. Other than the DIO, you can then choose which of your chosen investment option(s) from which your pension payment is made. You can alter your pension payment profile online by using MemberAccess or you may submit a written instruction by completing a *Pension change details* form.

Please note that if you do not make a pension payment selection, the default arrangement with pension payments is to be paid in proportion from your chosen investment profile.

## **Your investment options on account re-consolidations (also known as pension recycling or rebooting)**

When you elect to transfer additional legalsuper superannuation monies to consolidate with your existing legalsuper pension account, we will first close your existing legalsuper pension account and transfer your remaining legalsuper pension account balance, after paying you the minimum benefit (if required), to your legalsuper superannuation (accumulation) account. We will apply your previous legalsuper pension account investment options to the amount transferred to your legalsuper accumulation account. No buy-sell spread will be applied to the transferred amount as the investment options have not changed on this amount.

We will then open a new legalsuper pension account for you and transfer your nominated legalsuper accumulation account monies to your new legalsuper pension account. We will apply your previous legalsuper accumulation account investment options to the amount transferred to your new legalsuper pension account, unless you have elected a different investment profile in your new legalsuper pension account. Once your original legalsuper pension account is closed, it cannot be reinstated.

## **Your investment options if you need to transfer all or any of your pension balance where it exceeds the Transfer Balance Cap**

Where you elect to transfer all or part of your legalsuper pension account balance to a new or existing legalsuper superannuation (accumulation) account to meet the Transfer Balance Cap requirements, we will apply your legalsuper pension account investment options to the amount transferred to your legalsuper accumulation account. No buy-sell spread will be applied to the transferred amount as the investment options have not changed on this amount. After the transfer, you can change the investment options of the transferred amount via MemberAccess or you may submit a written instruction by completing a *Pension change details* form. A buy-sell spread may apply for that change.

Where, as a result of an Australian Taxation Office Commutation Authority, you have to transfer all or part of your legalsuper pension account balance to an existing legalsuper accumulation account to meet the Transfer Balance Cap requirements, we will apply your legalsuper pension account investment options to the amount transferred to your legalsuper accumulation account. No buy-sell spread will be applied to the transferred amount as the investment options have not changed on this amount. After the transfer, you can change the investment options of the transferred amount via MemberAccess or you may submit a written instruction by completing a *Pension change details* form. A buy-sell spread may apply for that change.

Where, as a result of an Australian Taxation Office Commutation Authority, you have to transfer all or part of your legalsuper pension account balance to a new legalsuper accumulation account (if you don't already have one) to meet the Transfer Balance Cap requirements, we will set-up a new legalsuper accumulation account with no insurance cover and the amount transferred will be invested in the Cash option. Buy-sell spreads may apply.

## **Can legalsuper close an investment option?**

Yes. legalsuper may change the investment options available to members from time to time. For example, one or more of the investment options may be discontinued or new investment options may be added. If an option is discontinued that you are invested in, you will be sent a notice advising of the change and the options that are available to you or the action that we will take.

# Investment Choice options

## 1. Cash

### Return objective:

To at least match the Bloomberg Ausbond Bank Bill Index over rolling 5-year periods, net of fees.

### Risk profile:

Likely to produce the lowest long-term investment returns with the fewest fluctuations from year to year. Capital invested in this option is not guaranteed. This option is likely to produce a negative return over less than 6 months in every 20 years.

**Risk level:** Very low.

### Investor profile:

Will suit investors looking for stability, but long-term investment returns are likely to be the lowest of all investment options.

Asset mix	Benchmark %	Permitted range %
Cash	100	100

Minimum suggested time frame for holding the investment is 1 year.

Please note: If you choose this option, you may need to consider whether medium and long-term returns with this option are likely to be high enough to ensure your pension grows adequately to meet your retirement income goals.

## 2. Enhanced cash

### Return objective:

To outperform the Bloomberg Ausbond Bank Bill Index over rolling 5-year periods, net of fees.

### Risk profile:

This option seeks to outperform the benchmark through taking on a number of risks, principally credit risk, in a process of active management. Capital invested in this option is not guaranteed. This option is likely to produce a negative return in six months to one year in every 20 years.

**Risk level:** Low.

### Investor profile:

Will suit investors looking for stability, but long-term investment returns are likely to be among the lowest of all investment options.

Asset mix	Benchmark %	Permitted range %
Enhanced Cash	97	0 - 100
Cash	3	0 - 20

Minimum suggested time frame for holding the investment is 3 years.

Please note: If you choose this option, you may need to consider whether medium and long-term returns with this option are likely to be high enough to ensure your pension grows adequately to meet your retirement income goals.

## Investment Choice options (contd.)

### 3. Conservative

#### Return objective:

To outperform an average annual return (\*) of CPI + 2.5% pa over rolling 10-year periods.

#### Risk profile:

Offers the likelihood of higher long-term investment returns than cash with greater fluctuations from year to year. Capital invested in this option is not guaranteed. This option is likely to produce a negative return in 1 to 2 years in every 20 years.

**Risk level:** Low to Medium.

#### Investor profile:

Will suit investors looking for lower volatility in returns, but who are prepared to accept some exposure to growth assets.

Asset mix	Benchmark %	Permitted range %
Australian shares	12	5 – 25
Overseas shares	12	0 – 20
Property	6	0 – 10
Alternative assets	10	0 – 20
Fixed interest	20	10 – 40
Enhanced cash	30	10 – 40
Cash	10	0 – 20

Minimum suggested time frame for holding the investment is 3 years.

The Trustee may adjust the asset mix or vary the investment strategy from time to time.

Please note: If you choose this option, you may need to consider whether medium and long-term returns with this option are likely to be high enough to ensure your pension grows adequately to meet your retirement income goals.

(\*) the annual return is net of all fees and tax except the \$1.30 weekly administration fee.

### 4. Conservative balanced

#### Return objective:

To outperform an average annual return (\*) of CPI + 3.0% pa over rolling 10-year periods.

#### Risk profile:

Invests in a mix of assets to achieve higher returns, while reducing short-term risks. This option is likely to produce a negative return in 2 to 3 years in every 20 years.

**Risk level:** Medium.

#### Investor profile:

Will suit investors looking for moderate returns over the medium to long-term but who are prepared to accept some fluctuations in investment performance over shorter periods.

Asset mix	Benchmark %	Permitted range %
Australian shares	19	10 – 45
Overseas shares	19	10 – 30
Property	9	0 – 20
Alternative assets	12	0 – 20
Fixed interest	20	10 – 50
Enhanced cash	15	0 – 30
Cash	6	0 – 30

Minimum suggested time frame for holding the investment is 3 years.

The Trustee may adjust the asset mix or vary the investment strategy from time to time.

## Investment Choice options (contd.)

### 5. Balanced index

**Return objective:**

To outperform an average annual return (\*) of CPI + 3.5% pa over rolling 10-year periods.

**Risk profile:**

Offers an emphasis on shares and property to achieve higher returns, but includes some lower-risk defensive assets to reduce short-term risks. The strategy is passively invested which is lower-cost but provides diversified exposures to selected listed asset classes like Australian shares, International shares, Australian Property Securities and Australian Cash. This option is likely to produce a negative return in 4 to 6 years in every 20 years.

**Risk level:** High.

**Investor profile:**

Will suit investors looking for moderate to high returns over the long term, but who are prepared to accept some fluctuations in investment performance over shorter periods. The strategy is suited to investors seeking to minimise costs, although without utilising active managers seeking to achieve outperformance above market benchmarks.

Asset mix	Benchmark %	Permitted range %
Australian shares	34	10 – 45
Overseas shares	24	10 – 45
Property	10	0 – 20
Fixed interest	24	0 – 50
Cash	8	0 – 20

Minimum suggested time frame for holding the investment is 5 years.

The Trustee may adjust the asset mix or vary the investment strategy from time to time.

(\*) the annual return is net of all fees and tax except the \$1.30 weekly administration fee.

### 6. Balanced

**Return objective:**

To outperform an average annual return (\*) of CPI + 3.5% pa over rolling 10-year periods.

**Risk profile:**

Offers a greater emphasis on shares and property to achieve higher returns, but includes some lower-risk defensive assets to reduce short-term risks. This option is likely to produce a negative return in 3 to 4 years in every 20 years.

**Risk level:** Medium to High.

**Investor profile:**

Will suit investors looking for moderate to high returns over the medium to long-term, but who are prepared to accept some fluctuations in investment performance over shorter periods.

Asset mix	Benchmark %	Permitted range %
Australian shares	27	10 – 40
Overseas shares	27	10 – 40
Property	12	0 – 25
Alternative assets	20	10 – 30
Fixed interest	11	0 – 20
Cash	3	0 – 20

Minimum suggested time frame for holding the investment is 5 years.

The Trustee may adjust the asset mix or vary the investment strategy from time to time.

legalsuper.com.au

## Investment Choice options (contd.)

### 7. Growth

#### Return objective:

To outperform an average annual return (\*) of CPI + 4.0% pa over rolling 10-year periods.

#### Risk profile:

Offers a greater emphasis on shares and property, and therefore carries a higher level of investment risk. Short-term fluctuations will occur, but higher investment returns are expected over longer periods. This option is likely to produce a negative return in 4 to 6 years in every 20 years.

**Risk level:** High.

#### Investor profile:

Will suit investors looking for higher returns over the long-term, but who are prepared to accept wide fluctuations in investment performance.

Asset mix	Benchmark %	Permitted range %
Australian shares	34	10 – 50
Overseas shares	34	20 – 50
Property	10	0 – 20
Alternative assets	12	0 – 20
Fixed Interest	7	0 – 20
Cash	3	0 – 20

Minimum suggested time frame for holding the investment is 10 years.

The Trustee may adjust the asset mix or vary the investment strategy from time to time.

(\*) the annual return is net of all fees and tax except the \$1.30 weekly administration fee.

### 8. High growth

#### Return objective:

To outperform an average annual return (\*) of CPI + 4.5% over rolling 10-year periods.

#### Risk profile:

Offers the strongest emphasis on shares and property and therefore carries the highest level of investment risk out of all the diversified portfolios. Short-term fluctuations will occur, but higher investment returns are expected over longer periods. This option is likely to produce a negative return in 4 to 6 years in every 20 years.

**Risk level:** High.

#### Investor profile:

Will suit investors looking for the highest investment returns over the long-term, but who are prepared to accept very large fluctuations in investment performance.

Asset mix	Benchmark %	Permitted range %
Australian shares	40.5	20 – 50
Overseas shares	40.5	20 – 50
Property	6	0 – 20
Alternative assets	10	0 – 20
Cash	3	0 – 20

Minimum suggested time frame for holding the investment is 10 years.

The Trustee may adjust the asset mix or vary the investment strategy from time to time.

## Investment Choice options (contd.)

### 9. Australian shares

**Return objective:**

To outperform the return of the S&P/ASX300 Accumulation index, net of fees, over rolling 10-year periods.

**Risk profile:**

100% invested in Australian shares, and therefore carries the highest level of investment risk. Short-term fluctuations will occur, but the highest investment returns are expected over longer periods.

This option is likely to produce a negative return in approximately 6 years in every 20 years.

**Risk level:** Very High.

**Investor profile:**

Will suit investors looking for the highest investment returns over the long-term, but who are prepared to accept extreme fluctuations in investment performance.

Asset mix	Benchmark %	Permitted range %
Australian Shares	97	0 – 100
Cash	3	0 – 20

Minimum suggested time frame for holding the investment is 10 years.

### 10. Overseas shares

**Return objective:**

To outperform the return of the applicable composite overseas shares index, net of fees, over rolling 10-year periods.

**Risk profile:**

100% invested in overseas shares and therefore carries a very high level of investment risk. Short-term fluctuations will occur, but the highest investment returns are expected over longer periods. This option is likely to produce a negative return in approximately 5 years in every 20 years.

**Risk level:** High.

**Investor profile:**

Will suit investors looking for the highest investment returns over the long-term, but who are prepared to accept extreme fluctuations in investment performance.

Asset mix	Benchmark %	Permitted range %
International Shares	97	0 – 100
Cash	3	0 – 20

This option will have exposure to emerging market equities and currency hedging will be applied to part of the portfolio.

Minimum suggested time frame for holding the investment is 10 years.

### 11. Balanced Socially responsible

**Return objective:**

To outperform an average annual return of CPI + 3.5% pa over rolling 10-year periods (net all fees and tax except the weekly \$1.30 administration fee).

**Risk profile:**

Offers greater emphasis on shares and property to achieve higher returns, but includes some lower-risk assets to moderate short-term risks. Investments are made with a focus on managing sustainability and environmental, social, and governance (ESG) risks. This option is likely to produce a negative return in 4 to 6 years in every 20 years.

**Risk level:** High.

**Investor profile:**

Will suit investors looking for moderate to high returns over the medium to long-term, but who are prepared to accept some fluctuations in investment performance over shorter periods.

**Investment strategy:**

The Balanced Socially responsible option currently invests in the Pental Sustainable Balanced Fund (SB Fund). This is a multi-manager fund operated by Pental Group that considers environmental, social and governance (ESG) factors when making investment decisions.

The SB Fund is an actively managed diversified portfolio that invests in Australian and International shares, Australian and International property securities, Australian and International fixed interest, cash and alternatives.

Pental Group selects the managers of the SB Fund based on a range of sustainable, ethical, and financial criteria that address both investment considerations and responsible investing parameters.

Pental Group also has a dedicated ESG research team, Regnan, which supports and informs investment decisions through its in-house research, engagement and advisory functions.

Investments are selected based on a range of sustainable, ethical and financial criteria. The SB Fund actively seeks an exposure to securities and industries that demonstrate leading ESG and ethical practices while avoiding exposure to companies with activities or behaviour considered to negatively impact the environment or society. This means that the SB Fund will avoid exposure (either directly or indirectly through underlying managers and funds) to companies with a material exposure to the production or manufacture of:

- tobacco;
- fossil fuels;
- weapons\*;
- uranium (for the purpose of weapons manufacturing);
- alcohol;
- gaming; and
- pornography.

\*zero % threshold

## Investment Choice options (contd.)

A company deriving more than 10% of its total revenue from these industries constitutes material exposure. In addition, with the combustion of fossil-fuels being the main source of global greenhouse gas emissions, the SB Fund's range seeks to limit exposure to companies which have a material exposure to the most carbon intensive fossil fuels by excluding any company that has more than a 10% exposure (as measured by percentage of market capitalisation, or other appropriate financial metric) to one, or a combination of, the following:

- mining thermal coal
- exploration and development of oil sands.

Exclusions may be updated, from time to time, following review and approval by Pandal Group. Investors will be notified of any changes to the exclusions.

Asset mix	Benchmark %	Permitted range %
Australian shares	29.1	10 - 40
International shares	29.1	10 - 40
Alternatives	14.5	0 - 20
Property	3.9	0 - 20
Fixed Interest	12.6	0 - 50
Cash	10.8	0 - 20

Minimum suggested time frame for holding the investment is 5 years.

Further detail about the labour standards, environmental, social and ethical that Pandal Group Limited takes into account can be found at [pandalgroup.com](http://pandalgroup.com).

# Direct Investment option

The Direct Investment option (DIO) offers members more control and choice with the investment of their super.

This option suits members who want to actively manage their super or those who might be seeking a low-cost SMSF-style alternative.

Members have the flexibility to invest in:

- Shares that are included in the S&P/ASX300 Index;
- Exchange Traded Funds (ETFs);
- Listed Investment Companies (LICs); and/or
- Term Deposits.

The Trustee maintains an Approved Investment Menu that members can invest in and is subject to change. The Approved Investment Menu provides details of the investments that members may select, and general investment rules and limits that apply to the DIO. The inclusion of a share, ETF, LIC or Term Deposit on the Approved Investment Menu is not an endorsement or recommendation by the Trustee as to the quality or suitability of that investment. The Approved Investment Menu is available at [legalsuper.com.au/investments/direct-investments](https://legalsuper.com.au/investments/direct-investments) and members should refer to this page for the current list of available investments.

The rules for investing in the DIO should not be considered as a recommendation by the Trustee as to the manner in which members should approach their investments in the DIO. All responsibility for the investment decisions, including the level of diversification in the DIO, rests with the member.

One of the most important principles of investing is diversification – that is, to spread your investments across a range of asset classes, within some asset classes, across geographical regions, and investment managers. This could be achieved by investing in a range of investment options offered by legalsuper and, in particular with the DIO, through listed securities associated with different industries and regions.

Diversification reduces your risk as your investments are not solely dependent on the performance of any one of these components. Refer to the 'Risks' section on page 25.

The Trustee does not review any trades that members make in the DIO, and members should consider obtaining investment advice from a licensed financial adviser before investing in the DIO.

Terms, conditions, fees and costs apply for investing in the DIO. For more information refer to the DIO page on the legalsuper website at [legalsuper.com.au/investments/direct-investments](https://legalsuper.com.au/investments/direct-investments).

## Eligibility for the DIO

Before you can access the DIO as a Free Access User or invest as a Full Access User, you will need to:

- be a legalsuper Employer-sponsored member or Personal member and/or a legalsuper Pension member

(please note that legalsuper Transition to Retirement Pension members are unable to access the DIO);

- provide your Tax File Number (TFN);
- register for legalsuper MemberAccess;
- provide us with your email address; and
- meet the balance minimums below.

Investment minimums	Super DIO limits	Pension DIO limits
Minimum legalsuper balance	\$10,000*	\$10,000*
Minimum non-DIO holding requirement at all times <sup>^</sup>	\$3,000	\$3,000**
DIO Cash account minimum at all times	\$250	\$250

\* You will need to satisfy this minimum balance requirement to register for the DIO.

<sup>^</sup> invested in one or more of the other investment options offered by legalsuper.

\*\* In addition to the \$3,000 shown above, existing or new Pension members who instruct legalsuper to transfer funds into their DIO, must be aware of the Minimum Pension Payment Requirement (Requirement). This Requirement is to ensure that Pension members maintain sufficient money in their non-DIO investment option(s) to meet the legislated annual minimum pension payment.

Therefore, the minimum non-DIO holding requirement for Pension members will be the greater of \$3,000 or the equivalent of 13 months of the required annual minimum pension payment.

**Please note:** If your employer is a stock broker, you must have a Referral Agreement signed by your employer in order to comply with section 991F(3) of the *Corporations Act 2001 (Cth)*.

## How the DIO works

The Trustee oversees the provision and operation of the DIO platform by UBS, who works in conjunction with the custodian, BNP and the administrator, Link.

In relation to the role of UBS, it provides the online platform and is the broker participant – i.e. the authorised broker for legalsuper to facilitate the settlement of share transactions and corporate actions via the platform. The assets of the DIO platform are held by the custodian.

In relation to the role of Link, it ensures that relevant financial information is transferred between each member's DIO account (managed by the vendor, UBS) and each member's investment choice options.

It is also responsible for the daily management of the data flow.

As a legalsuper member, the DIO forms part of the fund's investment options. The DIO is available via an investment platform accessed through the fund's online member portal called 'MemberAccess'. Simply login to MemberAccess at

## Direct Investment option

legalsuper.com.au and click on the Investments tab to get started.

When you first login, you can select which DIO package is suitable for you based on your financial goals:

- **Free Access** – Allows you to use platform features, tools and resources such as market data provided by Morningstar and research by UBS without incurring fees or transferring funds from your legalsuper investment option(s). However, you won't be able to trade securities, purchase Term Deposits or hold a DIO Cash account.
- **Full Access** – All of the benefits of the 'Free Access' package plus trading on the available securities on the S&P/ASX300 Index, ETFs, LICs and Term Deposits and maintain a DIO Cash account

When you select the 'Full Access' option, you will be asked to transfer cash from your other legalsuper investment option(s) to your DIO Cash account. Transfers must be made by 4.00pm (AEST), otherwise the request is not considered to have been received until the following National Business Day. Transfers then take effect two National Business Days after receipt of your request. You will not be able to transact until your transferred funds have been credited into your DIO Cash account.

Once the funds have been received into your DIO Cash account, you can commence purchasing shares, ETFs, LICs and/or Term Deposits, but you need to retain at least \$250 in your DIO Cash account at any point in time so it is important to transfer enough funds to cover this minimum and any fees and costs that may apply, and any additional amount you wish to invest.

Once you have joined legalsuper as a member, further information regarding restrictions that might apply to your investments in the DIO will be contained in the DIO Terms and Conditions.

The Terms and Conditions explain the conditions that apply to trading, available investments and accessing the website. These are all available online when registering for a DIO account.

### What is a DIO Cash account?

The DIO Cash account will be used to move money into or out of the DIO, settle fees and costs for the purchase of investments, brokerage and some account fees and for any interest, dividends (not being reinvested through a Dividend Reinvestment Plan) and tax to be paid into or out of the account.

The DIO Cash account will increase with all dividends (not being reinvested through a Dividend Reinvestment Plan), distributions, interest, maturities from Term Deposits and the proceeds of any sale of investments. The impact of pending settlements, e.g. unsettled trades and fees may reduce the available cash to make further investments.

A minimum balance of \$250 must be maintained and any interest earned in the DIO Cash account is calculated daily

and paid monthly in arrears on or around the first National Business Day of the following month.

### How do I invest (buy and sell securities) within the DIO?

Following the receipt of funds into your DIO Cash account, you will then be able to invest in your choice of S&P/ASX300 shares, ETFs, LICs and/or Term Deposits in accordance with the Approved Investment Menu selections offered.

You will generally only be able to trade S&P/ASX300 shares, ETFs or LICs every day that the Australian Stock Exchange (ASX) is trading (generally Monday to Friday [excluding national public holidays] between 10am and 4pm (AEST), allowing for a staggered market open and close).

### Share trading – order types

Trades can be placed using either an 'At-Market' or 'At-Limit' timeframe.

An 'At-Market' order seeks to complete an order at the best available buy or sell price at the time the order is placed within market trading times. Trades are generally processed immediately while markets are open.

'At-Limit' orders will remain on the market until the later of their nominated price being reached or the order expires. You can choose the expiry of an 'At-Limit' order when you are buying or selling listed securities. The order can remain on market for either 'Good for the day' or 'Good for 30 days'. Orders which have not been executed within the selected time period will automatically expire.

You can cancel that part of an 'At-Limit' order that has not been executed at any time.

'Good for the day' orders are valid for the National Business Day on which they are placed and expire before the market opens on the next National Business Day. If an order is placed outside market hours, it will become valid the next National Business Day and will expire before the market opens again on the National Business Day after the order was placed, unless cancelled as a result of ASX rules.

To maintain an orderly market 'At-Limit' orders must be placed within reasonable thresholds of the current market price. If your 'At-Limit' order is outside these thresholds you will be notified in the order pad while placing the order.

If your 'At-Limit' order is subsequently cancelled in the market because it falls outside these thresholds you will see an order cancellation notice in the invest page under the order history on the DIO platform.

If you need assistance transacting, the 'Help' feature available in the DIO can provide you with frequently asked questions. Alternately you can contact legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

You must hold securities before you can sell them and when you place a sale the funds will immediately be included in your available balance and can be used to purchase additional securities. This is known as a 'good value' transaction.

## Direct Investment option

### Trading – Settlement timeframes

Listed securities transaction settlement occurs two National Business Days after a trade takes place, this is referred to as 'T+2'.

### Trading restrictions

As long as the account balance for your other legalsuper investment options is at least \$3,000 (or, where applicable, the Minimum Pension Payment Requirement) and you maintain \$250 in your DIO Cash account you can invest:

- A maximum of 25% of your total legalsuper balance in a single S&P/ASX300 security\*;
- The minimum amount that can be invested per security trade purchase is \$1,500; and
- The maximum amount that can be invested per security trade purchase is \$250,000.

You cannot buy and sell the same security on the same day (day trading) in the DIO. While unexecuted purchase or sale orders can be cancelled, once a trade is executed on the DIO platform it cannot be cancelled.

\*You may continue to hold this security even if it subsequently exceeds the 25% limit, but you will not be able to purchase more of this security until its value falls below the 25% limit.

### Dividend Reinvestment Plan

A Dividend Reinvestment Plan (DRP) will automatically reinvest your dividends to purchase additional shares in the underlying stock, ETF and/or LIC you hold.

Within the DIO, you can choose a DRP option as follows:

- For all stocks (i.e. all cash or all reinvest where DRP is available); or
- Individual stocks (i.e. cash or reinvest where DRP is available).

Note: You cannot elect a percentage (%) split between cash and reinvest for a particular stock but you can elect all cash for one stock and to reinvest for another stock where DRP is available.

Your DRP preferences may be changed at any time. Once a dividend has been announced, you will have until midnight on the day before the 'ex-dividend date' (known as 'ex-date') to make your final DRP preference selection.

Reinvesting your dividends to buy additional shares under a DRP may result in a small amount of residual cash, to the value of less than one whole share issued as part of a particular DRP allocation. Any residual cash will be deposited into your DIO Cash account.

If you do not choose to participate in a DRP or nominate to participate in a DRP for a stock that does not offer this service, dividends will be paid into your DIO Cash account as cash proceeds.

Please note: For members who participate in a DRP, tax may be deducted from your DIO Cash account when any applicable shares are allocated to your portfolio.

### S&P/ASX300 Index, ETFs and LICs

The securities listed on the S&P/ASX300 Index are the 300 largest Australian securities according to market capitalisation and make up approximately 80% of the Australian equity market which covers a range of sectors, including financials, materials, industrials, energy, telecommunications, consumer staples, consumer discretionary, utilities, information technology and health care.

In addition, selected ETFs and LICs as listed in legalsuper's Approved Investment Menu are available to purchase. Before investing in an ETF or LIC you should obtain and consider the Product Disclosure Statement (PDS) or disclosure documents applicable to the ETF or LIC, available from the website of the ETF or LIC issuer.

Where a listed security has fallen outside of the S&P/ASX300 Index but continues to be listed on the ASX, you may continue to hold that security, receive dividends and action any corporate actions; however you cannot purchase more of it. You can sell a security that has fallen outside of the S&P/ASX300 Index as long as it is still listed on the ASX; this is subject to available market and orderly market considerations. If a security you hold delists from the ASX, you may be required to sell it.

Where an ETF or LIC is no longer available, you may continue to hold it and receive distribution payments; however you may not purchase more of it. You can sell an ETF or LIC that is no longer available, subject to available market and orderly market considerations. If an ETF or LIC you hold delists from the ASX, you may be required to sell it.

If you hold securities in a company that becomes delisted from the ASX, you will not be able to sell them and close your DIO account until formal resolution and instructions on the treatment of these securities are provided by the relevant authority. You will also not be able to switch your DIO account from your Super to a Pension account or another legalsuper Super account.

Investment returns in the DIO may take the form of capital gains or losses, and may include dividends and tax benefits but also carry the highest level of risk.

Short term fluctuations in value may occur but greater investment returns than those you might expect to achieve from, for example, Term Deposits are expected over longer periods based on the investments you select.

The investment(s) in the DIO will depend on the investments selected by individual members. The minimum suggested time frames that generally apply to the investments in the DIO are:

## Direct Investment option

- Term Deposits: very short term (1 year or less)
- S&P/ASX300 Index-listed securities: very long term (7 to 10 years)
- ETFs and LICs: very long term (7 to 10 years).

### Term Deposits

Term Deposits are investments with an interest rate that is fixed at the time your application is processed. Interest earned is calculated based on the total number of days you are invested in the Term Deposit. The legalsuper DIO option offers a range of Term Deposits from different providers.

**Please note:** Term Deposit investments are not covered by the Government's Financial Claims Scheme.

### Term Deposit interest rates

The interest rate applicable will be the advertised rate on the day the Term Deposit closes to applications. The available maturity terms for Term Deposits are 1 month, 3 months, 6 months and 12 months. These available durations may not always be exactly 30, 90, 180 or 365 days and will revert to Australian Financial Market Association (AFMA) conventions. Investments in Term Deposits should fit with your expected investment time horizon to avoid the need to redeem early.

### Term Deposit investment limits

There is no limit on the number of Term Deposits that you can invest in subject to eligibility requirements. The minimum you can invest in a single Term Deposit is \$5,000; the maximum you can invest depends on the provider. Term Deposit applications are processed on a weekly cycle. Cut-off is midnight Thursday (AEST) and processed on the next National Business Day.

### Term Deposit reinvestment options

The amount you invested (the principal) and any interest earned is paid as cash to your DIO Cash account upon maturity and any applicable taxes deducted. You have the option to reinvest by selecting the Amount, Term and Expiration options at the time you purchase the Term Deposit or any time up until midnight (AEST) two National Business Days before maturity.

The reinvestment options are:

1. Amount – Principal only or Principal and net interest;
2. Term – Same term and provider or Same term, best rate ; and
3. Expiration – One new term or Until cancelled.

If you set up an automatic Term Deposit reinvestment, the net proceeds from your maturing Term Deposit are first credited to your DIO Cash account and then invested in the next available Term Deposit in the weekly processing cycle. It is important that we hold a valid email address for you, as you will receive an email before your Term Deposit matures notifying you that you can elect to reinvest your money into another Term Deposit or have the amount paid into your DIO Cash

account. The proceeds will remain in your DIO Cash account until the next Term Deposit starts.

### Breaking a Term Deposit prior to maturity

Members should be aware that a request to break a Term Deposit prior to its agreed maturity may be subject to a notice period. Interest rate adjustments may also apply.

Any request to break a Term Deposit before its agreed maturity must be made directly to legalsuper in writing, will be subject to processing timeframes and may result in an interest rate adjustment as follows:

Time Invested	Interest rate reduction
0 to 50% of total term	50%
Over 50% of total term	20%

### Risks

Members should consider the following risks particular to the DIO. The DIO allows members to select the specific investment(s) in which their superannuation and/or pension is invested. Unlike the Investment Choice options, members make their own selection from the Approved Investment Menu and the responsibility for each type of, or a mix of, investments the member selects, and the associated risk level decision rests with the member. As members invested in the DIO manage and control their investments, they may be exposed to the following additional risks:

- The risk that they may not have the expertise, knowledge, experience or time required to make appropriate investment decisions;
- The risk that they may set return objectives in selecting investments that are not appropriate for their circumstances;
- The risk that they may trade too frequently;
- Volatility: The risk of being overly exposed to direct share investments, with resultant volatility, as share prices can be volatile particularly over the short term;
- Lack of diversification: DIO members may fail to diversify adequately, which can increase volatility. You can increase diversification by investing in a variety of stocks across different industries;
- Market timing: Investors often try to pick the top and bottom of the market to maximise returns. Getting these decisions wrong can impact long-term returns; and
- The probability of a negative return depending on the invested timeframe and exposure to securities and fluctuating investments selected by the member in their investment portfolio.

The Trustee does not review any trades that members make in the DIO and members should consider obtaining investment advice from a licensed financial adviser before investing in the DIO.

## Direct Investment option

### Maintaining your DIO Cash account

You must maintain at least \$250 at all times in the DIO Cash account (please note that the \$20 monthly DIO account fee and DIO Cash account fee of 0.40% of your DIO Cash account balance is deducted from the DIO Cash account, as such you will need to ensure there are sufficient funds in the DIO Cash account at all times).

If the balance of your DIO Cash account is below \$250, and no action is taken, legalsuper will on your behalf maintain the DIO Cash account at the minimum balance of \$250.

In doing so, legalsuper will apply the following rules in order:

- Transfer up to \$250 from your other legalsuper investment option(s) if the balance in your other investment options is above \$3,000. If you have a pension account, the amount you must have in your other legalsuper investment option(s) may need to be more than \$3,000 to cover pension payments as per the Minimum Pension Payment Requirement.
- If you have less than \$3,000 in your other legalsuper investment option(s) or for pension members less than the greater of \$3,000 or the Minimum Pension Payment Requirement, then legalsuper will sell shares from your highest market value share, ETF and/or LIC holdings. You will be responsible for the brokerage fees incurred and any tax that may be due. The amount received will be dependent on the market price of the trade at the time it is placed. legalsuper has no responsibility for the price received when the trade is executed.
- Finally, legalsuper will redeem any Term Deposits in order of the earliest maturity date first. Penalties may apply.

### Moving between legalsuper investment options and the DIO

When you choose to invest in or transfer funds into the DIO, you nominate a dollar amount which is deducted proportionately from your current legalsuper Superannuation or Pension investment option(s).

Transfers to the DIO must be made by 4.00pm (AEST), otherwise they are not considered to have been received until the following National Business Day. Transfers then take effect two National Business Days after receipt of your request.

For superannuation accounts, when you choose to sell and transfer some or all of your DIO holdings back into your other legalsuper investment option(s), the transfer will be allocated to your legalsuper investment option(s) proportionately across your future contributions selection.

For pension accounts, when you choose to sell and transfer some or all of your DIO holdings back into your legalsuper investment option(s), the transfer will be applied proportionately across your current legalsuper investment option(s) selection.

### Maintaining the minimum account balance in other legalsuper investment option(s)

From time to time your other legalsuper investment option(s) may drop below the minimum required amount as detailed in the 'Eligibility for the DIO' section. If this occurs we will contact you to advise you of your options to raise these investments above the minimum required amount.

Should no action be taken within 30 days, we will consider taking actions to restore your other legalsuper investment option(s) above the minimum required amount.

If action is taken by legalsuper, we will apply the following rules in order:

- If you have sufficient funds in your DIO Cash account, legalsuper will transfer the required cash into your other legalsuper investment option(s).

If you do not have sufficient funds in your DIO Cash account, legalsuper will:

- Sell from your highest market value share, ETF and/or LIC holdings to the required amount. You will be responsible for the brokerage, fees and any tax that may be due. The amount received will be dependent on the market price of the trade at the time it is placed. legalsuper has no responsibility for the price received when the trade is executed.
- Redeem any Term Deposits in order of the earliest maturity date. Penalties may apply.

### Closing your DIO account

If you no longer wish to hold investments via the DIO, you can change your package to 'Free Access'. After you have changed to the 'Free Access' package, you can continue to access the DIO to view market and investment information and any preferences that you may have set-up (e.g. alerts, watchlists etc.) will be retained and remain unchanged.

Please note that before changing your package to 'Free Access', you will need to:

- sell all listed securities you currently hold;
- wait for any outstanding transactions (e.g. dividend payments) to process into your DIO Cash account; and
- wait for any Term Deposits you hold to mature.

Any corporate actions in progress that are outside of the Trustee's control may also delay payments or transfers to enable you to change your package.

If you wish to trade in the future, you can change your package to 'Full Access', transfer funds into the DIO Cash account and commence trading again upon the receipt of funds into your DIO Cash account.

If you want to make a full withdrawal of your account balance but are unable to close your DIO account because you hold suspended shares you can:

## Direct Investment option

- a) choose to retain only the suspended shares in your DIO account, but you must also keep adequate DIO Cash account funds to cover fees and costs related to the DIO; or
- b) close your DIO account by forfeiting your rights to the suspended shares.

You may cancel your 'Full Access' registration during a cooling off period within 14 days by notifying us in writing and we will do so within 5 National Business Days of receipt of that written notice, unless the cooling off period goes over a month end in which case we will cancel your registration within 10 National Business Days of the written notice.

Any brokerage fees incurred while your account was active will still be charged. It is your responsibility to sell down any shares purchased before requesting that your 'Full Access' account be cancelled.

## Illiquid investment declaration

The DIO has been declared an illiquid investment option in accordance with the Superannuation Industry (Supervision) Regulations. Ordinarily, the Superannuation Industry (Supervision) Regulations require the Trustee to transfer or roll over amounts within 3 days of receiving a request or obtaining additional information if required. This 3-day requirement does not apply to amounts invested in the DIO plus the minimum required amount as detailed in the 'Eligibility for the DIO' section. Requests to transfer or roll over amounts invested in the DIO plus the minimum required amount are unable to be transferred until all DIO investments have been sold, your package changed to 'Free Access' and all monies have been transferred to another legalsuper investment option(s).

## Illiquid investment consent

By requesting a transfer of funds from your legalsuper investment option(s) to your DIO Cash account, and by issuing investment instructions for the DIO, you are consenting that you understand and accept that all amounts invested in the DIO plus the minimum required amount are illiquid.

## Investment/redemption instructions

Members must issue their own investment instructions using the online platform.

legalsuper is unable to pay fees (except for the monthly \$20 DIO account fee and DIO Cash account fee of 0.40% of your DIO Cash account balance) and pensions from the DIO. Members must ensure that the balance held in the other legalsuper investment option(s) is sufficient to meet these payments and, at all times, maintain the minimum holding requirement as detailed in the 'Eligibility for the DIO' section.

The Trustee of legalsuper will only issue investment instructions on behalf of you in the following circumstances:

- to maintain the minimum non-DIO holding requirements;
- to replenish the DIO Cash account to at least \$250;
- under a court order;
- if you open a new legalsuper account and then exercise your right to cool-off, and fail to sell down your DIO investments;
- if you have a Pension account and have insufficient funds in your non-DIO investment option(s) to meet your Minimum Pension Payment Requirement; or
- following the death of a member (where no reversionary pensioner has been nominated) at the same time that the Trustee approves payment to beneficiaries.

The Trustee reserves the right to issue redemption instructions on behalf of legalsuper members in respect of one or more of the underlying assets held by that member in the DIO in each of the above circumstances.

The Trustee will use reasonable endeavours to contact a member prior to taking such action in respect of investments in the DIO. The assets to be redeemed will be determined by the Trustee in its absolute discretion.

## Other liquidity restrictions

The ability to withdraw part or all of your superannuation or pension account invested in the DIO may, in some circumstances, not be possible such as:

- The ability to 'break' a term of a Term Deposit is subject to the agreement of the Term Deposit issuer, is subject to processing timeframes and may result in an interest rate adjustment.
- In the event of a corporate action you may be unable to sell that company's shares until the corporate action is completed.
- In some cases you may not be able to trade a particular stock, for example if it is suspended from trading on the ASX.
- You will not be able to close your DIO until all the investments that you have made are sold or have matured.

**Important note:** You can buy a listed security on one National Business Day and sell it at the next National Business Day. When you sell a listed security, the proceeds will be immediately available in your available DIO Cash account balance to buy other listed securities. This is known as providing you with 'good value'. Settlement of shares will occur on a 'Trade Date +2 days' basis.

Your DIO Cash account balance is updated overnight taking into consideration the cash transfer timeframes.

You must hold securities for at least 45 days (not including the day of acquisition or disposal) before you become eligible to claim a franking tax offset arising from the receipt of dividends. To be eligible for a dividend, you must have purchased the equities before the ex-dividend date.

## Direct Investment option

Dividend payments will generally be credited to your DIO Cash account within a few days of the payment date (the date a dividend or distribution is paid).

Where available you will be able to elect to participate in a DRP. The default setting on security purchases is usually for dividends to be paid into the DIO Cash account. If you want to participate in a DRP, you will receive additional securities instead of dividend payments to your DIO Cash account. Any tax on dividends which are re-invested into additional securities will be deducted from your DIO Cash account.

DRP elections can be made and changed anytime, once you hold the security. The election must be made prior to midnight (AEST) on the day before the security becomes ex-dividend for it to take effect. No brokerage applies to securities purchased through a DRP.

## Corporate actions

We refer to corporate actions as actions taken by, in respect of, or against a listed security in which you have invested.

These may affect the capital structure of the security, or the number or type of securities held on your behalf.

These types of actions can be mandatory or voluntary.

In some circumstances we, as Trustee seeking to act in the best interests of members and in accordance with our other duties, may make a decision in relation to the corporate action. We may refer the corporate action to specialist consultants for advice. If specialist advice is sought, there may be a delay in making the corporate action election. However, the transaction will generally be processed by the effective date of the corporate action to ensure you are not disadvantaged.

In some circumstances when a corporate action arises in which you are eligible to take part, you will receive an email prompting you to log into your DIO account, where you will be able to view the corporate action details including the cut off date and make an election.

The cut off dates will differ for each individual corporate action and are set in line with custodial and platform processes. These cut off dates may differ from dates published publicly, so it is important to login to your DIO account when you receive a notice and check the cut off date that applies.

You will need to ensure that you have enough funds in your DIO Cash account to carry out your instructions; if you do not have enough funds in your DIO Cash account, no further action will be taken and you will not be able to participate in any offer. Your election must be made before the cut off date of the corporate action.

If you do not make an election, the corporate action's nominated default option (as defined under the terms of the corporate action) will apply to you. This may be to take no action and could result in a forfeiture or loss of securities, entitlements or consideration due.

Where you hold securities that are outside the S&P/ASX300 Index and still listed on the ASX, when a corporate action arises, you may continue to hold that security, receive dividends and act on corporate actions; however you may not purchase more of it.

Where you hold securities that are not listed on the ASX, when a corporate action arises, you may be required to sell them or they may be sold on your behalf.

You must make a decision whether to partake in the corporate action or not, giving consideration to any taxation implications you may incur, your personal circumstances and any future obligations that may arise due to the corporate action.

We reserve the right to not take part in any corporate action as and when they arise.

In the event that a corporate action could result in the breach of a DIO requirement (such as by the issue of foreign shares or listed options), legalsuper may take remedial action to prevent this from occurring, and will determine the value of any cash payment you may be eligible for instead.

You will not be able to change your package to 'Free Access' until all outstanding corporate actions have been finalised. You cannot engage in share purchase plans using the DIO.

## What are the tax implications?

You must provide legalsuper with your Tax File Number (TFN) to be eligible to register for the DIO.

### Note – legalsuper Pension members only:

If you are legalsuper Pension member no tax is payable. Therefore, tax is not deducted on any dividend income earned and/or capital gains made. Also, the value of franking credits is credited in full to your DIO Cash account.

### Dividend income

Tax may be payable on dividend income. The DIO automatically deducts any tax payable when the dividend is paid into your DIO Cash account.

For members who participate in a DRP, any tax will be deducted from your transaction account when any applicable shares are allotted to your portfolio. If you do not nominate for DRP, then a cash credit will be made to your DIO Cash account.

### Capital Gains Tax (CGT)

You may realise a capital gain or loss when you sell shares.

The DIO platform will calculate the net CGT liability using a financial year-to-date position. This will accrue within your DIO portfolio valuation. A physical deduction or refund for CGT on realised net capital gains or losses will be made each quarter and will occur within seven days of the following dates: 30 September, 31 December, 31 March and 30 June. The quarterly CGT provision will take into account any realised capital gains or losses since the previous period and recalculate the financial year to date CGT asset or liability. This may result in a credit or debit to your DIO Cash account.

## Direct Investment option

The DIO platform will also calculate any unrealised CGT liability or refund on your unrealised net capital gains or losses daily to include the resulting tax asset (i.e. if an investment loss is crystallised, there may be a 10% CGT refund if there are no offsetting tax liabilities) or liability within your DIO portfolio valuation. This calculation will include any unutilised realised capital losses.

The Australian Federal Government determines the relevant taxation rates to investments within your DIO account and these rates are subject to change.

### Franking credits

One of the ways a company can distribute earnings to shareholders is by paying a dividend. Dividends are the amounts paid to shareholders using profits that a company has made. In Australia, companies can distribute dividends that are fully franked, partially franked or unfranked. The amount of any franking credit attached to a dividend represents income tax previously paid by the company. The franking credit can be used to offset income tax payable by the shareholder.

Superannuation funds pay a maximum of 15% tax on investment earnings. As your DIO forms part of your superannuation, any dividends taxed at a higher rate than 15% will return a franking credit. For eligible members, the DIO automatically applies franking credits from share dividends to the DIO Cash accounts at the time the dividend is paid.

In order to benefit from franking credits in the DIO, you must hold your shares for 45 days (excluding the day of purchase or sale). Where a member holds several tax parcels of shares, the 45-day rule applies to shares sold on a last in first out basis.

### True-Up calculation

A calculation of your final tax liability (known as a 'True-Up') for DIO held investments will be calculated, and all adjustments made, as at 31 December each year in respect of the previous tax year. This will allow adequate time for any trust distribution information to be received from the respective issuers that might not have otherwise been available at the time the trust distribution was received.

## Brokerage

Whenever you buy and sell S&P/ASX300 shares, ETFs and/or LICs there is a brokerage fee charged:

Trade Amount FROM	Trade Amount TO	Brokerage (excl. GST)
\$0.00	\$10,000	\$19.50
\$10,000.01	\$27,500	\$29.50
\$27,500.01	\$10,000,000 (The maximum amount that can be invested per security trade purchase is \$250,000)	0.11% on total value

The brokerage fee payable depends on the transaction amount and where it falls within the above ranges (only one range is applicable per trade).

For example, a \$9,000 trade would incur a brokerage fee of \$19.50 (excl. GST). A \$24,000 trade would incur a brokerage fee of \$29.50 (excl. GST) and if you placed a \$45,000 trade, your total brokerage would be calculated as:

- $\$45,000 \times 0.11\% = \$49.50$  (excl. GST)

For 'At-Limit' and 'At Market' orders which are not fully executed in the same trading day, normal brokerage will be charged for the total portion executed per day.

No brokerage applies to securities purchased through a DRP.

## Keeping track of your investments

You can keep track of your investments in the DIO via legalsuper's MemberAccess.

It is important your email address recorded is valid. If for any reason it becomes invalid or changes, you must notify us. You will still be able to transact using your DIO account but will not receive transaction confirmation emails, or other important information related to your DIO account.

A number of online reports are available via the DIO. These reports are generally updated each weekday (with data as at the close of the previous National Business Day). These reports include:

**Cash Transaction Report** – Transaction information for your DIO Cash account including current values.

**Unrealised Capital Gains and Tax Report** – Provides information for your unrealised gains and losses split by listed security as at a specified date.

**Capital Gains Disposal and Tax Report** – Details CGT transactions on your account for a requested period.

**Fees and Expenses Report** – Provides information on fees and expenses charged for the requested period.

**Portfolio Valuation Report** – Provides your DIO account values split by DIO Cash account, Term Deposits, shares, ETFs and LICs as at the reporting date requested.

**Income Report** – A breakdown of income components and tax credits for a requested period.

**Performance Report** – Details the performance of your listed securities for a requested period and the 1, 2 and 3-year returns.

You may need a PDF Reader installed on your computer to read the reports. To download Adobe Reader, visit

[get.adobe.com/reader](http://get.adobe.com/reader)

## Fees

There is a \$20 per month 'Portfolio Administration Fee' (PAF) (also known as the 'DIO account fee') and a 0.29% 'Asset Based Fee' (also known as the 'Administration fee' for the DIO), as well as the other fees that may apply to your legalsuper membership. Brokerage fees may apply if you purchase or sell shares in your DIO account.

Please note, the \$20 per month fee is payable regardless of whether or not you transact from your DIO Cash account holdings and is calculated daily and deducted on the first National Business Day of the month.

## Direct Investment option

This DIO account fee is deducted from your DIO Cash account whereas the Administration fee is deducted from your other legalsuper investment option(s).

In addition, a 'DIO Cash account fee' of 0.40% is charged by the DIO platform provider (UBS). This fee only applies to funds held in the DIO Cash account and is calculated daily and deducted monthly from your DIO Cash account

Details of 'Fees and costs' are contained on pages 31 – 35.

## Transfer of your DIO to a new legalsuper account

If you are a member of legalsuper with some of your account invested in the DIO, you may be able to transfer your DIO account from your existing legalsuper account to commence a new legalsuper account without having to sell down investments as follows:

Existing legalsuper account	New legalsuper account
Superannuation	Superannuation or Pension (excluding legalsuper Transition to Retirement Pension accounts)
Pension (excluding legalsuper Transition to Retirement Pension accounts)	Pension (excluding legalsuper Transition to Retirement Pension accounts)

Transfers for members with Term Deposits are not permitted and will result in the rejection of your application. As such, transfers cannot be initiated until Term Deposits reach full maturity.

If you are able to transfer your DIO account, the benefits may include:

- no liability for capital gains tax on unrealised gains on assets transferred and subsequently sold;
- no 'out of market risks'\* associated with selling and repurchasing investments; and
- no brokerage costs or early redemption fees.

\* Purchase price of a pension includes the full value of all assets held by the DIO account on the date of transfer of the DIO account.

For more information and eligibility requirements contact legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

## Need help?

legalsuper wants to ensure that you have the resources you need to make informed decisions about your investments.

In addition to the information available in the DIO, the ASX has information, including free online classes, on its website at [asx.com.au](http://asx.com.au). You can also read the relevant pages of newspapers to keep up-to-date with the stock market or you can obtain the annual reports of the companies you are interested in investing in by downloading a copy from their respective websites.

Contact legalsuper for any further assistance on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

# 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.

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

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

Taxes 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.

The fees and other costs for each investment option offered by legalsuper are set out in this section.

## Did you know?

**Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.**

**For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example reduce it from \$100,000 to \$80,000).**

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

**You or your employer, as applicable, may be able to negotiate to pay lower administration fees.\***

**Ask the fund or your financial adviser.**

## To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** 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's fees and costs are not negotiable.

## Additional explanation of fees and costs

### Fees and costs

Types of fees and costs	Amount	How and when paid
<b>Investment fee<sup>1</sup></b>	0.09% pa – Cash 0.12% pa – Enhanced cash 0.39% pa – Conservative 0.49% pa – Conservative balanced 0.14% pa – Balanced index 0.62% pa – Balanced 0.58% pa – Growth 0.57% pa – High growth 0.54% pa – Australian shares 0.44% pa – Overseas shares 0.72% pa – Balanced Socially responsible Direct Investment option	For all investment options other than the Direct Investment option these amounts are not deducted directly or separately from your account. They are deducted proportionately from the assets of each investment option and are reflected in the calculations of the daily unit prices of each option. These fees are an estimate as they have been calculated using anticipated fees of current underlying investment managers and include an estimated level of performance fees and variable expenses.  For the Direct Investment option – investment transaction fees such as brokerage apply and are charged directly to your DIO Cash account.
<b>Administration fee<sup>1</sup></b>	<b>Direct fee</b> \$67.60 pa (\$1.30 per week) <b>PLUS</b> <b>Indirect fee</b> 0.29% pa	For all investment options the Direct fee is deducted from your account on a monthly basis through the sale of units. For all investment options other than the Direct Investment option the Indirect fee is not deducted directly or separately from your account. It is deducted proportionately from the assets of each investment option and is reflected in the calculations of the daily unit prices of each option – the fee is based on your average account balance during the year. For the Direct Investment option the Indirect fee (also known as a 'DIO Asset fee') is deducted directly from your non-DIO account through the sale of units from your non-DIO account on a monthly basis. <sup>2</sup>
<b>DIO account fee<sup>1</sup></b>	\$0 per month (Free Access) \$20 per month (Full Access)	To access the DIO, \$20 is deducted each month (\$240 per annum) from your DIO Cash account. Please note the \$20 monthly DIO account fee (also known as 'Portfolio Administration Fee [PAF]') is payable regardless of whether or not you transact from your DIO Cash account holdings and is calculated daily and deducted on the first National Business Day of the month.
<b>Buy-sell spread</b>	0.00% – Cash 0.00% – Enhanced cash 0.08% – Conservative 0.10% – Conservative balanced 0.15% – Balanced index 0.14% – Balanced 0.16% – Growth 0.16% – High growth 0.18% – Australian shares 0.17% – Overseas shares 0.30% – Balanced Socially responsible N/A – Direct Investment option	This fee will apply when you contribute to the fund (buy units), withdraw from the fund (sell units), or change your investment options (sell and buy units) and is reflected in the unit price when units are bought and sold in the relevant options. Buy-sell spreads reflect the cost of buying or selling assets and these vary from time to time. Current buy-sell spreads are available at <a href="http://legalsuper.com.au">legalsuper.com.au</a>  No buy-sell spread is applicable to the Direct Investment option.
<b>Switching fee</b>	Nil	Not Applicable.
<b>Advice fees relating to all members investing in a particular MySuper product or investment option</b>	Nil	General advice fees are collected as part of the Administration fee above. Personal advice is charged as an Activity fee. <sup>3</sup>
<b>Other fees and costs<sup>3</sup></b>	As applicable	If applicable, other fees and costs are deducted from your account as they are incurred at your request. <sup>3</sup>
<b>Indirect cost ratio (ICR)<sup>1,4</sup></b>	0.00% pa – Cash 0.00% pa – Enhanced cash 0.14% pa – Conservative 0.17% pa – Conservative balanced 0.04% pa – Balanced index 0.20% pa – Balanced 0.19% pa – Growth 0.18% pa – High growth 0.18% pa – Australian shares 0.16% pa – Overseas shares 0.38% pa – Balanced Socially responsible	These amounts are not deducted directly or separately from your account. They are deducted proportionately from the assets of each investment option and are reflected in the calculations of the daily unit prices of each option. <sup>4</sup>

1. If your account balance is less than \$6,000 at the end of the Fund's income year, the total combined amount of administration fees (including the DIO Asset fee), investment fees, indirect costs, DIO account fee and DIO Cash account fee (see page 33) charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

2. This fee is deducted on the last day of the month based on your DIO balance at the time of processing the fee. The DIO balance used may be the balance at the close of the previous National Business Day.

3. Please refer to section 'Additional explanation of fees and costs'.

4. The indirect cost ratio (ICR) is an estimate of the operating and transaction costs associated with maintaining an investment portfolio. It is calculated based on available information from underlying managers, taking into account the Fund's experience for the year ending 30 June 2020. This is legalsuper's best estimate of future transaction and operating costs, but is subject to change from time to time.

**Note:** Sale of units – The units to be sold to meet the fees in the above table are initially based on the proportions of your initial investment choice profile you select when you first apply to join legalsuper. If you change your investment choice profile for future contributions then the units to be sold will reflect the proportions of your latest investment choice profile recorded from that point onwards. If at any time there are insufficient units available to meet the fees using your current investment choice profile then the units to be sold will revert to a previous investment choice profile. All fees and costs stated are GST inclusive unless otherwise stated.

**Definitions of the above fees and costs, which are prescribed by legislation, can be found at [legalsuper.com.au/super-retirement/fees-and-costs](http://legalsuper.com.au/super-retirement/fees-and-costs) and also on page 35 of this Document.**

## Additional explanation of fees and costs

### Other fees and costs

**Advice fee:** legalsuper enables you to pay an adviser an agreed fee from your pension account. Only fees that relate to advice given to you about your superannuation investment may be paid from your account. legalsuper reserves the right to reject an application and request further information.

**Performance fees:** The investment fee shown on page 32 includes an estimate of the performance fees paid to legalsuper's investment managers. These estimates are based on the probable outperformance of each manager relative to their respective performance hurdle rate, and historical experience. The actual performance fee paid is likely to differ from the estimate provided depending on how each manager performs. The estimated performance fee in respect of each investment option is set out below.

Investment option	Estimated performance fee (% pa)
Conservative	0.05
Conservative balanced	0.07
Balanced	0.10
Growth	0.07
High growth	0.07
Australian shares	0.05

Performance fees do not affect administration fees.

### Other Direct Investment option (DIO) fees

**Brokerage:** If you purchase or sell shares in your DIO account, brokerage applies as listed in the table below:\*

Trade Amount FROM	Trade Amount TO	Brokerage
\$0.00	\$10,000	\$19.50
\$10,000.01	\$27,500	\$29.50
\$27,500.01	\$10,000,000 (The maximum amount that can be invested per security trade purchase is \$250,000)	0.11% on total value

\* Costs in the table exclude GST.

If brokerage is charged to your DIO Cash account on a failed share or ETF purchase, this will be reimbursed to you.

**DIO Cash account fee:** The DIO platform provider (UBS) charges a fee of 0.40% on the funds held in the DIO Cash account. This fee is calculated daily and deducted monthly from your DIO Cash account.

**Fees** also apply to the early redemption of Term Deposits.

### Transactional and operational costs

**Indirect cost ratio:** The indirect cost ratio (ICR), which is shown in the table on page 32, is an estimate of the operating and transaction costs associated with maintaining an investment portfolio. It is calculated based on available information from underlying investment managers, taking into account the Fund's experience for the year ending 30 June 2019. This is legalsuper's best estimate of future transaction and operating costs, but is subject to change from time to time.

**Property operating costs:** Each option that invests into property incurs operating costs associated with maintaining property assets. The estimated costs, as set out below, are based on prior year's reported operating costs. These costs are an additional cost to those disclosed in the 'Fees and costs' section of this Document, but are not an additional charge as they are reflected in the unit price for the relevant investment options below.

Investment option	Estimated property operating costs (% pa)
Conservative	0.07
Conservative balanced	0.09
Balanced	0.11
Growth	0.09
High growth	0.06
Balanced Socially responsible	0.03

**Borrowing costs:** Each option that invests in property incurs borrowing costs with property assets. The estimated costs, as set out below, are based on the prior year's borrowing costs and calculated as the aggregate cost of financing debt associated with certain property funds expressed as a percentage of an option. These costs are an additional cost to those disclosed in the 'Fees and costs' section of this Document, but are not an additional charge as they are reflected in the unit price for the relevant investment options below.

Investment option	Estimated borrowing costs (% pa)
Conservative	0.08
Conservative balanced	0.11
Balanced	0.14
Growth	0.12
High growth	0.08
Balanced Socially responsible	0.05

## Additional explanation of fees and costs

### Member benefit – Administration fee rebate

Up to 31 October 2020, if your average account balance\* at the end of a financial year exceeds \$350,000 during the entire financial year, legalsuper caps the total combined amount of administration fees (including the DIO Asset fee and DIO account fee (if applicable)) so that you are only charged administration fees up to the average account balance.

Where the fee cap applies, any excess fees will be rebated effective 1 July of the next financial year and the rebate will be shown on your next annual statement. The rebate will be processed within 4 months after the end of the relevant financial year.

If you exit legalsuper after 30 June, but before the fee cap rebate is applied, you will receive the fee cap rebate as an additional payment.

#### Changes effective 1 November 2020

- The Administration fee rebate threshold will increase to \$450,000.  
This means that, for the 2020/21 financial year, the Administration fee rebate threshold will be \$350,000 up to 31 October 2020 and then \$450,000 from 1 November 2020.
- The Administration fee rebate threshold will be indexed annually from 1 July 2021, in accordance with the 'All Groups Consumer Price Index (CPI)'.  
The table below shows the treatment for the 2020/21 and 2021/22 financial years:

Financial Year	Administration fee rebate threshold
1 July 2020 to 30 June 2021	\$350,000 to 31 October 2020 (123 days) and then \$450,000 to 30 June 2021 (242 days) i.e. = $(\$350,000 \times 123/365) + (\$450,000 \times 242/365)$ = \$416,301.37.
1 July 2021 to 30 June 2022	\$450,000 indexed in accordance with the annual movement of the All Groups CPI between 30 June 2020 to 30 June 2021.

### Fee aggregation

Fee aggregation links all your accounts for the purpose of calculating the capped administration fees. legalsuper will identify your accounts where the name and date of birth are identical. For example, a member may have a superannuation account and a pension account. This can mean a reduction in the administration fee (including the DIO Asset fee and DIO account fee (if applicable)) payable by you where your combined account balances exceed the average balance of \$416,301.37 for the financial year 1 July 2020 to 30 June 2021.

\* The fee cap will not apply where a member's account with the fund is closed on or before 30 June during that financial year.

Example for the financial year 1 July 2020 to 30 June 2021:

	For a member with an average aggregate balance at 30 June of \$800,000
Administration fees paid	$(\$67.60 \times 2) + (0.29\% \times \$800,000)$ = \$2,455.20
Administration fee cap	$\$67.60 + (0.29\% \times \$416,301.37)$ = \$1,274.87
Administration fee rebate	\$1,180.33

### Can the fees change?

All fees, charges and expenses may change. The Trustee undertakes not to increase fees, charges or expenses to members' accounts or deduct any other types of charges without providing at least 30 days' written notice (other than taxes and charges imposed by Government).

### Example of annual fees and costs for the Balanced investment option<sup>1</sup>

The following table gives an example of how the fees and costs in the Balanced option for this product can affect your pension investment over a one-year period. You should use the table to compare this product with other pension products.

EXAMPLE – Balanced option		Balance of \$50,000
Investment fees	0.62% pa	For every \$50,000 you have in the Balanced option you will be charged \$310.00 each year.
<b>PLUS</b> Administration costs	<b>Direct fee</b> \$67.60 pa (\$1.30 per week) <b>PLUS Indirect fee</b> 0.29% pa	<b>And</b> you will be charged a direct fee of \$67.60 regardless of your balance. <b>PLUS</b> the indirect fee of \$145.00 each year will be deducted from your investment.
<b>PLUS</b> Indirect costs for the Balanced product	0.20% pa	<b>And</b> indirect costs of \$100.00 each year will be deducted from your investment.
Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$622.60 for the Balanced product <sup>2</sup> .

<sup>1</sup> The wording in the table and section above is required by legislation.

<sup>2</sup> Additional fees may apply. For example, if you leave the Fund you may also be charged a buy-sell spread which applies whenever you make a contribution, exit, rollover or investment switch.

## 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 that relate to the investment of assets of the entity, other than:
  - (i) borrowing costs; and
  - (ii) 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
  - (iii) costs that are 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 MySuper product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one class of beneficial interest in the entity to another.

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 a 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.

# Accessing your super

The Government has placed restrictions on when you can access your superannuation benefits.

Benefits are classified into three types: preserved, restricted non-preserved, and unrestricted non-preserved. This classification determines when they may be paid out to you and when they must remain in the superannuation system.

## Preserved benefits

All new contributions made to legalsuper and all investment earnings must be preserved. Amounts transferred into legalsuper from another fund may also be preserved – this will depend on how the transferred amounts were classified in the prior fund.

Under current law, preserved benefits can only be paid to you when one of the following conditions of release is satisfied:

- reaching preservation age (provided you take a Transition to Retirement Pension)
- permanent retirement from the workforce on or after your preservation age (see table below)
- leaving or retiring from employment after turning age 60
- reaching age 65
- permanent incapacity\*
- terminal illness\*
- on your death
- on the grounds of severe financial hardship (subject to certain conditions and Trustee approval)
- on compassionate grounds, as approved by the Australian Taxation Office (ATO)
- on termination of employment where your preserved benefits are less than \$200
- where you are an eligible temporary resident who permanently departs Australia.

\* See Conditions of release – additional information below.

## Conditions of release – additional information

The Regulations include permanent incapacity and terminal illness as a condition of release of a member's account balance.

To satisfy the permanent incapacity condition of release you must provide evidence to legalsuper that you are unlikely, because of ill health, to engage in gainful employment that you are reasonably qualified for by education, training or experience.

To satisfy the terminal illness condition of release, two registered medical practitioners are required to have certified, jointly or separately, that you suffer from an illness, or have incurred an injury, that in their opinion is likely to result in your death within 24 months of the date of certification.

Your preservation age depends on your date of birth, as shown in the following table:

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

## Restricted non-preserved benefits

Amounts transferred into legalsuper from another complying superannuation fund may be restricted non-preserved benefits. This will depend on how the amounts were classified in the prior fund.

Restricted non-preserved benefits can be accessed on satisfaction of the same conditions of release as apply for preserved benefits. However, where you terminate your employment (e.g. resigning, retrenchment) with an employer who had at any time contributed to legalsuper on your behalf, your restricted non-preserved benefits (if any) become unrestricted non-preserved benefits and, subject to legalsuper rules, may be accessed at any time.

## Unrestricted non-preserved benefits

Amounts transferred into legalsuper from another complying superannuation fund may be unrestricted non-preserved benefits. This will depend on how the amounts were classified in the prior fund.

Unrestricted non-preserved benefits are not subject to preservation and, subject to legalsuper rules, may be paid to you at any time.

## You need to provide ID when you access your pension

Members must provide identification when receiving certain services such as the payment of benefits or pensions. legalsuper is required to collect basic information (including the member's full name, date of birth and residential address) and be able to verify this through the use of reliable and independent documentation such as driver's licence or passport etc.

legalsuper will advise you of these requirements when you seek payment of a benefit.

# Taxation and Social Security information

The main taxation and Social Security provisions affecting pension accounts and pension payments are summarised below. However, we recommend you seek advice from an appropriately qualified adviser to help you fully understand the implications of your choice.

## Is there tax on money you rollover into a legalsuper pension account?

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 pension payments?

Since 1 July 2007, all pension payments to a person over the age of 60 are tax-free.

If you are under age 60, the regular pension payments you receive from legalsuper may be taxable as income and subject to tax, which will be deducted by us from your pension account and remitted to the ATO on your behalf.

There is no tax payable on the tax-free component of your pension payments (for example, this component includes part of your benefit that is represented by contributions made from your post-tax income on or after 1 July 2007).

Where you turn 60 during the financial year, we will adjust withholding tax from pension payments over the full year to average out total tax withheld and to reflect the fact that no tax is payable for amounts received after turning age 60.

The tax payable on pension payments is as follows:

	Assessable Amount	Tax Rate
<b>60 and over</b>	Nil	Nil
<b>Under 60</b> • Tax-free component	Nil	Nil
<b>Under 60</b> • Taxable component (element taxed)		Marginal tax rate, 15% tax offset is available
– Preservation age to 59	100%	
– Under preservation age	100%	Marginal tax rate No tax offset

The taxable components and tax-free components of a benefit paid to a person must be in the same proportions as the taxable component and tax-free component that make up the person's total superannuation benefit in the fund from which the benefit is paid, just before the benefit is paid.

## 15% tax offset

You will be entitled to a tax offset of 15% of the *taxable* amount of your pension payments if you are:

- aged between your preservation age and 60 (once you turn 60, your pension will be tax-free); or
- aged under preservation age and permanently incapacitated at the commencement of your pension; or
- receiving the pension as a result of the death of another person if you are 60 or under and the deceased person was 60 or under when they died. If you or the deceased person is over 60, the pension is tax-free.

## Is there tax on your investment earnings?

Investment earnings including capital gains within a legalsuper Transition to Retirement Pension in the 'retirement phase' and a legalsuper Pension are tax-free. Please note a maximum investment amount applies.

Investment earnings within a legalsuper Transition to Retirement Pension that is **not** in the 'retirement phase' are taxed at a maximum rate of 15% from 1 July 2017.

Investment earnings made in other countries may be subject to tax in that country.

## Do you pay any tax if you withdraw funds?

If you withdraw a lump sum, the withdrawal amount will be taxed as a superannuation lump sum and tax will be deducted from the lump sum accordingly. The 'Taxation of lump sum benefits' section below details the tax payable on superannuation lump sums.

## Taxation of lump sum benefits

A lump sum benefit paid from your legalsuper pension will be subject to tax as follows:

	Assessable Amount	Maximum tax rate (excluding Medicare levy)
<b>60 and over</b> • Tax free and Taxable (taxed) component	Nil	Nil
<b>Under 60</b> • Tax free component	Nil	Nil
<b>Under 60</b> • Taxable component (element taxed) – Preservation age to 59	Up to low rate cap \$215,000 (2020/2021)*  Balance	0%  Lower of your marginal tax rate or 15%
– Under preservation age	100%	Lower of your marginal tax rate or 20%

\* This amount is indexed annually in \$5,000 increments only. Indexation is a system of varying the amount in line with the movement of an appropriate index; here it is indexed in line with the Average Weekly Ordinary Times Earnings (AWOTE), which is the average wage of employees in Australia published by the Australian Bureau of Statistics (ABS) and used as a way of removing the inflationary impact in calculations.

For more information see [abs.gov.au](http://abs.gov.au).

Medicare levy and Medicare levy surcharge (if applicable) are added to whichever rate is applicable except where the component is tax-free. The above tax rates apply where you have supplied your Tax File Number (TFN). If you do not supply your TFN, your withdrawal benefit may be taxed at the highest marginal tax rate, plus Medicare levy and Medicare levy surcharge (if applicable).

## How do the pensions fit in with the social security assets and income tests?

The Australian Government uses two tests to assess eligibility for an Age Pension, the assets test and the income test. Pension account balances and pension payment levels are re-evaluated every six months.

### Assets test

Your legalsuper Pension account balance and your legalsuper Transition to Retirement Pension account balance may be considered assets for the purposes of the social security Assets Test, depending on whether you have reached Age Pension age.

### Income test

Your legalsuper Pension or Transition to Retirement Pension accounts are assessed under the 'deemed income test'.

Deeming assumes that financial investments are earning a certain rate of income, regardless of the amount of income they are actually earning.

If income support recipients earn more than these rates, the extra income is not assessed.

The deeming rates change from time to time and further information is available from legalsuper or [humanservices.gov.au](http://humanservices.gov.au).

# Death benefit nominations – choosing a beneficiary

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.

legalsuper's pensions give you two options to provide for your dependants in the event of your death prior to the exhaustion of your account.

You can choose:

**Option 1:** Nominate a reversionary beneficiary; or

**Option 2:** Nominate a preferred beneficiary/ies.

The differences between the two options are outlined below.

## Option 1: Nominate a reversionary beneficiary

As a pensioner, you are entitled to nominate a reversionary beneficiary (i.e. a person who will continue to be paid your pension after your death). Your reversionary beneficiary must be one of the following types of person as at the date of your death:

- your spouse;
- a person with whom you had an interdependency 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
  - over 18 years of age, and suffering a disability that meets the definition in subsection 8(1) of the Disability Services Act 1986.

A reversionary pension is a pension that automatically continues to be paid from your pension account to one of the persons listed above.

If you do not nominate a reversionary beneficiary for your legalsuper Pension or Transition to Retirement Pension, in the event of your death, the remainder of your pension may be paid as a lump sum to one or more of your dependants (as defined in superannuation law) or your legal personal representative (see the following two sections under Option 2 for details).

You can change the reversionary beneficiary at any time once the pension account is opened, providing the new beneficiary also meets the conditions listed above. To change the reversionary beneficiary details, you will need to advise us by completing a *Pension change details* form.

Subject to superannuation law, a reversionary beneficiary can commute their pension and be paid a lump sum benefit. If the reversionary dies before their legalsuper pension account runs out, the balance of the account will be paid to the reversionary's preferred beneficiaries or legal personal representative.

## Option 2: 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 your legalsuper pension account in the event of your death. legalsuper will take your nomination into consideration.

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

- a non-binding nomination; or
- a binding nomination.

You should seek advice from a financial adviser if necessary. If you do not make a nomination, the Trustee will, in its absolute discretion, pay your benefit upon your death to your dependants and/or your legal personal representative.

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. Non-binding nominations

As a member of legalsuper, 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 your pension benefits 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 to whom your death benefit will be paid.

## B. Binding nominations

All members of legalsuper can make a binding nomination when selecting one or more beneficiaries.

If you make a binding nomination, we must pay your death benefit in accordance with your nomination, provided the nomination complies with legal requirements, such as 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 beneficiary/ies 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/ies.
- 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, your death benefit 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.

## What is the tax treatment of death benefits?

The tax payable on death benefits will depend on who receives the payment and the amount received and whether it is received as a lump sum or a pension. Persons who are 'death benefits dependants' can receive death benefits tax-free.

Death benefits paid by complying superannuation funds are taxed as follows:

Lump Sum	
Death Benefits Dependants	Tax-free.
Death Benefits Non-Dependants*	The tax-free component is tax-free. 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. The element taxed in the Fund is taxed at 15% (plus Medicare levy). The element untaxed in the Fund is taxed at 30% (plus Medicare levy).
Pension	
If deceased was under age 60, but recipient is aged 60 or over	Tax-free, except that the element untaxed in the Fund is assessed at marginal rates, with a 10% tax offset.
If deceased was under age 60, and so was the recipient	The tax-free component is tax-free. The element taxed in the Fund is assessed at marginal rates, with a 15% tax offset. The element untaxed in the Fund is assessed at marginal rates, and no tax offset applies. Once the pension recipient turns 60, the pension becomes tax-free, except that the element untaxed in the Fund is assessed at marginal rates, with a 10% tax offset.

\* Accordingly, adult children are not Death benefit dependants unless they meet the criteria for financial dependency or interdependency.

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

A Transfer Balance Cap (\$1.6 million from 1 July 2017 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. All super you transfer to start a pension (including the legalsuper Pension and the legalsuper Transition to Retirement Pension in the 'retirement phase') or annuity 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.

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.

# 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 investment is being managed.

## Cooling-off period

A 14-day cooling-off period is applicable when you open a legalsuper pension account.

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

- The date that you receive confirmation of commencement of your legalsuper pension account,
- or
- Five calendar days after your legalsuper pension account commences.

During this time, you can close your legalsuper pension 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 or making an investment switch.

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

Most refunds, based on the cooling-off approval, are required to be paid into another complying superannuation fund (e.g. legalsuper) or approved deposit fund and cannot be paid directly to you. If you are entitled to a refund directly, you might have to pay lump sum tax on it and you will not be able to roll it over again.

Please note that if any refund is paid into a legalsuper accumulation account, it will be paid as follows:

- into your existing legalsuper accumulation account (if you have one) and invested in accordance with your existing investment choice(s);
- into a new legalsuper accumulation account (if you don't already have one) and invested in the Cash option. No insurance cover will be provided where we open a new legalsuper accumulation account to deposit your refund.

## 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 5081  
Parramatta NSW 2124

Please note there are time limits in relation to making certain complaints. Once your complaint has been investigated, you will receive a written reply advising of the Trustee's decision. 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 established 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 superannuation account. If you choose not to provide your personal information, we may not be able to process your membership 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 superannuation 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 more information on privacy law requirements or a copy of legalsuper's privacy policy, please contact us on **1800 060 312** (8am to 8pm [AEST] Monday to Friday) or visit [legalsuper.com.au](http://legalsuper.com.au) or write to:

legalsuper  
Locked Bag 5081  
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 is able to claim pension 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 Eligible Termination 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.

## 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](http://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 us or visit MemberAccess at [legalsuper.com.au](http://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.

If there is a court order or superannuation agreement in force, legalsuper is required to make the relevant payment from your account. Your account may also be flagged, which prevents us from making payments from the account.

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](mailto:mail@legalsuper.com.au)

# Glossary

This explanation of key financial terms relating to superannuation, taxation and investing will help you understand your superannuation.

## AFSL

Australian Financial Services Licence.

## Asset class/Asset allocation

The type of investment, such as shares, bonds or property and how they are spread in the different investment options.

## Assets Test

The sliding scale means test applied to the assets of a person to determine his/her eligibility for social security (payable by Centrelink) or Department of Veteran Affairs benefits.

## ATO

Australian Taxation Office.

## Benchmark

As used in the investment options, this is the indicative level of investment in that asset class. The actual amount invested in each class is allowed to vary within ranges set by the Trustee. A benchmark can also be something against which the investment performance is measured.

## Capital Gains Tax

Tax on the growth in the value of assets or investments, payable when the gain is realised.

## Cashing restrictions

Refers to requirements regarding the manner in which a superannuation benefit pension account may be taken in particular circumstances. For example, a person who has attained preservation age (but not satisfied any other condition of release), may only take his or her superannuation benefit in the form of a pension or annuity specified by law, which includes a Transition to Retirement Pension.

## CGT exempt component

A gain or gains that are exempt from tax, arising from the sale of small business assets to fund retirement on or after 1 July 1997.

## Child

Child/children in relation to a person at the relevant time (being in the case of a deceased person the date of his or her death) include:

- the issue of the person or of the spouse of the person;
- any adopted, ex-nuptial, foster child, step child or ward of the person or their spouse;
- persons who in the opinion of the Trustee the person or their spouse stands in loco parentis; or
- a person who is a child of the first-named person within the meaning of the *Family Law Act 1975*.

## Commutation

The process of converting a pension into a lump sum.

## Concessional component

That part of an eligible termination payment made prior to 1 July 1994 as an approved early retirement scheme payment, bona fide redundancy payment or invalidity payment. Such amounts can be rolled into complying superannuation funds and maintain their concessional status within the Fund and on transfer to another complying superannuation fund.

## Concessional contributions

Refer to superannuation contributions made from an individual's before-tax income. They generally include employer Superannuation Guarantee (SG) contributions, salary sacrifice contributions and contributions for which they can claim a tax deduction.

## Consumer Price Index (CPI)

A measure of inflation that compares the cost of living over time.

## Employer contributions

The Superannuation Guarantee contributions made by your employer.

## Inflation rate

This is the rate at which the price of goods and services rises or falls. This is usually shown as a percentage and is measured by the Consumer Price Index (CPI).

## Interdependency relationship

Generally, two people are in an interdependency relationship if:

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

If a close personal relationship exists but one or more of the other criteria are not met because either or both parties suffers a physical, intellectual or psychiatric disability, an interdependency relationship will still exist.

## Investment objectives

These are the goals that the investment options aim to achieve.

## Investment risk

Investment risk is the degree to which returns fluctuate (that is, go up and down in value over time relative to a long-term average).

### Investment strategy

This is the way assets in the various options are invested to achieve the investment objectives.

### Lost members

A member is deemed to be lost if:

- legalsuper has not received any employer contributions or rollovers in the last two years; or
- at least two written communications sent by legalsuper have been returned unclaimed.

The Trustee must report details of lost members to the Australian Taxation Office (ATO) each half year. The ATO has a Lost Members Register and also a SuperMatch system to assist superannuation funds to reunite lost accounts and members.

### Medicare Levy

The levy on taxable income paid by most Australian individuals, on top of the normal income tax, to help pay for the public health system. In some situations a surcharge may apply.

### National Business Day

A National Business Day is a week day that is not a national public holiday or the NSW Queen's Birthday weekend, or another day at the Trustee's discretion.

### Non-concessional contributions

Refers to superannuation contributions made from an individual's after-tax income. They are often referred to as voluntary (post-tax) contributions.

### Post 30 June 1983 component

The proportion of your benefit that relates to service after 30 June 1983 that does not form part of the Pre 1 July 1983 component, concessional component, undeducted contributions component, Post 30 June 1994 invalidity component, CGT-exempt component or excessive component.

### Post 30 June 1994 invalidity component

The part of an invalidity payment made on or after 1 July 1994 that relates to service to the member's normal retirement age. To be an invalidity payment, two legally qualified medical practitioners must certify that the member's disablement is likely to result in the member being unable to ever be employed in a capacity for which they are reasonably qualified because of education, training or experience.

### Preservation age

The age at which a member can gain access to preserved benefits that have built up in a super fund, approved deposit fund or retirement savings account.

### Preserved benefits

Generally, preserved benefits must be retained in legalsuper until your retirement from the workforce on or after reaching your 'preservation age'. Your preservation age varies between 55 and 60 years, depending on your birth date.

From 1 July 1999, all member and employer contributions made to legalsuper and all investment earnings must be preserved.

Subject to the governing rules of legalsuper, preserved benefits may only be paid to you when a condition of release is satisfied.

### Restricted non-preserved benefits

Restricted non-preserved benefits can be accessed on satisfaction of the same conditions of release as apply for preserved benefits. However, where you terminate your employment (i.e. resigning, retrenchment, dismissal prior to retirement) with an employer who had at any time contributed to legalsuper on your behalf, your restricted non-preserved benefits (if any) become unrestricted non-preserved benefits and may be accessed at any time.

### Reversionary beneficiary of a legalsuper member

This is a person who continues to be paid a pension after the death of the original member. Only certain persons are entitled at law to be a reversionary beneficiary.

### Spouse

Includes a 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):

- legally married to the person;
- not legally married to the person and ordinarily living with the first-named person on genuine domestic basis in a relationship as a couple; or
- a person (whether of the same sex or a different sex) with whom the first-named person is in a relationship that is registered under a law of a State or Territory prescribed for the purposes of section 2E of the *Acts Interpretation Act 1901* as a kind of relationship prescribed for the purposes of that section.

### Switching

Switching is changing from your current investment option or mix of options to another option or mix of options.

### Taxable component

The taxable component of a superannuation interest is calculated by subtracting the tax-free component from the total value of the superannuation interest. The taxable component of a superannuation interest is made up of the element taxed in a fund and an element untaxed in a fund.

The element taxed in a fund is that part which has been subject to tax in the fund, such as taxable contributions and fund earnings. The element untaxed in a fund is that part which has not been subject to tax in the fund, such as amounts paid from untaxed public sector schemes or unfunded schemes. It is likely that the taxable component of your superannuation interest in legalsuper will consist solely of elements taxed in the Fund.

### **Tax deductible contributions**

You can make personal contributions to superannuation, however the work test will apply to those members aged between 67 and 74.

You may be able to claim a tax deduction on these contributions.

Contributions in excess of the allowable deductions for any one year cannot be deducted in that year, and are treated as undeducted contributions.

### **Tax-free component**

This comprises contributions made on or after 1 July 2007 that have not been taxed in the fund; plus an amount which crystallises certain components of the person's superannuation interests immediately before 1 July 2007 (the 'crystallised segment'). These are the person's undeducted contributions, the concessional component, the post-June 1994 invalidity component, the CGT exempt component, and the pre-July 1983 component.

### **TFN**

Tax File Number.

### **Transfers in**

Transfers in are superannuation accounts you transfer to legalsuper from other superannuation funds and any amounts received from the Australian Taxation Office on your behalf.

### **Trustee**

A company (or person) that has legal responsibility for the financial aspects (receipts, disbursements and investment) of funds. legalsuper's Trustee is Legal Super Pty Ltd.

### **Trust Deed**

A Trust Deed is a document that sets out the rules for the establishment and operation of a superannuation fund.

**This is not an exhaustive list of all terminology used in superannuation law, industry terms or this *Pension PDS*. Some explanations have been simplified. For further details on any of these terms or other questions you may have, please contact legalsuper on 1800 060 312 (8am to 8pm [AEST] Monday to Friday).**

## IMPORTANT INSTRUCTIONS REGARDING FORMS

# 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:

- a. driver's licence issued under State or Territory law; or
- b. 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 a 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, address 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.

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# Pension membership application

Return this completed form to:

legalsuper pension  
 Locked Bag 5081  
 Parramatta NSW 2124  
 Phone: 1800 060 312

Before you complete this application form, you must read the legalsuper *Pension Product Disclosure Statement (Pension PDS)*, which includes important information about legalsuper pensions. The legalsuper *Pension PDS* and all forms that you may require are 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). Please use **BLOCK letters and black ink** when completing this form and ensure all relevant fields are completed. This form will be invalid if unsigned or undated by the applicant (see section 9). Attach any associated documentation before returning it legalsuper.

## 1. Membership status

Are you an existing legalsuper member?

Yes  No

## 2. Pension option

### Pension

I declare that:

- (a) I have reached preservation age and have retired from the workforce permanently\*; or
- (b) I am aged 60 or over and have ceased an employment arrangement\*; or
- (c) I am over age 65; or
- (d) I am totally and permanently disabled.

Please note that a maximum investment amount applies.

\* Please provide the date you ceased employment (if applicable)

### Transition to Retirement Pension

I declare that I am still working and have reached my superannuation preservation age but I am under 65 years of age. Please note that investment earnings within a Transition to Retirement Pension that is **not** in the 'retirement phase' are taxed.

## 3. Personal details

Mr  Mrs  Ms  Miss  Dr  Justice

Surname

Given Names

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

## 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.

**If you are under age 60, you are required to complete and attach a *Tax File Number declaration* form. This is available from legalsuper, the Post Office or the Australian Taxation Office.**

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

#### 4. Investment amount\*

I wish to transfer the following amounts to commence my pension:

A. The following amount from my legalsuper superannuation (accumulation) account:

Membership number:

the full balance of the account, closing it to future contributions, as I have ceased work.

the maximum allowable amount, leaving a minimum of \$1,000 to keep the account open.

the nominated sum of \$

B. Additional legalsuper superannuation monies to consolidate with my existing legalsuper pension account. Your new legalsuper pension will not commence until your rollovers have been received.

Existing Pension membership number:

If you choose this option, you must also complete Option A above.

Please refer to 'Your investment options on account re-consolidations (also known as pension recycling or rebooting)' on page 15 for further information regarding the account re-consolidation process.

\* Please note that a Transfer Balance Cap (\$1.6 million from 1 July 2017 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 be invested in a legalsuper Pension or a legalsuper Transition to Retirement Pension in the 'retirement phase' (see page 5 of the *Pension PDS*).

C. Monies from other superannuation funds.

Complete a *Rollover initiation request to transfer whole balance of superannuation benefits between funds* form attached to this *Pension PDS* for each transfer. Your legalsuper pension will not commence until all your rollovers have been received.

Please list each fund name and corresponding member number:

Fund name:

Member number:

Fund name:	Member number:
<input type="text"/>	<input type="text"/>

#### 5. Investment profile

You can invest in one investment option or any mix of investment options. Please refer to 'Your investment options' in the *Pension PDS*.

##### IMPORTANT – PLEASE READ

You MUST select only one Investment profile option below.

If you select option 'A - Investment Profile - select' you must select at least one investment option and your selection can only be up to 2 decimal places and must add up to 100%.

If you select option 'B - Investment Profile - transfer' legalsuper will use the closing dollar balance of your superannuation option(s) to commence the same or equivalent pension investment option(s). Any monies in the MySuper balanced option will be transferred to the closest pension equivalent - the Balanced option.

If you select option 'C - Transfer my existing Direct Investment option (DIO)' - you should be aware that this only applies for existing legalsuper members who have investments in the DIO. The ability of legalsuper to transfer an existing DIO account is subject to eligibility requirements.

#### A - Investment Profile - select\*

% for each Investment Choice

Cash	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
Enhanced cash	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
Conservative	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
Conservative balanced	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
Balanced index	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
Balanced	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
Growth	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
High growth	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
Australian shares	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
Overseas shares	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
Balanced Socially responsible	<input type="text"/>	.	<input type="text"/>	<input type="text"/>	%
<b>Total (must total 100%)</b>	<b>100</b>	.	<b>0</b>	<b>0</b>	<b>%</b>

#### B - Investment Profile - transfer\*

Please use my legalsuper superannuation Investment Profile

#### C - Transfer my existing DIO

This only applies to legalsuper members who have investments in an existing DIO. The ability of legalsuper to action your request to transfer all of the assets currently held in your existing DIO account is subject to confirmation:

- (1) that eligibility requirements have been met; and
- (2) that the current assets within your existing DIO account are able to be transferred at this time.

Please transfer my existing DIO and all current investments it holds to the new legalsuper Pension account that I am applying for.

\* Please refer to 'Your initial investment choice' on page 14 for further information regarding the commencement of your chosen legalsuper investment profile

In making this request, I:

- acknowledge that legalsuper has not provided me with personal tax advice regarding this transfer request and that I am responsible for obtaining my own personal tax advice (if I require this); and
- accept that for a period of up to 9 days that commence from the day the transfer request is actioned I will be unable to view or issue instructions for the DIO.

We recommend that you seek appropriately qualified professional advice if you need assistance in making an investment choice.

#### 6. Payment options

**If you do not choose how frequently you would like your pension paid, legalsuper will automatically pay you yearly in June.**

I want to receive my pension payments:

Fortnightly  Monthly

Quarterly (September/December/March/June)

Half-yearly - in the months of  and   
(June and December apply if not specified)

Yearly - in the month of  (June applies if not specified)

Nominated date of first payment (dd/mm/yyyy)

**Note:** Fortnightly payments are processed according to the schedule on page 6. Monthly, quarterly, half-yearly and yearly payments are processed on the 28th of the relevant month.

## Regular pension payment

(Please tick one box only)

The **minimum amount** per annum required under legislative guidelines

The **maximum amount** per annum allowed under legislative guidelines\*

A **nominated amount per payment** (subject to minimum/maximum legislative guidelines):

\$

\* There is no maximum amount unless you are applying for a Transition to Retirement pension.

## Pension payment drawdown options

You have three options to choose for your pension to be paid to you:

**Option 1 (default):** Pension payments are paid proportionately across my Investment Profile selection as chosen at section 5.

If instead, you choose the following option 2 or 3 you must also complete the table that follows.

**Option 2:** Specify a different pension payment drawdown split by completing the table below - I want legalsuper to pay my pension amount in the following split of my Investment Profile selection (section 5).

**Option 3:** Specify the order of investment options that you would like your pension payment paid from by completing the table below - I want legalsuper to pay my pension amount in the following order of my Investment Profile selection (section 5).

### Payment drawdown profile (for Option 2 or Option 3 only)

	Option 2: Pension payment split (%)	OR	Option 3: Pension payment order (#)
Cash	<input type="text"/> %		<input type="text"/>
Enhanced cash	<input type="text"/> %		<input type="text"/>
Conservative	<input type="text"/> %		<input type="text"/>
Conservative balanced	<input type="text"/> %		<input type="text"/>
Balanced index	<input type="text"/> %		<input type="text"/>
Balanced	<input type="text"/> %		<input type="text"/>
Growth	<input type="text"/> %		<input type="text"/>
High growth	<input type="text"/> %		<input type="text"/>
Australian shares	<input type="text"/> %		<input type="text"/>
Overseas shares	<input type="text"/> %		<input type="text"/>
Balanced Socially responsible	<input type="text"/> %		<input type="text"/>
<b>Total (must total 100%)</b>	<b>100</b> %		<b>0</b> %

Please note that pension payments cannot be made directly from the DIO. You must first sell your chosen DIO investment(s) and/or transfer excess DIO Cash account funds to one of the non-DIO investment options from which your pension can be paid.

## Pro-rata payments

If a pension is commenced prior to 1 June in a year, the minimum amount is automatically pro-rated by the number of days between date of commencement and the following 30 June.

For maximum pension payments that start after 1 July in a year, you can opt to have your maximum payment amount in a year paid pro-rata or not by ticking the applicable pro-rata payment box below:

Yes, pay pro-rata payment(s).

No, do not pay pro-rata payment(s).

**Note:** Pro-rata payment(s) apply/ies if nothing is specified in the boxes above.

## Payment instructions

Credit the following bank/building society/credit union:

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 12 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.

## 7. Nomination of beneficiary/ies

**You may make a Non-binding nomination via MemberAccess.**

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 beneficiary/ies to whom your accrued legalsuper entitlements (including any insurance proceeds) 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.

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 entitlements 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 entitlements 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 entitlements 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 in Section 8 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:

- 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
- 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:

- they have a close personal relationship;
- they live together;
- one or each of them provides the other with financial support; and
- 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 - As a reversionary pension to be paid to your nominated dependant\***

Please note that if you select a reversionary beneficiary, you do **not** need to have this form witnessed in Section 8.

Mr  Mrs  Ms  Miss  Dr  Justice

Surname

Given Names

Date of birth (dd/mm/yyyy)

Relationship

\* There are restrictions on who may receive your pension as a reversionary beneficiary (refer to the *Pension PDS*).

**Option 2 - 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 this 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 3 - 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 9**)
- Yes - my nomination is to be Binding (**go to Section 8 and then 9**)

**8. Signatures (Binding nomination only)**

The following signatures confirm my Binding nomination(s) (my signature plus those of two witnesses over the age of 18 who are not included in the preceding nomination(s) in Section 7) and that I have read and understood the information in the *Pension PDS* regarding Binding nominations.

I understand that:

- 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 (as amended) 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.
- I agree and understand that my pension 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.

Member's signature

Date (dd/mm/yyyy)

**Two witnesses are required for a Binding nomination**

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 nominated beneficiary nor the legal personal representative of the member above.

**Please now complete Witness 1 and Witness 2 information.**

**Witness 1**

Surname

Given names

Signature

Date (dd/mm/yyyy)

**Witness 2**

Surname

Given names

Signature

Date (dd/mm/yyyy)



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# Rollover request to transfer whole balance of superannuation into legalsuper

**Return this completed form to:**  
 legalsuper  
 Locked Bag 5081  
 Parramatta NSW 2124  
 Phone: 1800 060 312

By completing this form, you will initiate a rollover request to transfer the whole balance of your super benefits to legalsuper. This form can not be used to transfer part of the balance of your super benefits. If you have multiple accounts to consolidate, you need to complete a separate form for each account.

This form will not change the fund to which your employer pays your contributions. The Standard choice form must be used by you to change funds.

Before you decide to consolidate, make sure you are informed. Check what insurance cover you may lose with the other fund. You may be able to transfer this cover to legalsuper.

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

**\* Denotes mandatory field. If you do not complete all of the mandatory fields, there may be a delay in processing your request.**

## Personal details

Mr  Mrs  Ms  Miss  Other

\*Surname

\*Given Names

Other/Previous Names

\*Date of birth (dd/mm/yyyy)

Tax file number

Under the *Superannuation Industry (Supervision) Act 1993*, you are not obliged to disclose your tax file number, but there may advantages if you do.

\*Sex  
 Male  Female

Telephone Number

Mobile Number

\*Residential Address

\*Town or Suburb

\*State  \*Postcode

Previous Address

Town or Suburb

State  Postcode

## Fund details

### FROM (Transferring fund)

\*Fund name

Fund Telephone Number

\*Member or account number

Australian business number (ABN)

Unique Superannuation identifier

### TO (Receiving fund)

Fund name  
 L E G A L S U P E R

Fund Telephone Number  
 1 8 0 0 0 6 0 3 1 2

\*Member or account number

Australian business number (ABN)  
 6 0 3 4 6 0 7 8 8 7 9

Unique Superannuation identifier  
 L I S O 1 0 0 A U

## Authorisation

By signing this request form I am making the following statements:

- I declare I have fully read this form and the information completed is true and correct.
- I am aware I may ask my superannuation provider for information about any fees or charges that may apply, or any other information about the effect this transfer may have on my benefits, and have obtained or do not require such information.
- I consent to my tax file number being disclosed for the purposes of consolidating my account.
- I discharge the superannuation provider of my **FROM** fund of all further liability in respect of the benefits paid and transferred to legalsuper.

I request and consent to the transfer of superannuation as described above and authorise the superannuation provider of each fund to give effect to this transfer.

\*Signature

\*Date (dd/mm/yyyy)

## IMPORTANT INFORMATION

This transfer may close your account – you will need to check this with your **FROM** fund.

This form can not be used to:

- transfer part of the balance of your super benefits
- transfer benefits if you don't know where your super is
- transfer benefits from multiple funds on this one form – a separate form must be completed for each fund you wish to transfer super from
- change the fund to which your employer pays contributions on your behalf
- open a super account
- transfer benefits under certain conditions or circumstances – for example, if there is a super agreement under the *Family Law Act 1975* in place

## What happens to my future Employer Contributions?

Using this form to transfer your benefits will not change the fund to which your employer pays your contributions and may close the account you are transferring your benefits **FROM**.

If you wish to change the fund into which your employer contributions are being paid, you will need to complete and provide your employer with the legalsuper Choice of Fund form along with the Letter of Compliance. Visit [legalsuper.com.au/forms](https://legalsuper.com.au/forms)

## Things you need to consider when transferring your superannuation

Using this form to transfer your benefits will not change the fund to which your employer pays your contributions and may close the account you are transferring your benefits **FROM**.

If you wish to change the fund into which your employer contributions are being paid, you will need to complete and provide your employer with the legalsuper Choice of Fund form along with the Letter of Compliance. Visit [legalsuper.com.au/forms](https://legalsuper.com.au/forms)

Some of the points you may consider are:

- **Fees** – your **FROM** fund must give you information about any withdrawal fees. If you are not aware of the fees that may apply, you should contact your **FROM** fund for further information before completing this form. The fees could include administration fees or withdrawal fees. Differences in fees that funds charge can have a significant effect on the super you will have to retire on – for example, a 1% increase in fees may significantly reduce your final benefit.
- **Death and disability benefits** – your **FROM** fund may insure you against death, illness or an accident which leaves you unable to return to work. If you choose to leave your current fund, you may lose any insurance entitlements you have – other funds may not offer insurance, or may require you to pass a medical examination before they cover you.
- When considering legalsuper, you should consider the amount of cover offered and the amount of cost associated with this cover.

## What happens if I don't provide my Tax File Number (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 your super fund, 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 your super fund will have the following advantages:

- we 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.

You are not required to provide your TFN however, if you do not provide your TFN, you may be taxed at the highest marginal tax rate, plus the Medicare levy, on contributions made to your account in the year, compared to the concessional tax rate of 15% and you will not be able to make personal contributions to your super account. legalsuper may deduct the additional tax from your account.

Choosing to provide your TFN will make it easier to track your super in the future.

### Please send the original of this form to:

legalsuper  
Locked Bag 5081  
Parramatta NSW 2124



-  [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 5081  
Parramatta NSW 2124

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