

Employer Sponsored Super & Personal Super Additional Information

The information in this Document forms part of the legalsuper
Superannuation Product Disclosure Statement dated
1 July 2021. You should read both documents.

Issued 1 July 2021

**EMPLOYER SPONSORED SUPER & PERSONAL SUPER
ADDITIONAL INFORMATION**

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legalsuper ABN 60 346 078 879 (the Fund)

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Contents

About this document	2
Chief Executive's welcome	3
About legalsuper	4
Becoming a member	6
Making contributions	7
Unitisation	10
Investment choice	11
Your investment options	14
MySuper Balanced	15
Investment Choice options	16
Direct Investment Option	22
Insurance	31
Protecting Your Super Reforms (PYS)	32
Putting Members' Interests First Legislation (PMIF)	32
Employer-sponsored members only	33
Personal members & Spouse members only	43
Salary Continuance insurance	49
Other important information about insurance	58
The Insurer's definitions for cover	58
Fees and costs	63
Accessing your super	70
Other important information	73
Enquiries and Complaints	73
Privacy	74
Electronic communication	75
Consolidation of accounts	75
Taxation	76
Glossary	79
Form	82
Superannuation member application	
Contact legalsuper	Back cover

About this document

The information contained in this *Employer Sponsored Super & Personal Super Additional Information* document (this Document) is correct at the date of preparation being 30 June 2021. This Document updates and replaces any previous Additional Information document in its entirety. A copy of this Document is available from us on request at any time without charge.

This Document is for:

- an employee of an employer sponsor, or
 - an employer sponsor joining an employee
- (both referred to as **Employer-sponsored members** in this Document)

and:

- an individual or self-employed, or Spouse member (referred to as **Personal members** in this Document).

Information contained in this Document 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 Document.

Information about Death (including Terminal Illness), TPD and Salary Continuance insurance cover is based on information contained in the policy documents issued by legalsuper's insurer, OnePath Life Limited ABN 33 009 657 176 (OnePath). OnePath has given, and not withdrawn before the date of this Document, its written consent for this information to be included in this Document in the form and context in which it appears. OnePath takes no responsibility for any other information contained in this Document.

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

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

Neither the Trustee nor any employer sponsor guarantees the performance of legalsuper, the repayment of capital or any particular rate of return. The advice given in this Document 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 Document, 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 Document. Past performance is not a guide to future performance.

This Document 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 Document in jurisdictions outside Australia may be restricted by law. Any persons outside Australia who come into possession of this Document 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 Document if received in electronic form is available only to persons in Australia.

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

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

To join legalsuper you can join using the 'Join' tab at **legalsuper.com.au** or alternatively use the forms contained in this Document.

legalsuper offers an authorised MySuper product for Employer-sponsored members and, as such, can accept employer default superannuation contributions.

Chief Executive's welcome



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 Document, we manage \$4.6 billion on behalf of more than 41,686 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:

- Choose how your balance is invested
You can choose to invest your balance and/or contributions in any combination of up to 13 investment options.
If you do not make a choice, your balance will be invested in the MySuper Balanced investment option (Employer-sponsored members only).
- Eligible members automatically receive Death and Total and Permanent Disablement insurance cover (restrictions may apply to your cover).
- Choose to cancel, reduce or increase your insurance.

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

You can join legalsuper online at legalsuper.com.au

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 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 retirement pension and a transition to retirement pension. Further information about legalsuper pensions can be found in the *Pension Product Disclosure Statement*. You can obtain a copy at **legalsuper.com.au** or by contacting us on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

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 *Guaranteed Income Account Product Disclosure Statement*. You can obtain a copy at **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** – includes information about superannuation as well as interactive calculators and fact sheets to help you engage with your savings. Our Client Service Managers are available to conduct complimentary workplace seminars or 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 to **mail@legalsuper.com.au**.

Members can log-on via our website – **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 Document sets out more information about legalsuper and its products and services.

How legalsuper is run

legalsuper is an accumulation fund. This means that your account balance will generally be equal to the total of contributions and investment returns, less taxes and expenses and benefit payments.

legalsuper is a public offer fund, which means that membership is not restricted to people in the legal community.

legalsuper is a regulated superannuation fund within the meaning of the Superannuation Industry (Supervision) Act 1993 (SIS) and is a complying superannuation fund for tax purposes. Legal Super Pty Ltd is an authorised MySuper provider. legalsuper is governed by a Trust Deed, a copy of which is available on our website. The Trustee may amend the Trust Deed as permitted by law.

The Trustee of legalsuper is Legal Super Pty Ltd ABN 37 004 455 789. The Trustee is licensed by the Australian Prudential Regulation Authority. The Trustee holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission (licence no. 246315), which allows it to deal in legalsuper's superannuation products and to provide advice about legalsuper.

Risks of legalsuper

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

- **Investment risks.** Generally, the higher an investment's potential return, the greater the risk associated with that investment. Historically, investment in shares has provided the highest average returns, but has also demonstrated the greatest volatility in the short term. Over the longer term, lower-risk investments, such as Cash or Fixed Interest, generally provide lower returns, but are less volatile than shares. Investment risks are explained further on page 12.
- **Preservation rules.** Restrictions apply to accessing any preserved amounts or restricted non-preserved amounts paid into the Fund. Any benefits will most likely be required to be paid into another complying superannuation fund, and would not be able to be paid directly to you until you reach your preservation age (see page 67) or satisfy another condition of release (such as becoming totally and permanently disabled).
- **Changes in laws.** You need to be aware that superannuation and taxation laws change often, and this can impact on your investment and insurance in legalsuper. Changes can also occur to the taxation of superannuation, which may affect the value of your investment.

- **Insurance.** If you are a new or re-joining member from 1 April 2020 and your account balance is less than \$6,000 or you are under 25 years, legalsuper is not permitted to provide you with insurance, unless directed by you or you meet the Putting Members' Interests First (PMIF) legislation requirements. In addition, if you have insurance cover and your account is inactive (see 'Glossary' on pages 76 – 78) for a continuous period of 16 months and you have not made an election to maintain your insurance cover, we will be required by Protecting Your Super Reforms to cancel your cover. Even if you have insurance, there is a risk that you may not be covered to the extent you require. Also, there is a risk that the insurer declines your claim or cannot pay the funds owed to you. You should carefully read the information about the insurance coverage available and the details of the insurer providing the insurance coverage on pages 31 – 61. There is a possibility that insurance arrangements may be renegotiated with the same or a different insurer and that, as a consequence, there may be adverse changes to the terms and conditions or cost of your insurance cover. There is a possibility that the Trustee may be unable to obtain insurance cover for some or all events, in which case the Trustee would cease to provide members with access to insurance cover for those events.
- **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.

Your account may be transferred to the ATO

Inactive accumulation accounts (i.e. no contributions or rollovers have been received) with a balance of less than \$6,000 will be transferred to the Australian Taxation Office (ATO) unless within the last 16 months you have:

- provided written notice to the Commissioner, declaring that you are not a member of an inactive low-balance account;
- changed investment options;
- elected to maintain your insurance cover;
- made or amended a binding beneficiary nomination; or
- legalsuper is owed an amount in respect of you.

Please refer to the ATO website ato.gov.au for further details.

Becoming a member

There is no application fee to join legalsuper.

Employer-sponsored membership

You can join legalsuper as an Employer-sponsored member if your employer has legalsuper as their default fund or if you choose to have your employer contribute to legalsuper on your behalf.[^]

You do not have to be employed in the legal services industry to be a member.

If your employer makes contributions on your behalf or has previously made contributions, you will be an Employer-sponsored member of legalsuper. Employer-sponsored members are either 'active' or 'inactive' members:

- **Active Employer-sponsored members**
You will be an active Employer-sponsored member if your employer is actively making contributions on your behalf or if your employer has temporarily ceased making contributions.
- **Inactive Employer-sponsored members**
Inactive Employer-sponsored members include:
 - former active Employer-sponsored members who are not currently employed by an employer-sponsor;
 - Employer-sponsored members who are on maternity leave for a period of six months or longer; and
 - Employer-sponsored members who are on unpaid leave for a period of six months or longer.

Changing employment

If you work for an employer who pays your contributions to legalsuper and you decide to change jobs or take some time out of the workforce, your account can remain with legalsuper.

Your account will continue to be invested, you will pay the same fees and you can make personal contributions, including spouse contributions, to top-up your savings whenever you like, subject to contribution rules and limits.

If you start a new job with an employer who pays into legalsuper and you wish to continue having your super paid into your legalsuper account, simply give them your legalsuper membership number.

If your new employer does not currently pay into legalsuper but you are eligible to choose the fund of your choice, you can ask them to pay your superannuation contributions into legalsuper.

If you are not eligible to choose a super fund and your new employer does not want to pay into legalsuper[^], you can still leave your account balance with legalsuper.

Personal membership

You can join legalsuper as a Personal member if you are self-employed or substantially self-employed and you want to contribute on your behalf. In addition you can rollover your superannuation from another fund into legalsuper.

You do not have to be employed in the legal services industry to be a member.

You can continue to remain in legalsuper if you were to become employed by an employer sponsor and cease to be self-employed.

Other types of membership

In addition to Employer-sponsored members and Personal members, legalsuper has the following membership types:

1. **Transition to Retirement (TTR) Pension;**
2. **Pension;**
3. **Lifetime Guaranteed Income; and**
4. **Fixed Term Guaranteed Income.**

The Trustee has the power to establish new types in the future and, subject to superannuation law, to move members between membership types.

[^] Legislation will come into effect from 1 November 2021 requiring employers to make contributions to an employee's existing 'stapled fund' if the employee has not chosen to have the employer contribute to legalsuper.

Making contributions

legalsuper can accept a number of different types of contributions including:

- contributions from your employer, including salary sacrifice contributions;
- personal (tax deductible) contributions;
- personal (non-deductible) contributions;
- a co-contribution made by the Federal Government;
- contributions in respect of your spouse, and if your spouse is a member, contributions from that spouse; and
- rollovers or transfers from other complying superannuation funds, approved deposit funds, rollovers from the ATO from Superannuation Holding Account Special Account (SHASA) and rollovers or transfers from other complying superannuation funds as a result of SuperMatch and eligible rollover funds.

Some of these contributions can only be accepted if the person for whom the contributions are made meets the age-based and working-status restrictions explained in the following table.

Who can contribute?

The following table sets out the rules about who can pay contributions to your superannuation account.

Your age	Employer contributions	Member contributions
Under 67	Permitted at all times	Permitted at all times Spouse contributions [†]
67- 74	<p>Permitted at all times:</p> <ul style="list-style-type: none"> - Award contributions - Superannuation Guarantee contributions (SG)[^] <p>Permitted subject to the Work Test:</p> <ul style="list-style-type: none"> - Voluntary employer contributions - Salary sacrifice contributions 	<p>You must meet the Work Test before you can make:</p> <ul style="list-style-type: none"> - Personal contributions - Spouse contributions[†] <p>You may also make:[*]</p> <ul style="list-style-type: none"> - Downsizer contributions and Government co-contributions subject to eligibility conditions - Transfers/rollovers
75 or over	<ul style="list-style-type: none"> - Award contributions - Superannuation Guarantee contributions (SG)[^] 	No further contributions can be made, except rollovers/transfers and downsizer contributions which are permitted. [*]

SG: SG contributions are compulsory employer contributions.

Award: Award contributions are contributions made by your employer pursuant to a certified agreement or an award made on or after 1 July 1986 by an industrial authority. If this applies to you, we can accept those contributions and you also do not have to meet the Work Test for these contributions.

Work Test (age 67 – 74): You must have been employed or self-employed for at least 40 hours in a period of not more than 30 consecutive days in a financial year before certain contributions can be made in that year. You are also eligible to contribute for 12 months from the end of the financial year in which you last met the Work Test, provided that your total superannuation balance is below \$300,000.

When we receive the first contribution (except SG and Award) after the start of a new financial year and you are 67 or older, we are required by law to write to you and obtain your signed confirmation that you have met the Work Test for that year.

- If you meet the Work Test, we can accept all contributions for the remainder of that year.
- If you don't meet the Work Test, we are required by law to refund the contribution(s).

Where an employer is receiving the JobKeeper wage subsidy for an individual, the individual is assessed as gainfully employed for the purpose of the Work Test, even if that individual has been fully stood down and is not actually performing work. As such, all members in receipt of the JobKeeper subsidy satisfy the Work Test for the purpose of voluntary superannuation contributions.

Voluntary employer contributions: These are permitted until your 75th birthday[#]. You must meet the Work Test once you are 67 or older.

[†] If your spouse is 67-74 your spouse must meet the Work Test. If your spouse is 75 or over, no spouse contributions are permitted.

^{*} The Work Test does not apply to downsizer contributions or transfers/rollovers.

[^] From 1 July 2021, SG contributions are payable at the rate of 10% of Ordinary Time Earnings. The rate is scheduled to continue to increase until it reaches 12% from 1 July 2025 onwards.

[#] If you're turning 75 during a financial year, you can make a non-concessional contribution on or before the day that is 28 days after the end of the month in which you turn 75. However, you still need to pass the Work Test and your total super balance (being all of your super assets including pensions and retirement savings accounts. In other words, the total amount you have across all superannuation and related assets.) must not exceed \$1.7 million. Please also note, (1) the member will also need to have space under his or her non-concessional contributions cap based on contributions made in previous years to accommodate these additional contributions without triggering excess contributions tax; (2) the Work Test does not apply to downsizer contributions; (3) the member should seek financial advice in advance of making additional contributions.

Spouse contributions

A legalsuper member may make contributions in respect of their spouse (and vice versa).

However, contributions can only be made if the person for whom the contributions are made satisfies the age and working status conditions explained in the 'Who can contribute' table above. In the case of members between age 67 and not yet 75, if these conditions are met, spouse contributions can be made for 12 months from the end of the financial year in which the person for whom the contributions are made last met the Work Test and provided that their total superannuation balance is below \$300,000.

If contributions are made for a spouse who is not already a member of legalsuper, they will become a Spouse member of legalsuper at the election of their spouse.

How do I contribute?

You can only contribute to legalsuper once you become a member. Contributions can be made on a regular basis by BPAY®, cheque, Electronic Funds Transfer, real time gross transfer (RTGS), direct debit or payroll deductions – please contact legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday) to obtain information about the options available.

How much can I contribute?

This depends on the type of contribution you are making and relates to the financial year 1 July to 30 June.

Concessional contributions

Concessional contributions include employer Superannuation Guarantee (SG) contributions, salary sacrifice contributions and any contributions for which you intend to claim a tax deduction (including as a self-employed or unsupported person).

You can claim a deduction for your own personal contributions, up to the concessional contributions cap, regardless of whether you are employed or self-employed. However, the Work Test will apply to those members aged between 67 and 74. You need to take into account any contributions made for you by an employer in determining how much room you have available within the cap.

The allowable concessional contributions cap for the 2021/22 financial year is \$27,500.

Further details are available from the ATO at ato.gov.au.

Contributions under the concessional contributions cap will be subject to a 15% rate of tax on receipt by legalsuper (in some instances a 30% rate of tax may apply). Contributions over the relevant cap may in some instances be taxed at a higher tax rate.

If you have made contributions to other funds through the financial year they will also count. The limit is applied per person not per super fund account.

The ATO will calculate whether you have excessive concessional contributions, and inform you of your options. Please refer to the ATO website for further details.

Some contributions, such as transfers from overseas funds and the proceeds from selling a business, are subject to different caps and tax.

Carry-forward concessional contributions

You may be able to carry forward your unused concessional contributions cap amounts from 1 July 2018. The first year in which you can increase your concessional contributions cap by the amount of unused cap is 2019–20, but only if you have a total superannuation balance of less than \$500,000 at the end of 30 June in the previous year. Unused amounts are available for a maximum of five years, and will expire after this.

Non-concessional contributions (after-tax)

General rule

Non-concessional (after-tax) contributions include:

- personal contributions for which you do not claim an income tax deduction, and
- spouse contributions.

From 1 July 2021 and subject to your 'Total Superannuation Balance' (see below), the annual non-concessional contributions cap is \$110,000.

The cap is available to individuals aged between 65 and 74, provided that if you are aged between 67 and 74 you meet the Work Test.

Total Superannuation Balance

Your Total Superannuation Balance is made up of the balance of all your super and retirement savings accounts. This is reduced by the sum of any personal injury structured settlement amounts contributed to super.

If you have a Total Superannuation Balance that is:

- over the general Transfer Balance Cap (\$1.6 million in 2019/20 and indexed periodically in \$100,000 increments in line with CPI – \$1.7 million in 2021/22) at the end of 30 June of the previous financial year, you will not be able to make any further non-concessional contributions in the financial year (without exceeding your non-concessional contributions cap);
- less than the general Transfer Balance Cap at the end of 30 June of the previous financial year, you may make after-tax contributions but your Total Superannuation Balance will determine how much you can contribute.

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.

Bring-forward arrangement

If you are under 67 years of age, you can make non-concessional contributions of up to three times the annual non-concessional contributions cap in a single year by bringing forward your non-concessional contributions cap for a two or three-year period.

From 1 July 2017, the non-concessional contributions cap amount that you can bring forward, and the availability of a two or three year bring forward period, will depend on your Total Superannuation Balance at the end of 30 June of the previous financial year.

For 2021/22, to access the non-concessional bring-forward arrangement, you must:

- be under 67 years of age for one day during the triggering year (the first year); and
- have a Total Superannuation Balance of less than \$1.6 million at the end of 30 June 2021.

The table below explains how the bring-forward arrangement works for the 2021/22 financial year:

Total superannuation balance on 30 June 2021	Maximum non-concessional contributions cap for the first year	Bring-forward period
Less than \$1.48 million	\$330,000	3 years
\$1.48 million to less than \$1.59 million	\$220,000	2 years
\$1.59 million to less than \$1.7 million	\$110,000	No bring-forward period, general non-concessional contributions cap applies
\$1.7 million or more	Nil	Not Applicable

Contributions up to the non-concessional contributions cap will not be taxed on receipt by legalsuper. Contributions over the cap may be taxed at a higher tax rate. You should consider obtaining independent financial advice before making a non-concessional contribution.

Government co-contributions

In some instances you may be eligible to receive a superannuation contribution paid by the Government.

The maximum co-contribution amount that may be paid to legalsuper depends on your income and your personal after-tax contributions that you make during the financial year.

For details of the eligibility for co-contributions please refer to the ATO website or visit legalsuper.com.au to obtain a fact sheet on eligibility.

You don't have to apply to have the co-contribution paid

The ATO will use information from your personal tax return and contribution information supplied by us to determine eligibility. If you are eligible the ATO will calculate the payment and send it to us for crediting to your legalsuper account.

First Home Super Saver Scheme (FHSSS)

From 1 July 2017, if eligible, you can make voluntary concessional (before-tax) and non-concessional (after-tax) contributions into your legalsuper account to save for your first home.

From 1 July 2018 you can then apply to release your voluntary contributions, together with any earnings to help you purchase your first home.

You can apply to have a maximum of \$15,000 of your voluntary contributions from any one financial year included in your eligible contributions to be released under the FHSSS, up to a total of \$30,000 contributions across all years, plus associated earnings.

You must meet the eligibility requirements to apply for the release of these amounts. To see if you are eligible visit ato.gov.au.

Contributions from downsizing

From 1 July 2018, if you are 65 years old or older and meet the eligibility requirements, you may be able to choose to make a downsizer contribution into your legalsuper account of up to \$300,000 from the proceeds of selling your home.

Existing contribution caps and restrictions will not apply to the downsizer contributions in the year in which the downsizer contributions are made, but the \$1.7 million Transfer Balance Cap and Age Pensions means test will continue to apply and it will count towards total superannuation balance tests in later years.

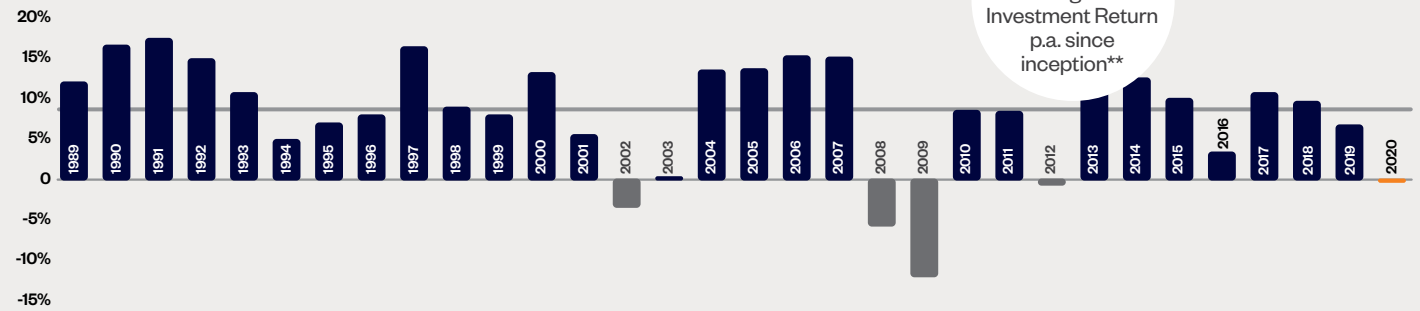
You can only make downsizing contributions from the sale of one home and both members of a couple may take advantage of it. Other eligibility requirements apply.

Downsizer contributions are not tax deductible and will be taken into account for determining eligibility for the age pension.

To see if you are eligible to make a contribution from downsizing visit ato.gov.au.

Investment returns since inception

This chart shows the Net Investment Return p.a. for legalsuper's default investment option – now known as MySuper Balanced* – since inception to 30 June 2020.



* MySuper Balanced is only available to Employer-sponsored members of legalsuper.

** The above Net Investment Return figures are for accumulation members and are net of all fees and tax except the weekly \$1.30 administration fee. Note: Past performance is not a guide to future performance.

Unitisation

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

How does my investment work?

The MySuper Balanced option and the other 11 Investment Choice options each pool member contributions, 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.

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 buy-sell spread is used to compensate other investors in an option for the transaction costs incurred by those investors buying or selling units. The current buy-sell spreads are detailed in the 'Fees and costs' section of this Document.

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.

Can prices be delayed?

legalsuper recognises the importance of accuracy of unit pricing and the risks surrounding the unit pricing, 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.

Infrastructure

Infrastructure investments provide capital to develop or maintain assets that are essential services or facilities such as transportation, communication, sewage and power services. Infrastructure investments are typically capital intensive and characterized by stable, predictable cash flows over a long-time frame, provide a level of inflation protection with revenue directly or indirectly linked to inflation and economic growth. These types of investments can improve living standards as well as a country's economic development.

Private Markets

Private markets investments provide capital for private companies that are not listed or publicly traded. Private markets investments require a commitment to specialist fund managers that drive value in their portfolio of companies through sophisticated governance and financial and operational management.

Credit

Credit investments covers a broad range of debt instruments. Credit investments are typically corporate loans, infrastructure debt, real estate debt and include mortgage-backed and asset-backed securities. Credit ratings are typically assigned to debt instruments/securities and can either be investment grade or sub-investment grade rated.

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 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, Balanced Socially Responsible, and Balanced Index options are managed by multiple investment managers. The Cash, Enhanced Cash, Balanced Socially Responsible, and Balanced Index options are invested with a single investment manager.

Investment risks

There are a number of risks associated with investment including the risk that assets will fluctuate in value and may result in negative returns. Generally, the higher the investment risk, the higher the potential return but also the higher chance that there will be short-term fluctuations in the value of the investment. Investment risk can be reduced by holding a spread of individual investments across different asset classes. Each asset class varies by 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 that may offset the falls.

For Employer-sponsored members who do not select an investment option, your account balance will be invested in the MySuper Balanced option. There is a risk that the MySuper Balanced option may not be consistent with your personal investment objectives, financial situation or needs. legalsuper may discontinue an investment option that you have previously selected, as described on page 14. 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 15 – 21 of this Document.

Past performance is not a guide to future performance. As you bear the risks associated with the investments you choose, we recommend that you seek investment advice from a licensed financial adviser 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:*

Australian Share managers
Hyperion Asset Management
Alliance Bernstein
Solaris Investment Management
Overseas Share managers
American Century Investments
Sanders Capital
Queensland Investment Corporation (currency and derivatives overlay)
GQG Partners
State Street Global Advisors
Aikya Investment Management
Infrastructure managers
ClearBridge Investments Limited
Lighthouse Infrastructure Management
Ancala Partners
Private Markets managers
Partners Group AG
Siguler Guff & Company
Credit managers
Oak Hill Advisors
Intermediate Capital Group
BlueBay Asset Management
Wellington Management Company
Diversified Fixed Interest managers
Colchester Investors
Macquarie Investment Management
Property managers
Dexus Fund Management
GPT Group
Goodman Funds Management
Lend Lease Investment Management
Resolution Capital
Barwon Investment Partners
Diversified managers
Pendal Group Limited
State Street Global Advisors
Cash and Enhanced Cash managers
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

Only Employer-sponsored members can invest in the MySuper Balanced* option.

All members can choose to invest in one or a combination of an additional 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.

More details of investments are released bi-annually in accordance with legislation.

Investment options – contributions

Members can select any combination of the following Investment Choice options where contributions to legalsuper will be invested.

Investment Choice options

- MySuper Balanced
(Employer-sponsored members only)
- Cash
- Enhanced Cash
- Conservative
- Conservative Balanced
- Balanced Index
- Balanced
- Growth
- High Growth
- Australian Shares
- Overseas Shares
- Balanced Socially Responsible

Please note: If an Employer-sponsored member does not select an Investment Choice option(s), the account will be automatically invested in legalsuper's MySuper Balanced option.

Direct Investment Option (DIO)

Once your legalsuper superannuation 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.

Current and future contributions

You can also choose to have future contributions paid into investment options that are different from those in which your existing account balance is invested. You can select this in MemberAccess or by completing a *Superannuation change details – (personal details and/or investment option(s))* form.

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.

You can submit an investment instruction online using MemberAccess or you may submit a written instruction by completing a *Superannuation change details – (personal details and/or investment option(s))* form.

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

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 legalsuper close an Investment Choice 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 that you have selected is discontinued, 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.

MySuper Balanced

(Employer-sponsored members only)

What is MySuper?

MySuper is a Government initiative aimed at providing a simple, easy to understand and comparable default superannuation for Australians and their employers.

The Trustee of legalsuper is authorised to offer a MySuper product and the investment option approved by the Trustee for the legalsuper MySuper product is the MySuper Balanced option.

Who can invest in MySuper Balanced option?

Any person who can join as an Employer-sponsored member can choose to invest in the MySuper Balanced option. MySuper Balanced is also the default option for the Employer-sponsored members.

What is a default investment option?

Members may make an investment choice where all or some of their contributions will be invested. An investment choice is an instruction to the Trustee to invest in one or more of the investment options available.

Where an Employer-sponsored member does not give the Trustee an instruction, the Trustee has chosen to invest this member's money in the MySuper Balanced option.

Where an employer joins an employee as a member of legalsuper, contributions will be invested in the default MySuper Balanced option.

MySuper Balanced Product Dashboard

The purpose of a MySuper Product Dashboard is to help you compare different MySuper products.

The legalsuper MySuper Balanced option dashboard is available at the legalsuper website.

The MySuper Balanced option dashboard is a chart which illustrates:

- annual returns for the last ten years after allowing for inflation; and
- a comparison of the 10-year moving average returns and the 10-year moving average return targets.

The dashboard also outlines the level of investment risk and includes a statement of fees and costs.

Investment details

Return objective:

To outperform an average annual return (*) of CPI + 3.0% 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 assets to reduce short-term risks. This option is likely to produce a negative return in 3 to 4 years 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
Infrastructure	9	0 – 20
Private Markets	2	0 – 20
Property	12	0 – 25
Fixed Interest	11	0 – 20
Credit	7	0 – 20
Cash	5	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 weekly \$1.30 administration fee.

Investment Choice options

(Available to all members)

1. Cash

Return objective:

To at least match Bloomberg Ausbond Bank Bill Index over rolling 5-year periods (before administration fees but after investment fees and costs).

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 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 superannuation grows adequately to meet your retirement income goals.

2. Enhanced Cash

Return objective:

To outperform Bloomberg Ausbond Bank Bill Index over rolling 5-year periods (before administration fees but after investment fees and costs).

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 6 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 superannuation grows adequately to meet your retirement income goals.

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Investment Choice options

3. Conservative

Return objective:

To outperform an average annual return (*) of CPI + 2.0% 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
Infrastructure	6	0 – 20
Property	8	0 – 10
Fixed Interest	18	10 – 40
Credit	8	0 – 20
Enhanced Cash	26	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 superannuation grows adequately to meet your retirement income goals.

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

4. Conservative Balanced

Return objective:

To outperform an average annual return (*) of CPI + 2.5% 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
Infrastructure	7	0 – 20
Property	10	0 – 20
Fixed Interest	15	10 – 50
Credit	8	0 – 20
Enhanced Cash	15	0 – 30
Cash	7	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

5. Balanced Index

Return objective:

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

Risk profile:

Offers an emphasis on shares and property to achieve higher returns, but includes some lower-risk 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 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.

6. Balanced

Return objective:

To outperform an average annual return (*) of CPI + 3.0% 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 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 fluctuations in investment performance over shorter periods.

Asset mix	Benchmark %	Permitted range %
Australian Shares	27	10 – 40
Overseas Shares	27	10 – 40
Infrastructure	9	0 – 20
Private Markets	2	0 – 20
Property	12	0 – 25
Fixed Interest	11	0 – 20
Credit	7	0 – 20
Cash	5	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 weekly \$1.30 administration fee.

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Investment Choice options

7. Growth

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, 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 large fluctuations in investment performance.

Asset mix	Benchmark %	Permitted range %
Australian Shares	34	10 – 50
Overseas Shares	34	20 – 50
Infrastructure	6	0 – 20
Private Markets	2	0 – 20
Property	11	0 – 20
Fixed Interest	7	0 – 20
Credit	3	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 weekly \$1.30 administration fee.

8. High Growth

Return objective:

To outperform an average annual return (*) of CPI + 4.0% 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
Infrastructure	5	0 – 20
Private Markets	2	0 – 20
Property	9	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

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 very high 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 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 very large 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 MSCI All Country World (ACWI) ex-Australia Index, 50% unhedged and 50% hedged into Australian dollars, net of fees, over rolling 10-year periods.

Risk profile:

100% invested in overseas shares and therefore carries a 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 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 %
Overseas Shares	97	0 – 100
Cash	3	0 – 20

Exposure includes 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 + 3.0% 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 fluctuations in investment performance over shorter periods.

Investment strategy:

The Balanced Socially Responsible option currently invests in the Pandal Sustainable Balanced Fund (SB Fund). This is a multi-manager fund operated by Pandal 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.

Pandal 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.

Pandal 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.

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Investment Choice options

*zero % threshold

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	25.2	10 – 40
Overseas Shares	33	10 – 50
Alternatives	14.5	0 – 20
Property	4.9	0 – 20
Fixed Interest	14.5	0 – 50
Cash	7.9	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.

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 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.

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 [^]	\$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.

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

Direct Investment Option

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 take action 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 apply.

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 daily 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.

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

Direct Investment Option

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. For shares that have a distributing trust component, such as some LICs or REITs, the final franking credit may not be known until after the financial year end and will be distributed as part of the annual Tax True up process.

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

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 62 – 66.

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. 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).

Insurance

Access to Death, Total and Permanent Disablement (TPD), and Salary Continuance insurance is an important benefit of legalsuper membership.

legalsuper knows the importance of insurance cover. That's why we provide members with access to:

- Death Only cover (including Terminal Illness); or
- Death (including Terminal Illness) & TPD cover; and/or
- Salary Continuance cover (see pages 48 – 56 for details).

Insurance cover is provided by OnePath Life Limited ABN 33 009 657 176, AFSL 238 341 (the Insurer) and subject to the terms and conditions of the insurance policy issued to the Trustee (the policy). This Document provides a summary of the key terms and conditions of the policy. Where information is summarised in a brochure, information guide, or document other than the policy itself, it does not represent a complete description of the terms on which the insurance cover is provided.

The policy represents the concluded agreement between the Trustee and the Insurer and, in the event of any inconsistency with this Document the terms of the policy prevail. Two separate policies exist: one covering Death, Terminal Illness and TPD and the other covering Salary Continuance cover for both the Employer-sponsored Division and Personal Division. Copies of either or both policies are available to members from legalsuper (free of charge) upon request.

Some words or terms in this Document have a special meaning. These words have been capitalised and are explained in 'The Insurer's definitions for cover' section on pages 57 – 61.

Insurance cover is in place 24 hours a day, 7 days a week (subject to certain exclusions), so you can rest easy knowing you're covered.

Types of members

The insurance information contained in this Document relates to three types of members:

- 1. Employer-sponsored members** are members who receive a superannuation guarantee (SG) contribution(s) from their employer;
- 2. Personal members** are members who are self-employed and/or make contributions on their own behalf; and
- 3. A Spouse member** is a spouse of a member who contributes to legalsuper on their behalf.

What type of cover can I have?

Type of cover	Employer-sponsored member	Personal member	Spouse member
Death Only	Yes	Yes	Yes
Death & TPD	Yes	Yes	No
Salary Continuance	Yes	Yes	No

The terms and conditions that apply to insurance cover available to Employer-sponsored members, Personal members and Spouse members are shown on the following pages of this Document.

Important: Some of the terms and conditions are different.

Insurance information on the following pages:

Protecting Your Super Reforms page 32

Putting Members' Interests First legislation page 32

Death and TPD cover:

Employer-sponsored members pages 33 – 41

Personal members and Spouse members pages 42 – 47

Salary Continuance insurance pages 48 – 56

Other important information about insurance pages 57 – 61

The Insurer's definitions for cover page 58

Protecting Your Super Reforms (PYS)

If your account is Inactive (i.e. no contributions or rollovers have been received) (see 'Glossary' on pages 76 – 78) for a continuous period of 16 months and you have not made an election to maintain your insurance cover, we will be required by PYS to cancel your cover.

If your cover ends due to PYS

If your cover ended on or after 1 July 2019 and you apply to reinstate your cover within 60 days of the end date you will not need to provide evidence of your health to the Insurer. You must complete a reinstatement application form.

If you wish to reinstate cover, you will need to complete a declaration (contained within the reinstatement application form) and certify whether you meet the Insurer's definition of At Work as defined on page 36 of this document. If you meet the definition of At Work then your reinstated cover will be Standard Cover (as described on page 35 of this document), otherwise your reinstated cover will be Limited Cover (as described on page 35 of this document).

To remove and replace Limited Cover with Standard Cover you will either have to be At Work for 30 consecutive days or you will have to undergo full underwriting, which entails providing detailed health evidence and medical evidence to the Insurer, who may accept or decline your request. In the event of a claim, the Insurer will check the response you provided to the At Work declaration in the reinstatement application form to ensure you complied with your duty of disclosure.

Your insurance fees will be backdated to the date your cover ended to ensure you do not have a gap in cover.

The outstanding insurance fee for the reinstated cover is paid on the date insurance fees are next due.

Reinstatement after 60 days due to PYS

Full underwriting (involving provision of health evidence and medical evidence to the Insurer) will be required if you wish to apply to reinstate cover more than 60 days after it ended due to PYS.

Putting Members' Interests First Legislation (PMIF)

legalsuper can provide insurance cover in one of two ways:

1. Automatically (without any action from you)
2. Upon your request

In accordance with PMIF that applies from 1 April 2020, if you join or re-join legalsuper on or after 1 April 2020 and:

- you are under 25 years of age; or
- have an account balance of less than \$6,000

legalsuper is not permitted to provide you with insurance automatically until you meet the PMIF requirements (i.e. you are at least 25 years of age and have an account balance of \$6,000 or more). If you don't meet the PMIF requirements, you can make an early election to have default insurance cover, as described in this document.

legalsuper will provide you with default insurance cover of Death & TPD (or Death Only) at the Default Cover Level in the following scenarios:

1. **For members whose cover was cancelled at midnight on 31 March 2020 due to PMIF** – when you later meet the PMIF requirements.
2. **For new members joining or re-joining who make an early election to have cover before meeting the PMIF requirements (this is called 'opting in early for default insurance cover')** – if the early election is received by legalsuper within 60 days of the issue date stated on the welcome letter sent to you by legalsuper.
3. **For members joining or re-joining who have not made an early election to have cover before meeting the PMIF requirements** – when you meet the PMIF requirements.

More information about the default insurance cover legalsuper can provide you is on the following pages.

Death & TPD cover

Important note: Your employer may have entered into a separate Death, TPD and/or Salary Continuance insurance arrangement with the Trustee. We will let you know if this applies to you and provide you with a copy of your employer's *Insurance Guide*. You should read this Guide in addition to the insurance information in this Document. The material relating to your employer's specific insurance arrangements may change between the time when you read your employer's *Insurance Guide* and this Document and the day when you become covered for any insurance.

Insurance for Death (including Terminal Illness) & TPD is designed to provide financial support for you and those close to you if you die, become Terminally Ill or satisfy the Insurer's definition of Total and Permanent Disablement as defined in 'The Insurer's definitions for cover' section, see page 58. Cover for Death (and Terminal Illness) is available to eligible members up to age 69 and will cease (at the latest) at age 80. Cover for TPD is also available to eligible members up to age 69 and will cease (at the latest) at age 70.

Eligibility Conditions (for issue of cover)

Insurance cover is available to Eligible Persons. You are an Eligible Person if you are:

- an Australian Resident (as defined by the Insurer, see page 57); or
- a holder of a Visa (as defined by the Insurer, see page 61); and
- an employee, partner or contractor of a participating employer of legalsuper, or a judge; and
- aged 11 to 69 years of age; and
- not an Excluded Member (as defined by the Insurer), see below.

In addition to the eligibility criteria above, if you join or re-join legalsuper on or after 1 November 2020, you need to meet the PMIF requirements (i.e. you are at least 25 years of age and have an account balance of \$6,000 or more) or make an early election to be eligible for default insurance cover.

If you make an early election, the following requirements also apply:

- a valid early election form (i.e. the early election form, completed to the satisfaction of the Insurer) is received by legalsuper within 60 days of the issue date stated on your welcome letter;
- a Superannuation Guarantee (SG) contribution is received in your account; and
- your account balance must be sufficient to pay for at least one month of insurance fees as at the later of:
 - the date of receipt of your valid early election form; or

- the date of receipt of the first SG contribution applied to your account since joining legalsuper.

Your eligibility for insurance cover under the policy will be checked at the time you lodge a claim.

Who is an Excluded Member?

An Excluded Member is any member who satisfies one or more of the following:

- (a) is eligible to claim a terminal illness benefit from any insurer or super fund, or has claimed such a benefit or are otherwise suffering a terminal illness which is expected to reduce their life expectancy to less than 24 months;
- (b) has declined, or elected to discontinue, insurance cover previously held through legalsuper, Law Industry Superannuation Scheme or Legal Industry Superannuation Trust since the member last joined or re-joined;
- (c) in respect of TPD cover, a member who at the time of joining legalsuper has received, or is eligible to receive, a lump sum TPD benefit or similar benefit from any source; or
- (d) a member who has attained the Benefit Expiry Age (70 for TPD cover and 80 for Death cover) when they join or re-join legalsuper.

If condition (a) applies to you, then you are not eligible for any default cover issued automatically or via an early election. If you do not inform us that you are eligible to claim a terminal illness benefit from any super fund or insurer, or have claimed such a benefit or are otherwise suffering a terminal illness which is expected to reduce your life expectancy to less than 24 months, then we'll deduct the usual insurance fee for Death & TPD cover, but you will not be covered for Death or TPD. Any overpaid insurance fees will be refunded.

If condition (b) applies to you, then you are not eligible for default Death & TPD cover issued automatically or via an early election. You may still be eligible for voluntary cover, but you must apply in writing to the Insurer and provide evidence of your health. The Insurer will decide whether to accept or decline your application or to issue it subject to increased insurance fees or exclusions.

If condition (c) applies to you, then any default cover issued automatically or by an early election will be restricted to Death Only cover. However, you may still apply to the Insurer for TPD cover. If you do not inform us that you previously received a TPD benefit when your cover starts, then we will deduct the usual insurance fee for Death & TPD cover, but you will not be covered for TPD. In the event of an insurance claim you will only be covered for Death or Terminal Illness. Any overpaid insurance fees will be refunded.

What default cover is available?

Default cover is cover you may receive automatically (without the need to apply) immediately upon or at some future time after joining legalsuper or via an early election. Default cover is provided in 'units' (Unitised Cover). The number of units received depends on your age when you are eligible for default cover, as shown in the following table:

Table 1: Default Cover Level for eligible members

Age upon receiving default cover	Default Cover Level
before your 25th birthday	2 units*
on or after your 25th birthday	4 units

* Please note that default cover for new members joining or re-joining legalsuper on or after 1 November 2020 who are under 25 years of age or with an account balance less than \$6,000 is only available if you make an early election, including answering a series of questions to the satisfaction of the Insurer. Timeframes apply.

If you are under 25 years of age and have elected to have default cover, an automatic increase from 2 units to 4 units will occur on your 25th birthday unless, after joining legalsuper, you:

- cancel your Death & TPD cover (or Death Only cover if you were issued Death Only cover); or
- cancel your TPD cover; or
- reduced your cover to 1 unit; or
- increased your cover to 3 or more units by any application; or
- converted your cover from Unitised to Fixed Cover; or
- varied the amount of your cover under the terms of the policy.

The amount of cover provided by each unit depends on your age (and will therefore change as you get older). The amount of cover provided by each unit and the total dollar value of the default cover issued either automatically or due to receipt of a valid early election to eligible members are shown in the following table.

Please note that the following table applies to members who have elected to have default cover or members who have met the PMIF requirements (i.e. members aged 25 or over and who have an account balance of at least \$6,000).

Table 2: Unitised cover scale

Age	1 Unit Death & TPD cover (\$)	Default Cover Level 2 Units of Death & TPD cover (\$)	Default Cover Level 4 Units of Death & TPD cover (\$)
Before 25th birthday*	110,000	220,000*	n/a
25 – 44	110,000	n/a	440,000
45 – 49	70,000	n/a	280,000
50 – 54	50,000	n/a	200,000
55 – 59	40,000	n/a	160,000
60 – 64	20,000	n/a	80,000
65 – 69**	10,000	n/a	40,000
70 – 74***	5,000 Death cover only	n/a	20,000 Death cover only
75 – 79***	2,500 Death cover only	n/a	10,000 Death cover only

* Please note that default cover for new members joining or re-joining legalsuper on or after 1 November 2020 who are under 25 years of age or with an account balance less than \$6,000 is only available if you make an early election, including answering a series of questions to the satisfaction of the Insurer. Timeframes apply.

** Please note for members aged 65-70 a restricted TPD definition applies.

*** TPD cover ceases at midnight on the day before an insured member's 70th birthday.

Example

Ava is 23 years old when she joins legalsuper. Under PMIF, Ava will not receive default cover unless she elects to opt-in early, and the following additional requirements are met:

- a valid early election form is received by legalsuper within 60 days of the issue date stated on her welcome letter;
- a SG contribution is received in her account; and
- her account balance must be sufficient to pay for at least one month of insurance fees as at the later of:
 - the date of receipt of her valid early election form; or
 - the date of receipt of the first SG contribution applied to her account since joining legalsuper.

If all of the Eligibility Conditions are met, she will be issued default cover of 2 units of Death & TPD insurance cover at an insurance fee of \$5.28 per week (\$2.64 x 2).

The default cover will be Standard Cover if the first SG contribution is received within 120 days of the date Ava joined legalsuper. If the first SG contribution is received after 120 days, the default cover will be Limited Cover from the default cover start date for at least 12 consecutive months.

If Ava dies or becomes totally and permanently disabled before turning 25, and her insurance claim is accepted by the Insurer, her benefit payment would be \$220,000 (\$110,000 per unit x 2 units) plus the balance of her super account.

Example

Elliot is 30 years old when he joins legalsuper and immediately upon joining legalsuper does not meet the PMIF eligibility requirements.

Also, Elliot does not make an early election to receive default cover.

When Elliot is 32, his account balance has reached \$6,000 and he is issued default cover of 4 units of Death & TPD insurance at an insurance fee of \$10,56 per week (\$2,64 x 4).

The default cover will be Limited Cover from the default cover start date for at least 12 consecutive months.

The Limited Cover will be converted to Standard Cover once Elliot has been At Work for 30 consecutive days, immediately prior to the expiry of the 12 month period.

If Elliot is not At Work for 30 consecutive days immediately prior to the expiry of the 12 month period, his Limited Cover will continue until he has been At Work for 30 consecutive days. Alternatively, Elliot may apply to have his Limited Cover converted to Standard Cover at any time.

If Elliot dies or becomes totally and permanently disabled before turning 45, and his insurance claim is accepted by the Insurer, his benefit payment would be \$440,000 (\$110,000 x 4) plus the balance of his super account.

IMPORTANT: As you get older the value of your Unitised Cover reduces automatically in line with the benefit scale shown in Table 2. It is important that you are aware of the changing level of your cover and whether it continues to meet your needs. You can monitor the changing level of your cover on your annual member statements, by checking your insurance details online or by calling us. If you want the peace of mind of knowing your cover will not reduce as you get older, you may consider applying to convert your Unitised Cover to Fixed Cover. Please refer to the 'Unitised Cover and Fixed Cover' section on pages 39 – 40.

What is Standard Cover?

Standard Cover is cover for any illness or injury you suffer where cover is not affected by the date the illness becomes apparent or the injury occurs to you.

How do I get Standard Cover?

As an Employer-sponsored member and an Eligible Person (see page 33), you will receive Standard Cover at the Default Cover Level under the following scenarios:

1. When you make an early election to have cover before meeting the PMIF requirements

If you join or re-join from 1 November 2020 and do not meet the PMIF requirements but you want to have cover at the Default Cover Level (before meeting the PMIF requirements), you must complete the *Election to Opt-in*

Early for Default Insurance Cover form which includes a series of questions answered to the satisfaction of the Insurer.

You also need to satisfy the following requirements:

- a valid early election form is received by legalsuper within 60 days of the issue date stated on your welcome letter;
- a SG contribution is received in your account; and
- your account balance must be sufficient to pay for at least one month of insurance fees as at the later of:
 - the date of receipt of your valid early election form; or
 - the date of receipt of the first SG contribution applied to your account since joining legalsuper.

The default cover will be Standard Cover if the first SG contribution is received within 120 days of the date you joined or re-joined legalsuper. If the first SG contribution is received after 120 days, the default cover will be Limited Cover.

2. When Limited Cover is converted to Standard Cover

Limited Cover may be converted to Standard Cover as outlined in the section 'Replacement of Limited Cover with Standard Cover' below. Alternatively, you may apply to have your Limited Cover converted to Standard Cover at anytime - you will need to be underwritten (i.e. provide full health evidence and medical history) by completing and returning a *Personal Health Statement* form (that will be assessed by the Insurer).

What is Limited Cover?

If you do not meet the criteria above to be eligible for Standard Cover, your default cover will be Limited Cover. Limited Cover means cover that is comprised of Death cover and New Events TPD Cover. New Events TPD Cover means you are only insured for TPD caused by an illness which first became apparent to you or an injury that occurred on or after the date your cover started or restarted under the current policy.

Replacement of Limited Cover with Standard Cover

1. If you have been provided Limited Cover after you made an early election

If you have been provided default cover after you made an early election, but the default cover is Limited Cover because the first SG contribution is received after 120 days of the date you joined or re-joined legalsuper, the Limited Cover will continue for at least 12 consecutive months from the default cover start date. Limited Cover will be converted to Standard Cover once you have been At Work for 30 consecutive days immediately before the expiry of the 12 month period. If you are not At Work for 30 consecutive days immediately before the expiry of the 12 month period, Limited Cover will continue until you are At Work for 30 consecutive days.

2. If you meet PMIF requirements upon joining or re-joining or at a later date after joining or re-joining

If you are provided default cover but the default cover is Limited Cover because you have met the PMIF requirements (i.e. you are at least 25 years of age and have an account balance of \$6,000 or more) upon joining or re-joining or at a later date after you joined or rejoined as an Employer-sponsored member, the Limited Cover will continue for at least 12 consecutive months from the default cover start date. Limited Cover will be converted to Standard Cover once you have been At Work for 30 consecutive days immediately before the expiry of the 12 month period. If you are not At Work for 30 consecutive days immediately before the expiry of the 12 month period, Limited Cover will continue until you are At Work for 30 consecutive days.

3. If you meet PMIF requirements at a later date after your insurance cover was cancelled at midnight 31 March 2020 due to PMIF

If your insurance cover was cancelled at midnight 31 March 2020 due to PMIF, we will provide you with default cover at the Default Cover Level *automatically* when you later meet the PMIF requirements. This cover will be Limited Cover and will continue for at least 12 consecutive months from the date the default cover recommenced. Limited Cover will be converted to Standard Cover once you have been At Work for 30 consecutive days immediately before the expiry of the 12 month period. If you are not At Work for 30 consecutive days immediately before the expiry of the 12 month period, Limited Cover will continue until you are At Work for 30 consecutive days.

What does being At Work mean?

At Work means you (the eligible person or insured member) is actively performing (or capable of performing) all the duties of your usual occupation without restriction or limitation due to injury or illness, and are not in receipt of and/or entitled to claim income support benefits from any sources including workers' compensation benefits, statutory transport accident benefits or disability income benefits. An Insured Member who does not meet these requirements is correspondingly described as not At Work.

When does default cover start?

1. When you make an early election to have cover before meeting the PMIF requirements

If all of the Eligibility Conditions for issue of default cover are met, the default cover will start from the later of:

- the date a valid early election form is received by legalsuper; or
- the start date of the first SG contribution applied to your account since joining legalsuper.

Example

Ava joins legalsuper on 15 January 2021. The fund then receives a valid early election from Ava on 8 February 2021. On 2 April 2021, the fund receives an SG contribution of \$30 with a contribution start date of 4 January 2021.

The default cover will start from 8 February 2021 (i.e. the later of the date the valid election is received by the fund or the contribution start date) because her account balance is sufficient to pay for 1 month of insurance fees as at 2 April 2021 (i.e. the later of the date the valid election is received by the fund or the date of receipt of the first SG contribution).

The default cover will be Standard Cover since the first SG contribution is received within 120 days of the date Ava joined legalsuper.

However, Ava's insurance cover will be cancelled on 26 March 2021 (last Friday of the month) because her account has insufficient funds to pay the insurance fees due on that date.

2. When you meet PMIF requirements upon joining or re-joining or at a later date after joining or re-joining

If you join or re-join legalsuper and you have not elected to opt-in early for default insurance cover, we will provide you with default cover at the Default Cover Level *automatically* when you meet the PMIF requirements. This cover will be Limited Cover and will start from the later of:

- the date the PMIF requirements are met; or
- the start date of the first SG contribution applied to your account since joining legalsuper.

3. When you meet PMIF requirements at a later date after your insurance cover was cancelled at midnight 31 March 2020 due to PMIF

If your insurance cover was cancelled at midnight 31 March 2020 due to PMIF, we will provide you with default cover at the Default Cover Level *automatically* when you later meet the PMIF requirements. This cover will be Limited Cover and will start from the later of:

- the date the PMIF requirements are met; or
- the start date of the first SG contribution applied to your account since joining legalsuper.

When does cover end?

Cover will end without the need for us to notify you, on the earliest of the following:

- the last Friday of the month in which your account has insufficient funds to enable us to deduct all or part of the insurance fee due in respect of you*;
- the date your super account has not received any contributions for a continuous period of sixteen months (unless you have opted to retain your cover);
- the date the policy ends or the Insurer notifies the Trustee that it has ceased to provide cover;

- the date you commence active duty with the armed forces of any country (except where you are a member of the Australian Defence Force Reserves, in which case, cover will cease only when you become the subject of a call out order under the *Defence Act 1903* (Cth));
- the date you cease to be a member of legalsuper;
- if you are not an Australian Resident, the date you are no longer permanently in Australia or are not eligible to work in Australia;
- the date legalsuper receives your written request for cover to end (unless such request specifies a later date, in which case, the date specified in the request);
- the date you reach the Benefit Expiry Age;
- the date you die;
- the date an insured TPD benefit which is equal to your insured Death benefit is paid or payable in respect of you; or
- the date you are paid an insured Terminal Illness benefit which is equal to the amount of the insured Death Benefit.

* Insurance fees are deducted from your account on the last Friday of each calendar month.

During the course of your membership, if your balance is about to become insufficient to pay the insurance fees, you may have the opportunity to make contributions in order for your cover to continue. If your balance is insufficient to pay insurance fees your insurance cover will end.

As we will use your contact details that we hold on record, it is important that you keep your contact details up to date.

Can I cancel my cover?

Yes. You may cancel any insurance cover in writing, (including email), or over the phone. Your cover will be cancelled from the date we receive your request or a later date as specified by you. If you cancel your cover and subsequently decide that you would like to reinstate your cover, you will need to apply for cover by providing medical and other evidence to the Insurer.

Can I restart my cover once ended?

If you instruct us to cancel your cover and subsequently decide that you would like to reinstate your cover, you will need to apply for cover by providing medical and other evidence to the Insurer. You will not be eligible for default cover and the Insurer will decide whether to accept (on standard or non-standard terms) or decline your application.

If your cover ends due to your account balance being insufficient to pay premiums (insurance fees), you can apply to reinstate your cover but you must provide full medical evidence of your health to the Insurer including completion of a *Personal Health Statement* and the *Superannuation change details – (insurance)* form. The

Insurer may decide to accept your request (on standard or non-standard terms) or decline your request.

Can I increase the amount of my insurance cover?

Yes.

If you are eligible to receive default cover either:

- upon joining or re-joining; or
- by making an early election; or
- by meeting the PMIF requirements within 60 days of the issue date stated on your welcome letter.

You may be eligible to take up a special offer to increase the amount of your existing default Death & TPD cover (or default Death Only cover) up to the Automatic Acceptance Level (AAL) and/or apply for Salary Continuance cover of up to \$6,000 (before income tax) per month within 60 days of the issue date stated on your welcome letter. The AAL is the maximum amount of cover you can obtain without having to provide full evidence of your health. It depends on your age when you became eligible for default insurance cover. If you were under age 45 then the AAL is 6 units and if you were age 45 or older, the AAL is 7 units. If you take up this offer within the required time frame (as described below) you will need to provide a lower level of health evidence than usually applies for applications for insurance cover. To apply you must complete to the satisfaction of the Insurer and sign and date the *Special offer to increase insurance* form including all parts of the Screening Questions. Your application is subject to acceptance by the Insurer.

To qualify for the special offer, you must meet the eligibility requirements to receive default cover and legalsuper must receive the *Special offer to increase insurance* form within 60 days from the date stated on the welcome letter issued to you upon joining legalsuper.

If you are not eligible to apply for the special offer, or you want cover at a higher level than is available under the special offer, then you can select the type of insurance cover to hold (i.e. Death or Death and TPD and/or Salary Continuance cover) and the amount of cover you wish to apply for by completing the *Superannuation change details – (insurance)* form and a *Personal Health Statement* or via *MemberAccess*. Your application will be subject to acceptance by the Insurer, who may offer cover with exclusions and/or increased insurance fees.

Can I reduce my cover?

Yes. You may reduce any insurance cover in writing (including email). Your cover will be reduced from the date we receive your request or a later date as specified by you. If you reduce your cover and subsequently decide that you would like to reinstate your cover to the level of cover you held prior to reducing your cover, you will need to apply for cover by providing medical and other evidence to the Insurer.

Before you change or cancel your cover

You need to consider that having the right insurance cover can help secure your lifestyle in the event of illness or injury or could financially assist your loved ones should you unexpectedly pass away. There are also benefits to having insurance fees automatically deducted from your legalsuper account balance. However, insurance fees reduce your overall account balance.

On the other hand, it may not be appropriate for you to continue your insurance cover via legalsuper.

If you do cancel, you need to consider that you (or your beneficiaries) won't be able to make an insurance claim for an insurable event or condition that happens on or after the cancellation. Claims may still be lodged for something that happened before you cancelled.

If you cancel your insurance cover and then change your mind, you'll be required to apply for any insurance that you might want. This will require you to satisfy eligibility requirements and will require underwriting. As part of your new application, you'll be required to supply detailed health information. Any future application is subject to consideration and acceptance by the Insurer and the Trustee and may be subject to increased insurance fees or exclusions. There is no guarantee that a future application will be successful. You will not be eligible for default cover via legalsuper in the future.

Interim Cover (for Accidents)

If you have applied for cover (either to increase your default cover or because you are not eligible for default cover), while your application is being assessed, you may be eligible for Interim Cover. It provides a benefit if as a result of an Accident (as defined by the Insurer) during the period in which Interim Cover applies, you die or suffer total and permanent disablement. If payable, the benefit will be the same level as the cover applied for, or in the case of increasing your cover, the difference between the requested total level of cover and the level of current cover, up to a maximum of \$1 million.

Interim Cover starts when we receive your fully completed application and will continue until the earlier of:

- the date the Insurer accepts, declines or defers your application;
- 90 days after the date Interim Cover starts;
- 21 days from the date of the Decision Note, in which the Insurer offers non-standard terms (such as increased insurance fees or exclusions, which require your signed acceptance); or
- the date we receive your signed acceptance of the Insurer's offer of non-standard terms (if earlier than 21 days from the date of the Insurer's Decision Note); or
- the date you turn 70.

What is an Accident?

While Interim Cover applies (see above), you will only be covered for death (where you applied for or to increase your death cover) or TPD (where you applied for or to increase your TPD cover) that is caused by an Accident. An Accident means a fortuitous external event which was unexpected and unintended causing death or TPD. The Insurer has determined that the following events are not accidents:

- (1) where one of the contributing causes of injury or death was any of the following conditions:
 - illness;
 - disease;
 - allergy; or
 - any gradual onset of a physical or mental infirmity.
- (2) the injury or death, which was unintended and unexpected, was the result of an intentional act or omission.
- (3) you were injured or died as a result of an activity in respect of which you assumed the risk or courted disaster, irrespective of whether you intended injury or death.

Where there is any doubt as to the cause of the death or TPD sustained as a result of an accident, the cause will be characterised as being the result of an illness.

What is the maximum cover I can have?

- Death – no maximum applies;
- TPD – up to a maximum \$3 million; and
- Terminal Illness cover is limited to \$2 million (provided Death cover of at least that amount is held).

Life Events Cover

Life Events Cover allows you to apply for an additional unit of cover (or 25% of your existing Fixed Cover, if you hold Fixed Cover, subject to a maximum increase of \$200,000) without providing medical evidence if you experience a Life Event. To qualify for this increase in cover, you must complete to the satisfaction of the Insurer and sign and date the *Life Events Application* form including all parts of each Screening Question. Your application is subject to acceptance by the Insurer.

A Life Event includes: marriage; involvement in an interdependent relationship (for two years or more); birth or adoption of a child; your child starting secondary school; or if you take out a mortgage in excess of \$100,000 on your principal place of residence or increase your mortgage on your principal place of residence by more than \$100,000 (excludes redraw and refinancing).

You must apply to increase your existing Death cover or Death and TPD cover within 180 days of the occurrence of the Life Event and provide proof of the Life Event with your application. You may apply for an increase in cover for only one Life Event in any 12 month period, with a maximum of

three Life Events during your membership in legalsuper.

Life Events Cover is not available if:

- you have made or are entitled to make a claim for TPD (in relation to this or any other life insurance policy); or
- you are age 55 or older; or
- you have had an application for insurance previously declined by the Insurer; or
- you have increased your cover under this option in the previous 12 months; or
- you have previously increased your cover under this option for marriage, and you are applying again because of a subsequent marriage.

The Insurer may accept or decline your application.

If your application is accepted, then the increase in cover will be on the same acceptance terms that apply to your existing cover. The start date of your increase in cover will be the date your application is accepted by the Insurer and advised in writing to you.

The *Life Events Application* form is available at legalsuper.com.au

Can I transfer my life insurance cover into legalsuper?

If you have insurance cover through another superannuation fund (but not from a self-managed super fund) or under another individual insurance policy you may be able to transfer up to \$1 million of Death Only or Death and TPD insurance cover (Previous Cover) into legalsuper subject to all of the following:

- your Previous Cover must be current at the time of application. You will need to provide documentary evidence (of the existence and details of your Previous Cover, including any restrictions or exclusions or increased premiums [insurance fees]), which must not be dated more than 60 days earlier than the date the Insurer receives your application;
- the sum of your existing TPD or Terminal Illness cover and any transferred TPD or Terminal Illness cover does not exceed the maximum TPD or Terminal Illness cover, as described above;
- any loadings, restrictions and exclusions which apply to your Previous Cover will also apply to your cover in legalsuper; and
- you must cancel the Previous Cover once you receive written notification of your acceptance by legalsuper. If your Previous Cover is not validly cancelled, then if the Insurer accepts a claim made by you, any benefit payable under the legalsuper policy will be reduced by the benefit payable under the Previous Cover to the extent it should have been cancelled but was not.

Applications require your completion to the satisfaction of the Insurer and signing and dating the *Insurance roll-in* form including all parts of each Screening Question. Your application

is subject to acceptance by the Insurer.

If your application is accepted, you will be notified in writing of the date on which your transferred cover starts.

To apply to transfer your existing cover to legalsuper, please complete the *Insurance roll-in* form available at legalsuper.com.au

Unitised Cover and Fixed Cover

Employer-sponsored members can hold Death Only cover or Death and TPD cover, which can be either Unitised Cover or Fixed Cover. Members cannot hold a combination of Unitised Cover and Fixed Cover.

What is Unitised Cover?

Unitised Cover provides insurance in 'units' where the value of each unit is determined by your age. The amount of cover provided by each unit based on your age is set out on page 34.

Unitised Cover is available for a fixed insurance fee. As you get older, the amount of cover per unit reduces but the weekly insurance fee you pay remains the same. Default Cover (explained on page 34) is provided as Unitised Cover. The weekly insurance fee per unit of cover is:

\$1.86 – Death Only cover only (including Terminal Illness);

\$2.64 – Death (including Terminal Illness) & TPD cover.

The insurance fee will be deducted from your account on a monthly basis in arrears.

What is Fixed Cover?

Fixed Cover means the amount of cover you choose is fixed and does not change as you get older. However the insurance fee you pay will be subject to increases on certain birthdays (and annual increases from your 60th birthday).

The insurance fee for Fixed Cover also depends on your gender and the amount of cover obtained, as shown in Table 3 below. The insurance fee will be deducted from your account on a monthly basis in arrears.

Table 3: Death Only and Death & TPD fixed-dollar insurance – annual insurance fee per \$10,000 of cover

AGE	MALE		FEMALE	
	Death Only Age Rates	Death & TPD Age Rates	Death Only Age Rates	Death & TPD Age Rates
15 – 19*	\$8.56	\$9.78	\$3.48	\$4.00
20 – 24*	\$7.70	\$9.79	\$3.08	\$4.11
25 – 29	\$5.78	\$8.41	\$2.37	\$3.72
30 – 34	\$5.48	\$9.19	\$2.75	\$5.25
35 – 39	\$6.20	\$12.01	\$4.07	\$9.41
40 – 44	\$8.83	\$19.85	\$6.01	\$16.95
45 – 49	\$13.37	\$34.98	\$7.73	\$27.34
50 – 54	\$19.66	\$60.17	\$11.68	\$48.61

AGE	MALE		FEMALE	
	Death Only Age Rates	Death & TPD Age Rates	Death Only Age Rates	Death & TPD Age Rates
55 – 59	\$28.80	\$98.32	\$17.57	\$75.30
60	\$36.76	\$132.41	\$21.91	\$93.85
61	\$39.88	\$146.61	\$23.85	\$102.16
62	\$43.07	\$161.76	\$26.28	\$112.53
63	\$46.38	\$178.02	\$29.18	\$125.01
64	\$49.85	\$195.81	\$32.48	\$139.10
65**	\$65.21	\$233.63	\$44.29	\$167.30
66**	\$74.44	\$268.87	\$51.08	\$193.11
67**	\$84.82	\$310.58	\$58.99	\$223.92
68**	\$96.93	\$360.71	\$67.56	\$260.23
69**	\$109.40	\$416.70	\$77.08	\$301.57
70**	\$126.01	n/a	\$85.37	n/a
71	\$144.94	n/a	\$95.69	n/a
72	\$166.23	n/a	\$108.64	n/a
73	\$190.27	n/a	\$124.20	n/a
74	\$217.33	n/a	\$142.94	n/a
75	\$247.94	n/a	\$165.30	n/a
76	\$282.54	n/a	\$191.87	n/a
77	\$322.06	n/a	\$223.09	n/a
78	\$367.30	n/a	\$259.66	n/a
79	\$418.92	n/a	\$302.23	n/a
80	n/a	n/a	n/a	n/a

* Please note that default cover for new members joining or re-joining legalsuper on or after 1 November 2020 who are under 25 years of age or with an account balance less than \$6,000 is only available if you make an early election, including answering a series of questions to the satisfaction of the Insurer. Timeframes apply.

** Please note for members aged 65-70 a restricted TPD definition applies. TPD cover ceases at midnight on the day before an insured member's 70th birthday.

These rates are not guaranteed and may increase with 30 days' written notice from the Trustee.

Example

Colin is 43 years old and has applied for \$400,000 worth of Fixed Cover Death & TPD insurance. The insurance fee for his first year of cover is calculated as follows:

$$\begin{aligned}
 &\text{Insurance fee for male age 43} \times (\$ \text{ cover} / \$10,000) \\
 &= \$19.85 \times (\$400,000 / \$10,000) \\
 &= \$19.85 \times 40 \\
 &= \$794.00 \text{ per year}
 \end{aligned}$$

If Colin dies or becomes Totally and Permanently Disabled and his insurance claim is accepted by the Insurer, his benefit payment would be \$400,000 plus the balance of his super account.

Converting your Unitised Cover to Fixed Cover

You have the option to replace your Unitised Cover with Fixed Cover at any time. Where an application is made and accepted by the Insurer, you will have your Unitised Cover converted to an equivalent amount of Fixed Cover.

You cannot have a combination of Unitised Cover and Fixed Cover. You can however apply to convert all of your Unitised Cover to Fixed Cover and should your circumstances change, you can apply to change back to Unitised Cover.

Applications to convert the type of cover you hold require your completion to the satisfaction of the Insurer and signing and dating the *Application to convert between unitised and fixed cover* form including all parts of each Screening Question. Your application is subject to acceptance by the Insurer. The *Application to convert between unitised and fixed cover* form is available at legalsuper.com.au

What benefits are payable?

Death benefits

In the event of your death, your spouse or another family member, your employer or legal personal representative must notify legalsuper and provide to legalsuper an acceptable form of proof of death. legalsuper will lodge the claim with the Insurer on their behalf for any insured death benefits.

Subject to the claim being approved by the Insurer, the Trustee will add the proceeds of the insurance claim to your account balance and pay the combined amount as a death benefit.

See pages 68 – 69 for more details on Death benefit nominations.

Terminal Illness benefit

If you are covered for Death Only cover or Death & TPD cover, you are automatically covered for Terminal Illness, which is an advance payment of the insured death benefit. An insured Terminal Illness benefit will be paid if you become Terminally Ill*, as defined in the Insurer's policy provided your Death insurance cover is current.

IMPORTANT: The value of your insured Terminal Illness benefit is calculated at the Incurred Date. The definition of Incurred Date is different for Death cover, TPD cover and Terminal Illness cover. As the value of Unitised Cover reduces as you get older, the value of your Death, TPD or Terminal Illness insurance cover on the Incurred Date may be less than the value shown on your member statement or quoted online or by our staff if you have a birthday between the date of the statement or quotation and your Incurred Date. Please refer to 'The Insurer's definition of cover' section.

The Terminal Illness benefit will be equal to the lower of the insured Death benefit as at the Incurred Date or \$2,000,000. If the amount of your Death cover is greater than \$2,000,000, your remaining Death cover will be reduced by the amount of the insured Terminal Illness benefit paid to you. The remaining amount of your Death cover will be paid upon your death (provided you are aged less than the Benefit Expiry Age of 80, insurance policy remains in force, insurance fees have continued to be paid). If the amount of your Death cover is less than \$2,000,000, your Death cover will cease upon payment of the insured Terminal Illness benefit by the Insurer.

* Please note that the definition of Terminally Ill to satisfy a condition of release of uninsured benefits (i.e. your account balance) is different. Please refer to page 60.

TPD benefit

If you have Death & TPD cover, an insured benefit will become payable to you upon you becoming totally and permanently disabled (as this is defined in the Insurer's policy).

To receive a TPD benefit, you have to meet the conditions of the relevant part of the TPD definition that applies. In reviewing the below, it is important to remember that capitalised terms have special meanings. Please refer to 'The Insurer's definitions for cover' section, on page 58.

TPD Definition 1 applies to an Insured Member who: is aged less than 65 years at the Event Date; and is:

- Gainfully Working on the day immediately prior to the Event Date; and
- Gainfully Employed for at least the Minimum Average Hours.

TPD Definition 2 applies to an Insured Member who:

- is aged either 65, 66, 67, 68 or 69 years of age at the Event Date; or
- is aged less than 65 years at the Event Date and is:
 - not Gainfully Working on the day immediately prior to the Event Date; or
 - not Gainfully Employed for at least the Minimum Average Hours.

Please refer to 'The Insurer's definition of cover' section for TPD Definition 1 and TPD Definition 2 as well as definitions of Event Date, Gainfully Working, Gainfully Employed and Minimum Average Hours.

IMPORTANT: Please note that the Total and Permanent Disablement definition applicable to you may be different from these definitions depending on your circumstances and the date of your illness or injury ('Event Date').

If your Event Date occurred before 8 October 2016 or if your TPD cover started or restarted before 1 July 2014, please contact legalsuper for more information about the relevant definition for your Event Date.

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

How do I claim a TPD benefit?

To lodge a claim for a TPD benefit, contact us and we will assist you with the claim. You should note that the act of us sending your claim forms does not constitute an admission of liability by the Insurer in respect of any claim lodged.

On receipt of completed claim forms and medical reports on your condition, your claim will be assessed by the Insurer to check:

- you met the Insurer's eligibility conditions for cover; and
- you complied with your Duty of Disclosure (this includes your responses to a series of questions to the satisfaction of the Insurer for an election to opt-in early for default insurance cover, Screening Questions for special offers, transfer in cover from another policy, convert between Fixed and Unitised Cover or apply for Life Events Cover); and
- you satisfy the relevant definition of TPD of the insurance policy that applied on your Incurred Date.

As sound medical evidence is vital to a proper and fair assessment, it may be necessary for you to undergo further medical examinations as part of the assessment of your claim. Depending on the nature and complexity of your claim and the medical evidence available, there may be a lengthy period of assessment before a decision can be made by the Insurer.

You will need to provide proof to the Insurer that you have continuously been 'Following the Advice of a Medical Practitioner and a Specialist Medical Practitioner' in relation to the injury or illness for which you are claiming. Please refer to 'The Insurer's definition of cover' section for the definition of 'Following the Advice of a Medical Practitioner and a Specialist Medical Practitioner'.

Where a member has taken out insurance cover for TPD and a claim for payment of a TPD benefit is not accepted by the Insurer, no insured benefit will be payable.

The Trustee will only pay you the amount of any insured benefit that it recovers from the Insurer.

However, where no insured benefit is payable or where the member does not have TPD insurance cover, they may still be entitled to a Permanent Incapacity benefit equal to the net balance of the member's account in accordance with legalsuper's Trust Deed.

Are there any exclusions?

Yes, as listed below:

- The Insurer may exclude any benefit payment if the event giving rise to your death, Terminal Illness or TPD claim is caused directly or indirectly from War;
- A benefit will not be paid to you if your condition is caused by a specific exclusion advised to you in any offer of insurance; and

- A TPD benefit will not be paid to you if the injury or illness which results in your Total and Permanent Disablement is a result of your intentional act or omission.

Can the Insurer reduce or refuse to pay a benefit?

Yes, if:

- the insurance fee is not paid; or
- you did not comply with your Duty of Disclosure including when responding to Screening Questions (this will only apply to the cover or portion of cover which you obtained by the application in which you did not comply with your Duty of Disclosure); or
- you did not meet the Insurer's eligibility conditions to obtain cover; or
- the Insurer's claim requirements have not been complied with; or
- there has been a failure to provide notice of the disability at the start of the disability, to the extent that the Insurer's assessment or management of the claim is prejudiced.

Am I covered when overseas?

The cover provided includes cover whilst you are overseas provided you are an Australian Resident. If you are not an Australian Resident you are only covered for overseas trips of 3 months or less. Any Insured Member claiming a Terminal Illness benefit or a TPD benefit whilst overseas may be required to return to Australia at their own expense for claim assessment and/or provide supporting medical evidence to our Insurer's satisfaction to enable the Insurer to assess their eligibility for payment. If the Insured Member refuses to do so, the Insurer may refuse to pay the claim. Please refer to '*The Insurer's definition of cover*' section for the definition of 'Australian Resident'.

Am I covered if I am on leave?

Yes. Provided insurance fees continue to be paid your cover will continue during periods of paid or unpaid leave. However, different TPD definitions may apply if you suffer TPD while on leave that is not Employer Approved Leave.

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Death & TPD cover

Insurance for Death (including Terminal Illness) & TPD is designed to provide financial support for you and for those close to you if you die, become Terminally Ill or satisfy the Insurer's definition of Total and Permanent Disablement as defined in 'The Insurer's definition of cover' section, on page 58. Cover for Death (and Terminal Illness) is available to eligible members up to age 69 and will cease (at the latest) at age 80. Cover for TPD is also available to eligible members up to age 69 and will cease (at the latest) at age 70.

Eligibility Conditions (for issue of cover)

Insurance cover is available to Eligible Persons. You are an Eligible Person if you are:

- an Australian Resident (as defined by the Insurer, see page 57); or
- a holder of a Visa (as defined by the Insurer, see page 61); and
- aged 11 to 69 years of age; and
- have not joined the Employer-sponsored Division of legalsuper, as you are either self-employed or substantially self-employed; and
- not an Excluded Member (as defined by the Insurer, see below).

In addition to the eligibility criteria above, if you join or re-join legalsuper on or after 1 November 2020, you need to meet the PMIF requirements (i.e. you are at least 25 years of age and have an account balance of \$6,000 or more) or make an early election to be eligible for default insurance cover.

If you make an early election, the following requirements also apply:

- a valid early election form (i.e. the early election form, completed to the satisfaction of the Insurer) is received by legalsuper within 60 days of the issue date stated on your welcome letter;
- a contribution (except a SG contribution) is received in your account; and
- your account balance must be sufficient to pay for at least one month of insurance fees as at the later of
 - the date of receipt of your valid early election form; or
 - the date of receipt of the first contribution (except a SG contribution) applied to your account since joining legalsuper.

Your eligibility for insurance cover under the policy will be checked at the time you lodge a claim.

Who is an Excluded Member?

An Excluded Member is any member who satisfies one or more of the following:

- (a) is eligible to claim a terminal illness benefit from any insurer or super fund, or has claimed such a benefit or is otherwise suffering a terminal illness which is expected to reduce their life expectancy to less than 24 months.

- (b) has declined, or elected to discontinue, insurance cover previously held through legalsuper, Law Industry Superannuation Scheme or Legal Industry Superannuation Trust since the member last joined or re-joined;
- (c) in respect of TPD cover, a member who at the time of joining legalsuper has received, or is eligible to receive, a lump sum TPD benefit or similar benefit from any source;
- (d) a member who has attained the Benefit Expiry Age (70 for TPD cover and 80 for Death cover) when they join or re-join legalsuper; or
- (e) a person whose occupation excludes them from receiving insurance. Further information can be obtained about which occupations are considered as excluded by contacting legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

If condition (b) or (c) applies to you, then you are not eligible for any default cover issued automatically or via an early election (as described below). However, you may still be eligible for voluntary cover, but you must apply in writing to the Insurer and provide evidence of your health. The Insurer will decide whether to accept or decline your application or to issue it subject to increased insurance fees or an exclusion.

If you do not inform us that you have previously received or are eligible to receive a terminal illness or TPD benefit then we'll deduct the usual insurance fee, but you will not be covered for Death or TPD. Any insurance fees deducted in error will be refunded.

What default cover is available?

As a Personal member, you will receive default cover if you:

- 1) are an Eligible Person (this page); and
- 2) either:
 - have made an early election to have default insurance cover; or
 - have met the PMIF requirements (i.e. you are at least 25 years of age and have an account balance of \$6,000 or more).

1. For new members joining or re-joining who make an early election to have cover before meeting the PMIF requirements (this is called 'opting in early for default insurance cover').

If you join or re-join legalsuper and do not meet the PMIF requirements but you want to have cover at the Default Cover Level before meeting the PMIF requirements, you must complete an *Election to Opt-in Early for Default Insurance Cover* form which includes a series of questions to be answered to the satisfaction of the Insurer. The valid form must be received by legalsuper within 60 days of the issue date stated on your welcome letter.

To enable your insurance cover to start, the following requirements must be satisfied:

- a valid early election form (i.e. the early election form, completed to the satisfaction of the Insurer) is received by legalsuper within 60 days of the issue date stated on your welcome letter;
- a contribution (except a SG contribution) is received in your account; and
- your account balance must be sufficient to pay for at least one month of insurance fees as at the later of:
 - the date of receipt of your valid early election form; or
 - the date of receipt of the first contribution (except a SG contribution) applied to your account since joining legalsuper.

Insurance fees are deducted from your account on the last Friday of each calendar month.

If your account balance is insufficient on the last Friday of the month to pay for outstanding insurance fees your insurance cover will end.

2. For members joining or re-joining who do not make an early election to have cover before meeting the PMIF requirements

If you join or re-join legalsuper and you have not elected to opt-in early for default insurance cover, we will provide you with default cover at the Default Cover Level *automatically* when you later meet the PMIF requirements provided any contribution (except a SG contribution) has been received in your account.

3. For members whose cover was cancelled at midnight on 31 March 2020 due to PMIF

If your insurance cover was cancelled at midnight 31 March 2020 due to PMIF, we will provide you with default cover at the Default Cover Level *automatically* when you later meet the PMIF requirements.

If you want to make an early election to receive default insurance cover, you must complete a valid *Election to Opt-in Early for Default Insurance Cover* form including a series of questions to be answered to the satisfaction of the Insurer. This form must be received by legalsuper within 60 days of the issue date stated on your welcome letter. This cover will only commence if your account balance is sufficient to pay the insurance fees.

Eligibility conditions apply and are tested at the time a claim is lodged.

Eligible Personal members will receive default cover of a fixed amount of \$250,000 of Death (including Terminal Illness) and TPD insurance cover. However members are not covered for Death, Terminal Illness or TPD if it was caused directly or indirectly, wholly or partially, by a Pre-Existing Condition. Members may apply to the Insurer to remove this restriction but will need to provide evidence of their health. The Insurer will advise if their application is successful, and if so, the date of the removal of the restriction on Pre-Existing Conditions.

Spouse members do not receive any default cover. If they want fixed Death cover they need to apply to the Insurer and

complete a detailed *Personal Health Statement*, which is available from our website. Cover will be provided subject to underwriting and acceptance by the Insurer. Spouse members are not eligible to apply for TPD insurance.

Members may cancel their default cover at any time. See '*Can I change my insurance cover*' (below) for further details.

What is a Pre-Existing Condition?

A Pre-Existing Condition means an injury that you suffered or an illness which first became apparent to you on or before the date your cover started or restarted under the current policy. You can apply in writing to the Insurer to have this restriction removed. Removal of this restriction is at the discretion of the Insurer after considering detailed medical evidence of your health.

What is Fixed Cover?

Having Fixed Cover means your amount of cover is fixed and does not change as you get older. However, the insurance fee you pay will increase as you get older. For more information on insurance fees for Fixed Cover, please see pages 39 – 40.

When does cover start?

Default cover for eligible Personal members will commence on the later of:

- the date that a valid *Election to Opt-in Early for Default Insurance Cover* form is received by legalsuper;
- the date the first contribution (except a SG contribution) is received into their account; and
- the date they meet PMIF requirements (i.e. they are at least 25 years of age and have an account balance of \$6,000 or more).

Cover for Spouse members will commence when their application for cover is approved (in writing) by the Insurer, provided there are contributions in their account which are sufficient to cover insurance fees.

Can I change my insurance cover?

Personal members can complete and submit the *Superannuation change details – (insurance)* form to or go to MemberAccess:

- apply to increase their Death & TPD cover (or Death Only cover) beyond the default cover*;
- apply for Salary Continuance cover*;
- cancel or reduce the amount of their existing cover. You may cancel any insurance cover in writing, (including email), or over the phone. Your cover will be cancelled from the date we receive your request or a later date as specified by you. If you cancel your cover and subsequently decide that you would like to reinstate your cover, you will need to apply for cover by providing health and other evidence. Any cover will be subject to the Insurer's approval and you will not be eligible for default cover again in this legalsuper account.

* Applications (including evidence of your health and pastimes) will be subject to acceptance by the Insurer and may be subject to increased insurance fees or exclusions.

Eligible Spouse members can:

- apply for Death cover by completing the *Superannuation change details – (insurance)* form and a *Personal Health Statement*. Spouse members are not eligible to apply for TPD insurance; or
- cancel or reduce the amount of any existing cover. You may cancel any insurance cover in writing, (including email), or over the phone. Your cover will be cancelled from the date we receive your request or a later date as specified by you. If you cancel your cover and subsequently decide that you would like to reinstate your cover, you will need to apply for cover by providing medical and other evidence to the Insurer. You will not be eligible for automatic cover and the Insurer will decide whether to accept (on standard or non-standard terms) or decline your application.

Before you change or cancel your cover

You need to consider that having the right insurance cover can help secure your lifestyle in the event of illness or injury or could financially assist your loved ones should you unexpectedly pass away. There are also benefits to having insurance fees automatically deducted from your legalsuper account balance. However, insurance fees reduce your overall account balance.

On the other hand, it may not be appropriate for you to continue your insurance cover via legalsuper.

If you do cancel, you need to consider that you (or your beneficiaries) won't be able to make an insurance claim for an insurable event or condition that happens on or after the cancellation. Claims may still be lodged for something that happened before you cancelled.

If you cancel your insurance cover and then change your mind, you'll be required to apply for any insurance that you might want. This will require you to satisfy eligibility requirements and will require underwriting. As part of your new application, you'll be required to supply detailed health information. Any future application is subject to consideration and acceptance by the Insurer and the Trustee and may be subject to increased insurance fees or exclusions. There is no guarantee that a future application will be successful. You will not be eligible for default cover via legalsuper in the future.

Interim Cover (for Accidents)

If you have applied for cover (either to increase your default cover or because you are not eligible for default cover), you may be eligible for Interim Cover, while your application is assessed. Interim Cover provides a benefit if as a result of an Accident (as defined by the Insurer) during the period in which Interim Cover applies, you die or suffer TPD. If payable, the benefit will be the same level as the cover

applied for, or in the case of increasing your cover, the difference between the requested total level of cover and the level of current cover, in either case, up to a maximum of \$1 million.

Interim Cover starts when we receive your fully completed application and will continue until the earlier of:

- the date the Insurer accepts, declines or defers your application;
- 90 days after the date Interim Cover starts;
- 21 days from the date of the Decision Note, in which the Insurer offers non-standard terms (such as increased insurance fees or exclusions, which require your signed acceptance);
- the date we receive your signed acceptance of the Insurer's offer of non-standard terms (if earlier than 21 days from the date of the Insurer's Decision Note); or
- the date you turn 70.

What is an Accident?

While Interim Cover applies, you will only be covered for death or TPD that is caused by an Accident. An Accident means a fortuitous external event which was unexpected and unintended causing death or TPD. The Insurer has determined that the following events are not accidents:

- (1) where one of the contributing causes of injury or death was any of the following conditions:
 - illness;
 - disease;
 - allergy;
 - any gradual onset of a physical or mental infirmity.
- (2) the injury or death, which was unintended and unexpected, was the result of an intentional act or omission.
- (3) you were injured or died as a result of an activity in respect of which you assumed the risk or courted disaster, irrespective of whether you intended injury or death.

Where there is any doubt as to the cause of the death or TPD sustained as a result of an accident, the cause will be characterised as being the result of an illness.

What is the maximum cover I can have?

Death – no maximum applies

TPD – up to \$3 million

Terminal Illness cover is limited to \$2 million (provided Death cover of at least that amount is held).

Can I transfer my life insurance cover into legalsuper?

Spouse members are not eligible to transfer cover into legalsuper.

For Personal members who have insurance cover through another superannuation fund (but not from a self managed super fund) or under another individual insurance policy (but not from a self managed super fund) you may be able to

transfer up to \$1 million of Death Only or Death and TPD insurance cover (Previous Cover) into legalsuper subject to all of the following:

- your Previous Cover must be current at the time of application. You will need to provide documentary evidence (of the existence and details of your Previous Cover, including any restrictions or exclusions or increased premiums [insurance fees]), which must not be dated more than 60 days earlier than the date the Insurer receives your application;
- any loadings, restrictions and exclusions which apply to your Previous Cover will also apply to your cover in legalsuper;
- the sum of your existing TPD or Terminal Illness cover and any transferred TPD or Terminal Illness cover does not exceed the maximum TPD or Terminal Illness cover; and
- you must cancel the Previous Cover once you receive written notification of your acceptance by legalsuper. If your Previous Cover is not validly cancelled, then if the Insurer accepts a claim any benefit payable under the legalsuper policy will be reduced by the benefit payable under the Previous Cover to the extent it should have been cancelled but was not.

Applications require provision of responses to the satisfaction of the Insurer to some Screening Questions about your health, and are subject to acceptance by the Insurer.

If your application is accepted, you will be notified in writing of the date on which your transferred cover starts.

To apply to transfer your existing cover to legalsuper, please complete the *Insurance roll-in* form available at legalsuper.com.au or call us on **1800 060 312** (8am to 8pm [AEST] Monday to Friday) and we'll send it to you.

Fixed Cover – insurance fees

The insurance fee for cover depends on your age, gender and the amount of cover obtained, as shown in Table 1 below.

Spouse members may apply for Death Only cover (including Terminal Illness) but not for Death & TPD cover.

Table 1: Death Only or Death & TPD insurance – annual insurance fee per \$10,000 of cover

AGE	MALE		FEMALE	
	Death Only Age Rates	Death & TPD Age Rates	Death Only Age Rates	Death & TPD Age Rates
15 – 19*	\$8.56	\$9.78	\$3.48	\$4.00
20 – 24*	\$7.70	\$9.79	\$3.08	\$4.11
25 – 29	\$5.78	\$8.41	\$2.37	\$3.72
30 – 34	\$5.48	\$9.19	\$2.75	\$5.25
35 – 39	\$6.20	\$12.01	\$4.07	\$9.41
40 – 44	\$8.83	\$19.85	\$6.01	\$16.95
45 – 49	\$13.37	\$34.98	\$7.73	\$27.34
50 – 54	\$19.66	\$60.17	\$11.68	\$48.61

AGE	MALE		FEMALE	
	Death Only Age Rates	Death & TPD Age Rates	Death Only Age Rates	Death & TPD Age Rates
55 – 59	\$28.80	\$98.32	\$17.57	\$75.30
60	\$36.76	\$132.41	\$21.91	\$93.85
61	\$39.88	\$146.61	\$23.85	\$102.16
62	\$43.07	\$161.76	\$26.28	\$112.53
63	\$46.38	\$178.02	\$29.18	\$125.01
64	\$49.85	\$195.81	\$32.48	\$139.10
65**	\$65.21	\$233.63	\$44.29	\$167.30
66**	\$74.44	\$268.87	\$51.08	\$193.11
67**	\$84.82	\$310.58	\$58.99	\$223.92
68**	\$96.93	\$360.71	\$67.56	\$260.23
69**	\$109.40	\$416.70	\$77.08	\$301.57
70**	\$126.01	n/a	\$85.37	n/a
71	\$144.94	n/a	\$95.69	n/a
72	\$166.23	n/a	\$108.64	n/a
73	\$190.27	n/a	\$124.20	n/a
74	\$217.33	n/a	\$142.94	n/a
75	\$247.94	n/a	\$165.30	n/a
76	\$282.54	n/a	\$191.87	n/a
77	\$322.06	n/a	\$223.09	n/a
78	\$367.30	n/a	\$259.66	n/a
79	\$418.92	n/a	\$302.23	n/a
80	n/a	n/a	n/a	n/a

* Please note that default cover for new members joining or re-joining legalsuper on or after 1 November 2020 who are under 25 years of age or with an account balance less than \$6,000 is only available if you make an early election, including answering a series of questions to the satisfaction of the Insurer. Timeframes apply.

** Please note for members aged 65-70 a restricted TPD definition applies. TPD cover ceases at midnight on the day before an insured member's 70th birthday. These rates are not guaranteed and may increase with 30 days' written notice from the Trustee.

Example

Colin is a Personal member aged 43 and has applied for \$400,000 worth of Fixed Cover Death & TPD insurance. The insurance fee for his first year of cover is calculated as follows:

$$\begin{aligned}
 &\text{Insurance fee for male age 43} \times (\$ \text{ cover} / \$10,000) \\
 &= \$19.85 \times (\$400,000 / \$10,000) \\
 &= \$19.85 \times 40 \\
 &= \$794.00 \text{ per year}
 \end{aligned}$$

If Colin dies or becomes Totally and Permanently Disabled and his insurance claim is accepted by the Insurer, his benefit payment would be \$400,000 plus the balance of his super account.

What benefits are payable?

Death benefits

In the event of your death, your spouse or another family member or legal personal representative must notify legalsuper. legalsuper will lodge the claim with the Insurer on their behalf for any insured death benefit.

Subject to the claim being approved by the Insurer, the Trustee will add the money paid by the Insurer to your account balance and pay the combined amount as a death benefit.

See pages 68 – 69 for more details on Death benefit nominations.

Terminal Illness benefit

If you are covered for Death Only cover or Death & TPD cover, you are automatically covered for Terminal Illness, which is an advance payment of the insured death benefit. An insured Terminal Illness benefit will be paid if you become Terminally Ill*, as defined in the Insurer's policy provided your Death insurance cover is current.

Please refer to *'The Insurer's definitions for cover'* section.

IMPORTANT: The value of your insured Terminal Illness benefit is calculated at the Incurred Date. The definition of Incurred Date is different for Death cover, TPD cover and Terminal Illness cover.

The Terminal Illness benefit will be equal to the lower of the insured Death benefit as at the Incurred Date or \$2,000,000. If the amount of your Death cover is greater than \$2,000,000, your remaining Death cover will be reduced by the amount of the insured Terminal Illness benefit paid to you. The reduced amount of your Death cover will be paid upon your death (provided you die before the Benefit Expiry Age of 80, the insurance policy remains in force, and insurance fees have continued to be paid). If the amount of your Death cover is less than \$2,000,000, your Death cover will cease upon payment of the insured Terminal Illness benefit by the Insurer.

* Please note that the definition of Terminally Ill to satisfy a condition of release of uninsured benefits (i.e. your account balance) is different. Please refer to page 60.

TPD benefit

For Personal members, if you have Death & TPD cover, an insured benefit will become payable to you upon you becoming totally and permanently disabled (as this term is defined in the Insurer's policy).

To receive a TPD benefit, you have to meet the conditions of the relevant part of the TPD definition that applies.

When reading the below, it is important to remember that capitalised terms have special meanings. Please refer to *'The Insurer's definitions for cover'* section, on page 58.

TPD Definition 1 applies to an Insured Member who:

is aged less than 65 years at the Event Date; and is:

- Gainfully Working on the day immediately prior to the Event Date; and

- Gainfully Employed for at least the Minimum Average Hours.

TPD Definition 2 applies to an Insured Member who:

- is aged either 65, 66, 67, 68 or 69 years of age at the Event Date; or
- is aged less than 65 years at the Event Date and is:
 - not Gainfully Working on the day immediately prior to the Event Date; or
 - not Gainfully Employed for at least the Minimum Average Hours.

Please refer to *'The Insurer's definitions for cover'* section, on pages 57 – 61, for TPD Definition 1 and TPD Definition 2 as well as definitions of Event Date, Gainfully Working, Gainfully Employed and Minimum Average Hours.

IMPORTANT: Please note that the Total and Permanent Disablement definition applicable to you may be different from these definitions depending on your circumstances and the date of your illness or injury ('Event Date').

If your Event Date occurred before 8 October 2016 or if your TPD cover started or restarted before 1 July 2014, please contact legalsuper for more information about the relevant definition for your Event Date.

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

How do I claim a TPD benefit?

Personal members who wish to lodge a claim for a TPD benefit must contact us and we will assist you with the claim. You should note that the act of us sending your claim forms does not constitute an admission of liability by the Insurer in respect of any claim lodged.

On receipt of completed claim forms and medical reports on your condition, your claim will be assessed by the Insurer to check:

- you met the Insurer's eligibility conditions for cover; and
- you complied with your Duty of Disclosure (this includes your responses to a series of questions to the satisfaction of the Insurer for an election to opt-in early for default insurance cover and/or Screening Questions to transfer in cover from another policy); and
- you satisfy the relevant definition of TPD of the insurance policy that applied on your Incurred Date.

As sound medical evidence is vital to a proper and fair assessment, it may be necessary to undergo more than one medical examination while your claim is being assessed. Depending on the nature of your claim and the medical evidence provided, there may be a lengthy period of assessment before a decision can be made.

You will need to provide proof to the Insurer that you have continuously been 'Following the Advice of a Medical Practitioner and a Specialist Medical Practitioner' in relation to the injury or illness for which you are claiming. Please refer to *'The Insurer's definitions for cover'* section for the definition of

'Following the Advice of a Medical Practitioner and a Specialist Medical Practitioner'.

Where a member has taken out insurance cover for TPD and a claim for payment of a TPD benefit is not accepted by the Insurer, no insured benefit will be payable. The Trustee will only pay you the amount of any insured benefit that it recovers from the Insurer.

However, where no insured benefit is payable or where the member does not have TPD insurance cover, they may still be entitled to a Permanent Incapacity benefit equal to the net balance of the member's account in accordance with legalsuper's Trust Deed.

Are there any exclusions?

Yes, as listed below:

- The Insurer may exclude any benefit payment if the event giving rise to the claim is caused directly or indirectly from War.
- For Personal members with default Fixed Cover of \$250,000, where the claim is caused wholly or partially, directly or indirectly, by a Pre-Existing Condition, then no benefit will be payable.
- A benefit will not be paid to you if your condition is caused by a specific exclusion advised to you in any Decision Note issued by the Insurer to you at the time of accepting your application for cover.
- A TPD benefit will not be paid to you if the injury or illness which results in your Total and Permanent Disablement is a result of your intentional act or omission.

Can the Insurer reduce or refuse to pay a benefit?

Yes, if:

- the insurance fee is not paid; or
- you did not comply with your Duty of Disclosure, including your responses to Screening Questions (this will only apply to the cover or portion of cover which you obtained by the application in which you did not comply with your Duty of Disclosure); or
- you did not meet the Insurer's eligibility conditions to obtain any part of your cover; or
- the Insurer's claim requirements have not been complied with; or
- there has been a failure to provide notice of the disability at the start of the disability, to the extent that the Insurer's assessment or management of the claim is prejudiced.

Am I covered when overseas?

The cover provided includes cover whilst you are overseas provided you are an Australian Resident. If you are not an Australian Resident you are only covered for overseas trips of 3 months or less. Any Insured Member claiming a Terminal Illness benefit or a TPD benefit whilst overseas may be required to return to Australia at their own expense for claim assessment and/or provide supporting medical evidence to

our Insurer's satisfaction to enable the Insurer to assess their eligibility for payment. If the Insured Member refuses to do so, the Insurer may refuse to pay the claim. Please refer to 'The Insurer's definitions for cover' section for the definition of 'Australian Resident'.

Am I covered if I am on leave?

Yes. Provided insurance fees continue to be paid your cover will continue during periods of paid or unpaid leave. However, different TPD definitions may apply if you suffer TPD while on leave that is not Employer Approved Leave.

When does cover end?

Cover will end without the need for us to notify you, on the earliest of the following:

1. the last Friday of the month in which your account has insufficient funds to enable us to deduct all or part of the insurance fee due in respect of you*;
2. the date the policy ends or the Insurer notifies the Trustee that it has ceased to provide cover;
3. the date you commence active duty with the armed forces of any country (except where you are a member of the Australian Defence Force Reserves, in which case, cover will cease only when the Reservist becomes the subject of a call out order under the *Defence Act 1903* (Oth));
4. the date you cease to be a member of legalsuper;
5. if you are not an Australian Resident, the date you no longer permanently live in Australia or are not eligible to work in Australia;
6. the date legalsuper receives your written request for cover to end (unless such request specifies a later date, in which case, the date specified in the request);
7. the date you reach the Benefit Expiry Age;
8. the date you die;
8. the date an insured TPD benefit which is equal to your insured Death benefit is paid or payable in respect of you;
9. the date you are paid an insured Terminal Illness benefit which is equal to the amount of the insured Death Benefit; or
10. the date your super account has not received any contributions for a continuous period of sixteen months (unless you have opted to retain your cover).

* Insurance fees are deducted from your account on the last Friday of each calendar month.

During the course of your membership, if your balance is about to become insufficient to pay the insurance fees, you may have the opportunity to make contributions in order for your cover to continue. If your balance is insufficient to pay insurance fees your insurance cover will end. As we will use your contact details that we hold on record, it is important that you keep your contact details up to date.

Salary Continuance insurance

Spouse members are not eligible for Salary Continuance insurance.

Insurance for Salary Continuance is designed to provide a monthly income if you are unable to work due to a qualifying injury or illness. To qualify for payment of a benefit, you will need to be Totally Disabled (TD) or Partially Disabled (PD) as defined by the Insurer, please refer to 'The Insurer's definitions for cover' section.

You can apply for cover of up to 85% of your monthly Salary. Salary is as defined on page 59. In the event of a successful claim and after the expiry of your chosen Waiting Period, 75% of your monthly Pre-Disability Salary is paid by the Insurer to you and 10% of your monthly Pre-Disability Salary is paid by the Insurer into your superannuation account with us.

If you have been Totally Disabled and then you subsequently are only Partially Disabled (because you can return to work but not at your usual capacity), a lower benefit (a Partial Disability benefit) may be payable.

If you are Totally Disabled for longer than the Waiting Period, you may also be Totally and Permanently Disabled. If so, a TPD benefit may also be paid to you. Please refer to pages 31 – 47 for more information on TPD insurance cover.

Please note that all benefits are paid monthly in arrears. This means that the first payment will not be paid before 30 days after the expiry of the Waiting Period.

Eligibility Conditions

Eligible Persons may apply for Salary Continuance cover. To be an Eligible Person, you must:

- be a member of legalsuper;
- be employed or engaged in any gainful occupation for salary, reward or profit to work for at least 15 hours per week on a regular basis in your principal occupation;
- work at least 15 hours per week on a regular basis at the date your cover starts or restarts under this insurance policy;
- not be engaged in an Excluded Occupation as (defined within the existing insurance policy);
- not be engaged on a Casual basis, as defined by the Insurer;
- be aged 15 years or more but less than the Benefit Expiry Age (age 60 or 65 depending on the Benefit Period you have applied for); and
- be an Australian citizen or a New Zealand citizen or an 'Australian permanent resident' within the meaning of the *Migration Act 1958* (Cth) and *Migration Regulations 1994* (Cth); or
- be a holder of a Visa (as defined by the Insurer, see page 61).

When your cover starts

Salary Continuance cover is not automatically provided to members. You must complete and submit an application to the Insurer. Salary Continuance cover will only be provided if the Insurer accepts your application.

The cover commences from the date of acceptance by the Insurer and payment of the insurance fee. You will be notified in writing of the Insurer's decision.

How to apply for cover

You may apply for cover by completing a *Superannuation change details – (insurance)* form, together with a *Personal Health Statement*, which contains questions about your health that will be assessed by the Insurer. You may also apply online using MemberAccess and simply follow the prompts.

Interim Cover (for Accidents)

While the Insurer is considering your application, you will receive Interim Cover. If you are eligible, Interim Cover starts from the date an application for cover is received by the Insurer. A fully completed paper application must be received within 30 days from the date the application is signed.

Where Interim Cover applies, the Insurer will cover you for TD that is caused by an Accident, up to a maximum monthly benefit, of the lesser of:

- \$5,000 per month (if your application is later accepted and a higher monthly benefit becomes payable for the same period, this amount will be deducted from that benefit payment);
- the benefit amount applied for; and
- the difference between the benefit amount applied for and any existing insurance with the Insurer which is to be replaced.

Interim Cover starts when we receive your fully completed application and will continue until the earlier of:

- the date the Insurer accepts, declines or defers your application;
- 90 days after the date Interim Cover starts;
- 21 days from the date of the Decision Note, in which the Insurer offers non-standard terms (such as increased insurance fees or exclusions, which require your signed acceptance); or
- the date we receive your signed acceptance of the Insurer's offer of non-standard terms (if earlier than 21 days from the date of the Insurer's Decision Note); or
- the date you turn 65.

The Interim Cover benefit will be paid from the end of the Waiting Period applied for, for the lesser of the period of TD (caused by an Accident) and six months.

Other conditions apply.

What is an Accident?

While Interim Cover applies, you will only be covered for Disability that is caused by an Accident. An Accident means a fortuitous external event which was unexpected and unintended causing Disability: either TD or PD. The Insurer has determined that the following events are not Accidents:

- (1) where one of the contributing causes or Disability was any of the following conditions:
 - illness;
 - disease;
 - allergy; or
 - any gradual onset of a physical or mental infirmity.
- (2) the Disability, which was unintended and unexpected, was the result of an intentional act or omission; or
- (3) you were injured or died as a result of an activity in respect of which you assumed the risk or courted disaster, irrespective of whether you intended injury or death.

Where there is any doubt as to the cause of the Disability sustained as a result of an accident, the cause will be characterised as being the result of an illness.

Your choice of Waiting Periods

A Waiting Period is the number of consecutive days you must be Totally Disabled or Partially Disabled before any Salary Continuance benefit is payable. The Waiting Period commences on the day a medical practitioner examines you and certifies that you are Totally Disabled, provided this date is after the date your cover under the policy starts.

legalsuper offers members a choice of three Waiting Periods: 30, 60 or 90 days. No benefits are payable during the Waiting Period. The Waiting Period that applies is the Waiting Period that you have been accepted for. During the Waiting Period, you can return to work for up to five days without having to start a new Waiting Period. If this occurs, the days worked will be added to your Waiting Period.

If you return to work during the Waiting Period for more than five days, your Waiting Period will restart from the date you stop working again.

Benefit Period

In your application for cover, you will need to select the Benefit Period that applies to your cover.

The Benefit Period is the length of time that you may continue to receive a benefit payment if you are unable to work due to illness or injury, and you satisfy the Insurer's definition of Totally Disabled or Partially Disabled.

Your Benefit Period will be determined by the choice you made in your last application for Salary Continuance insurance which was approved by the Insurer.

Members can choose either the standard Benefit Period or from two optional Benefit Periods.

1. Standard Benefit Period

The standard Benefit Period is a maximum of two years. Benefit payments will not be made beyond age 65. Insurance fees are set out in Table 3 on page 50.

2. Optional Benefit Periods

The optional Benefit Periods have higher insurance fees. Members can choose from the following options:

- Monthly benefits payable to age 60. Insurance fees are set out in Table 4 on page 51.
- Monthly benefits payable to age 65. Insurance fees are set out in Table 5 on page 52.

If your Benefit Period is to age 60 or to age 65, the amount of your monthly benefit will be adjusted according to an escalation factor. Twelve months after a Total or Partial Disability benefit has been continuously paid, your monthly benefit will be increased by the lesser of the annual CPI increase and 5%.

Your monthly benefit will not decrease if the percentage change in CPI is negative.

The insurance fee

Salary Continuance insurance is issued in units of cover. If payable, each unit of cover provides a benefit of \$100 per month, including any Superannuation Contribution Benefit. Any calculation of units will be rounded up.

Insurance fees will be deducted from your account on a monthly basis in arrears. The insurance fee is determined by your gender, age and your choice of Waiting Period and Benefit Period.

Insurance fees for standard Benefit Period

The following table shows the annual insurance fee payable per unit of \$100 monthly benefit payable for up to two years.

Table 3: Salary Continuance insurance – annual insurance fee per unit*: standard Benefit Period

Age	MALES – Waiting Period			FEMALES – Waiting Period		
	30 days	60 days	90 days	30 days	60 days	90 days
15 – 19	\$3.16	\$1.83	\$1.18	\$3.51	\$2.01	\$1.28
20 – 24	\$3.29	\$1.92	\$1.20	\$3.62	\$2.09	\$1.32
25 – 29	\$3.52	\$2.08	\$1.17	\$4.14	\$2.41	\$1.48
30 – 34	\$4.26	\$2.50	\$1.29	\$5.42	\$3.14	\$1.73
35 – 39	\$5.64	\$3.34	\$1.74	\$7.40	\$4.31	\$2.33
40 – 44	\$7.74	\$4.75	\$2.71	\$10.07	\$6.12	\$3.71
45 – 49	\$10.91	\$6.73	\$4.59	\$13.58	\$8.29	\$6.09
50 – 54	\$15.91	\$10.60	\$8.11	\$18.38	\$11.96	\$9.58
55 – 59	\$24.29	\$16.25	\$14.37	\$25.53	\$16.69	\$14.06
60	\$31.75	\$22.42	\$19.85	\$31.56	\$20.90	\$17.07
61	\$34.95	\$24.70	\$22.10	\$34.01	\$22.56	\$18.06
62	\$37.39	\$25.91	\$22.52	\$30.64	\$23.20	\$17.56
63	\$25.47	\$16.65	\$12.75	\$24.21	\$14.88	\$9.67
64	\$8.40	\$5.49	\$4.21	\$7.99	\$4.92	\$3.19

* Each unit of cover provides a monthly benefit of \$100, or \$1200 per annum. This includes the Superannuation Contribution Benefit. The above rates include nominal stamp duty. Actual stamp duty is payable based on the Insured Member's state of residence.

Example

Michael is 34 years old and earns a Salary (please see 'The Insurer's definitions for cover' section for the Insurer's definition) of \$120,000 per year.

He has chosen a 30-day Waiting Period, and a standard two-year Benefit Period, and has elected to insure 85% of his Salary, which includes a 10% Superannuation Contribution Benefit.

His monthly Salary Continuance cover (including a 10% Superannuation Contribution Benefit) is:

$$\frac{\$120,000 \times 85\%}{12 \text{ months}} = \$8,500 \text{ per month}$$

The number of units of cover held is calculated as:

$$\frac{\$8,500}{\$100} = 85$$

In the event of a claim approved by the Insurer, a disability income benefit of 75 units of \$100 each would be payable, together with a Superannuation Contribution Benefit of 10 units of \$100 each.

The insurance fee for this cover is calculated as:

$$85 \text{ units} \times \$4.26 \text{ (insurance fee for males who have chosen a 30 day Waiting Period and whose age falls in the 30 to 34 year old age band)} = \$362.10 \text{ per year.}$$

Insurance fees for optional Benefit Period to age 60

The following table shows the annual insurance fee payable per unit of \$100 monthly benefit, paid to age 60. The escalation factor is the lesser of 5% or CPI.

Table 4: Salary Continuance insurance – annual insurance fee per unit*: optional Benefit Period to age 60

Age	MALES – Waiting Period			FEMALES – Waiting Period		
	30 days	60 days	90 days	30 days	60 days	90 days
15 – 19	\$10.50	\$5.86	\$4.45	\$14.07	\$7.93	\$6.38
20 – 24	\$11.56	\$6.55	\$4.85	\$15.42	\$8.75	\$6.93
25 – 29	\$13.66	\$7.81	\$5.24	\$19.25	\$11.02	\$8.56
30 – 34	\$17.79	\$10.12	\$6.28	\$26.77	\$15.15	\$10.45
35 – 39	\$24.60	\$14.04	\$8.75	\$37.54	\$21.31	\$14.25
40 – 44	\$34.08	\$20.16	\$13.46	\$50.32	\$29.67	\$21.66
45 – 49	\$46.15	\$27.26	\$21.31	\$63.00	\$37.02	\$31.83
50 – 54	\$58.66	\$36.98	\$31.22	\$70.99	\$43.92	\$39.33
55	\$62.35	\$38.89	\$34.72	\$69.20	\$42.27	\$37.98
56	\$60.94	\$37.72	\$33.80	\$65.53	\$39.70	\$34.94
57	\$54.31	\$33.06	\$28.75	\$57.03	\$33.95	\$28.29
58	\$37.53	\$21.53	\$16.64	\$39.20	\$22.01	\$15.83
59	\$12.38	\$7.11	\$5.49	\$12.93	\$7.26	\$5.23

* The above rates include nominal stamp duty. Actual stamp duty is payable based on the Insured Member's state of domicile. Each unit of cover provides a monthly benefit of \$100, or \$1200 per annum. This includes the Superannuation Contribution Benefit.

Example

Sandra is 24 years old and earns a Salary (as defined by the Insurer, please refer to 'The Insurer's definitions for cover' section) of \$60,000 per year.

She has chosen a 60-day Waiting Period, and to receive a benefit until age 60, and has elected to insure 85% of her Salary, which includes a 10% Superannuation Contribution Benefit

Her monthly Salary Continuance cover (including a 10% Superannuation Contribution Benefit) is:

$$\frac{\$60,000 \times 85\%}{12 \text{ months}} = \$4,250 \text{ per month}$$

The number of units of cover held is calculated as:

$$\frac{\$4,250}{\$100} = 42.50 \text{ (round up to 43 units)}$$

In the event of a claim approved by the Insurer, a disability income benefit of 38 units of \$100 each would be payable, together with a Superannuation Contribution Benefit of 5 units of \$100 each.

The insurance fee for this cover is calculated as:

$$43 \text{ units} \times \$8.75 \text{ (insurance fee for females who have chosen a 60 day Waiting Period and whose age falls in the 20 to 24 year old age-band)} = \$376.25 \text{ per year.}$$

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Insurance fees for optional Benefit Period to age 65

The following table shows the annual insurance fee payable per unit of \$100 monthly benefit paid to age 65. The escalation factor is the lesser of 5% or CPI.

Table 5: Salary Continuance insurance – annual insurance fee per unit*: optional Benefit Period to age 65

Age	MALES – Waiting Period			FEMALES – Waiting Period		
	30 days	60 days	90 days	30 days	60 days	90 days
15 – 19	\$10.56	\$5.91	\$4.50	\$14.31	\$8.05	\$6.55
20 – 24	\$11.67	\$6.61	\$4.92	\$15.76	\$8.95	\$7.14
25 – 29	\$13.89	\$7.96	\$5.35	\$19.84	\$11.37	\$8.87
30 – 34	\$18.28	\$10.41	\$6.47	\$28.00	\$15.86	\$11.02
35 – 39	\$25.66	\$14.68	\$9.22	\$40.08	\$22.76	\$15.36
40 – 44	\$36.39	\$21.57	\$14.53	\$55.30	\$32.68	\$24.14
45 – 49	\$51.20	\$30.37	\$24.10	\$72.64	\$42.84	\$37.48
50 – 54	\$70.86	\$45.06	\$39.20	\$90.26	\$56.29	\$52.17
55 – 59	\$93.07	\$58.77	\$56.97	\$102.90	\$63.64	\$59.60
60	\$100.60	\$66.16	\$62.11	\$101.30	\$62.59	\$54.45
61	\$98.38	\$64.28	\$59.54	\$95.92	\$58.84	\$48.87
62	\$86.78	\$55.74	\$49.45	\$82.71	\$49.91	\$38.54
63	\$58.57	\$35.51	\$27.71	\$55.70	\$31.74	\$20.98
64	\$19.34	\$11.72	\$9.15	\$18.37	\$10.47	\$6.91

* The above rates include nominal stamp duty. Actual stamp duty payable is based on the Insured Member's state of domicile. Each unit of cover provides a monthly benefit of \$100, or \$1200 per annum. This includes the Superannuation Contribution Benefit.

Example

Leo is 49 years old and earns a Salary (as defined by the Insurer, see 'The Insurer's definitions for cover' section) of \$150,000 per year.

He has chosen a 90-day Waiting Period, and to receive a benefit until age 65, and has elected to insure 85% of his Salary, which includes a 10% Superannuation Contribution Benefit.

His monthly Salary Continuance cover (including a 10% Superannuation Contribution Benefit) is:

$$\frac{\$150,000 \times 85\%}{12 \text{ months}} = \$10,625 \text{ per month}$$

The number of units of cover held is calculated as:

$$\frac{\$10,625}{\$100} = 106.25 \text{ (round up to 107 units)}$$

In the event of a claim approved by the Insurer, a disability income benefit of 94 units of \$100 each would be payable, together with a Superannuation Contribution Benefit of 13 units of \$100 each.

The insurance fee for this cover is calculated as:

$$107 \text{ units} \times \$24.10 \text{ (insurance fee for a male who has chosen a 90 day Waiting Period and whose age falls in the 45 to 49 year old age band)} = \$2,578.70 \text{ per year.}$$

When no insurance fees are payable

The Insurer will waive the payment of Salary Continuance fees for you while you are receiving a Total Disability Benefit or Partial Disability Benefit.

This means that Salary Continuance insurance fees will stop after you start receiving a Total Disability Benefit or Partial Disability Benefit and will restart after you stop receiving a Total Disability Benefit or Partial Disability Benefit.

What Salary Continuance benefits are payable from the policy?

The monthly benefit

In the event of Total Disability or Partial Disability, a monthly benefit will be payable. The monthly benefit will be the lesser of:

- the monthly benefit which you were approved for;
- 85% of your Pre-Disability Salary (of which 75% will be payable to you as a disability benefit and 10% will be payable to legalsuper as a superannuation contribution); and
- \$30,000.

Total Disability Benefit

The Insurer will pay a Total Disability Benefit if you:

- are Totally Disabled (see *'The Insurer's definitions for cover'* section) for at least 7 days out of the first 12 consecutive days of the Waiting Period; and
- are Totally Disabled or Partially Disabled for the balance of the Waiting Period; and
- are Totally Disabled at the expiry of the Waiting Period.

The monthly benefit starts to accrue from the day after the end of the Waiting Period.

The monthly benefit is payable in arrears and stops at the earlier of:

- the end of your Benefit Period as shown on the Decision Note issued by the Insurer;
- the date you are no longer Totally Disabled; or
- the earliest date your cover ends (see *'When does Salary Continuance cover end?'* on page 54).

Partial Disability Benefit

The Insurer will pay a Partial Disability Benefit (a portion of the Total Disability benefit) if you satisfy each of the following three conditions: 1) you are Totally Disabled (see *'The Insurer's definitions for cover'* section) for at least 7 days out of the first 12 consecutive days of the Waiting Period, 2) are Totally Disabled or Partially Disabled for the balance of the Waiting Period, and 3) have been continuously Totally Disabled or Partially Disabled since the end of the Waiting Period.

The Partial Disability Benefit will be calculated as follows:

$$\frac{A - B}{A} \times \text{Monthly Benefit}$$

Where:

A is your Pre-Disability Salary

(see *'The Insurer's definitions for cover'* section)

B is the greater of:

- the monthly earnings for the month that the Partial Disability Benefit is payable, provided that this amount is lower than your Pre-Disability Salary; or
- the monthly earnings you could reasonably be expected to earn if you are working to the extent of your capability, for the month that the Partial Disability Benefit is payable. The Insurer will assess the amount you are capable of earning based on medical advice (including that of your medical practitioner), and any other relevant information.

The Partial Disability Benefit begins to accrue from the day after you are no longer Totally Disabled or after the end of the Waiting Period, as the case may be.

The Partial Disability Benefit is payable monthly in arrears and stops at the earlier of:

- the end of your Benefit Period as shown on the Decision Note issued by the Insurer;
- the date you are no longer Partially Disabled; or
- the earliest date your cover ends (see *'When does Salary Continuance cover end?'* on page 54).

Superannuation Contribution Benefit

If a Disability benefit is payable and the Decision Note issued by the Insurer specifies a monthly benefit which is for more than 1/12 of 75% of your Pre-Disability Salary, you will receive a Superannuation Contribution Benefit. You must be and continue to be a member of legalsuper. The amount will be up to 10% of the lesser of your monthly Salary and your Pre-Disability Salary. The (maximum) 10% Salary Contribution benefit will be reduced proportionally where you are entitled to a Partial Disability Benefit or where your Total Disability or Partial Disability Benefit is reduced because you are in receipt of payments that the Insurer can offset against your benefit (see section *'Reduction in Salary Continuance benefits'* on page 55).

Death benefit

If you die while a Total Disability or Partial Disability Benefit is being paid to you the Insurer will pay an additional amount equal to the monthly benefit you were receiving at the date of your death, for one extra month after your death. The amount of this extra payment will be based on the benefit payable in the preceding month and will not include any arrears payment which may have been paid in that month.

Recurring disability

If you suffer a recurrence of a Disability (which means a Total Disability or Partial Disability) which was the cause of an earlier claim within six months of that earlier claim ending the Insurer will treat this subsequent claim as a continuation of the first claim and will waive the Waiting Period with the following conditions:

- if you were engaged in full-time work immediately prior to the commencement of the earlier claim, you must have returned to full-time work after the period of Disability;
- if you were engaged in part-time work immediately prior to the commencement of the earlier claim, you must have returned to full-time work or part-time work after such period of Disability.

Return to work program

When the Insurer is notified of an injury or illness which may result in a claim, it may pay all or some of the expenses incurred in relation to you participating in a return to work program if the Insurer is of the opinion that the program may help you return to work. Any payments will be made to the service provider and must be approved (in writing) by the Insurer in advance.

Maximum benefit

Where a TD or PD benefit is payable, and you are insured for more than 75% of your monthly Pre-Disability Salary, a superannuation contribution up to 10% of your monthly Pre-Disability Salary will be paid in addition to the monthly benefit, provided you are (and continue to be) a member of legalsuper. The maximum monthly benefit payable (including the Superannuation Contribution Benefit) is \$30,000, before the deduction of any income tax.

What happens if I am suffering from more than one injury or illness?

You can only claim one Salary Continuance benefit if you suffer from different types of injuries or illness that exist at the same time. For example, if you receive a monthly benefit for the Benefit Period due to a broken arm, you cannot also claim a monthly benefit during the same period if you suffer from another injury.

Am I covered when overseas?

The Salary Continuance cover provided includes cover whilst you are overseas provided you are an Australian Resident. If you are not an Australian Resident you are only covered for overseas trips of 3 months or less. If after your Salary Continuance benefits start, you are overseas for more than 6 months the Insurer may require you to return to Australia for assessment to prove entitlement to a disability benefit in Australia. If you fail to do so, the Insurer may, in its discretion, refuse to continue payments. Please refer to 'The Insurer's definitions for cover' section for the definition of 'Australian Resident'.

Am I covered during paid or unpaid leave?

An Insured Member's cover will continue up to 24 months while on paid or unpaid leave (including Parental Leave), provided their insurance fees continue to be paid. Cover will cease upon the expiry of 24 months, unless the Insurer has been notified and provided approval for a longer period of cover. If you suffer Total Disability or Partial Disability during periods of unemployment, Parental Leave or other employer approved leave, the Insurer will deem your Usual Occupation to be the occupation you performed immediately before the unemployment or leave commenced.

When does Salary Continuance cover end?

Salary Continuance cover will end, without the need for us to notify you, on the earliest of the following:

- the last Friday of the month in which your account has insufficient funds to cover the cost of the insurance fee due*;
- the date the policy ends or the Insurer notifies the Trustee that it has ceased to provide cover;
- the date you commence Active Service with the armed forces of any country (except where you are a member of the Australian Defence Force Reserves, in which case, cover on all benefits will cease only when you become the subject of a call out order under the *Defence Act 1903* (Cth));
- the date you cease to be a member of legalsuper;
- the date we receive your written request for cover to end (unless such request specifies a later date, in which case, the date specified in the request);
- the date you reach the Benefit Expiry Age;
- the date you permanently retire from employment;
- the date you die;
- the date you are no longer an Eligible Person as described on page 48, other than as a direct result of injury or illness;
- the date an Insured Member who is not an Australian Resident is no longer permanently in Australia, or not eligible to reside in Australia; or
- the date you are on unpaid leave or paid leave for longer than 24 months (where the Insurer has not agreed to provide cover for a longer period of time).

*Insurance fees are deducted from your account on the last Friday of each calendar month.

During the course of your membership, if your balance is about to become insufficient to pay the insurance fees, you may have the opportunity to make contributions in order for your cover to continue. If your balance is insufficient to pay insurance fees your insurance cover will end. As we will use your contact details that we hold on record, it is important that you keep your contact details up to date.

Exclusions

Salary Continuance benefit payments will not be made:

- if the event giving rise to your claim is caused directly or indirectly by War;
- if the event giving rise to your claim is caused directly or indirectly by anything specifically excluded from cover in the Decision Note provided by the Insurer to you;
- if the event giving rise to the claim is caused directly or indirectly by, or arises from:
 - (a) your intentional self-inflicted act;
 - (b) your pregnancy, unless you spend more than three months Totally Disabled from the date the pregnancy ends and continue to be disabled. In such case, the Insurer will pay benefits from the end of that three month period, or the end of the Waiting Period (if later);
 - (c) your involvement in, or perpetration of, a criminal act or acts.

The Insurer may reduce or refuse to pay any Salary Continuance benefits:

- if your insurance fees have not been paid;
- if you did not comply with your Duty of Disclosure;
- if you did not meet the Insurer's eligibility conditions to obtain any part of your cover
- if you do not comply with its claim requirements;
- where it has not received notice at the time your disability starts, to the extent that its assessment or management of your claim is prejudiced; or
- if a member travels or resides overseas for a period in excess of six months while in receipt of Salary Continuance benefits.

Reduction in Salary Continuance benefits

Your Salary Continuance benefit will be reduced by the value of other payments you receive for the purpose of income replacement due to illness or injury where such payments, when combined with the Salary Continuance benefit exceed 75% of your Pre-Disability Salary.

The type of payments which are taken into account are payments received:

- from any disability income, illness or injury policies;
- from any compulsory insurance schemes such as workers' compensation or accident compensation for loss of income; and/or
- from the Government or other social security schemes in respect of loss of income.

Any lump sum payment will be converted to an equivalent monthly amount, by dividing the lump sum payment by the lesser of:

- the number of months in the Benefit Period; or
- 60.

NOTE: Sick leave, annual leave and long service leave entitlements, inheritances, tax refunds, investment income, and other such payments of the same kind or nature received by you will not be taken into account when assessing whether the benefit should be reduced by other payments received by the Insured Member.

Under the terms of the Insurer's policy, the Insurer can recoup the payment of benefits where:

- the Insurer was entitled to reduce the benefit paid, but did not do so for any reason; or
- the benefit, or part of the benefit, was not payable under the terms of the Insurer's policy.

Transfer your Salary Continuance cover into legalsuper

You have the opportunity to apply to the Insurer to transfer your existing Salary Continuance cover (up to \$20,000 per month) from another superannuation fund or individual policy (Previous Cover) into legalsuper. The combined level of cover upon transfer is limited to the lesser of:

- the number of units to cover 85% of your Pre-Disability Salary (of which a maximum of 75% is payable to you and the balance paid as a contribution to legalsuper); or
- the maximum cover of \$30,000 per month.

Generally, Salary Continuance cover will be matched on the same Waiting Period and Benefit Period to that which was provided under the Previous Cover.

If the Waiting Period from your Previous Cover is not available in legalsuper, the next Waiting Period in legalsuper will be provided.

If your previous Waiting Period was less than 30 days you will be given a Waiting Period of 30 days in legalsuper. If your previous Waiting Period was between 31 and 60 days then the Waiting Period in legalsuper will be 60 days. If your Previous Cover had a Waiting Period of between 61 and 90 days then in legalsuper your Waiting Period will be 90 days. If your Previous Cover had a Waiting Period 91 days or longer, then your application for transferred cover will be declined.

Conditions and other limitations apply.

You must complete to the satisfaction of the Insurer and sign and date the *Insurance roll-in* form, including all parts of every Screening Question. All applications are subject to the approval of the Insurer and for your application to be considered, you must provide proof of your Previous Cover and the terms upon which it was granted (i.e. including details of any restrictions, loadings or exclusions). The Insurer will not accept documentary evidence which has been issued more than 60 days prior to the date that we receive the *Insurance roll-in* form. You should also note that:

- your Previous Cover must be current at the time of application;

- you must also transfer your whole superannuation balance to legalsuper if your Previous Cover is held in super;
- any loadings, restrictions and exclusions which apply to your Previous Cover will also apply to your cover in legalsuper;
- you must also cancel the Previous Cover once you receive notification of your acceptance by legalsuper.

If your Previous Cover is not validly cancelled, then if the Insurer accepts a claim any benefit payable under the legalsuper policy will be reduced by the benefit payable under the Previous Cover to the extent it should have been cancelled but was not.

To transfer your existing Salary Continuance cover to legalsuper, please complete the *Insurance roll-in* form available at legalsuper.com.au

How do I claim?

To lodge a claim for a Salary Continuance benefit, you must advise us in writing by completion of a claim form. Please contact us and we will send you the relevant claim forms. You should note that the act of us sending your claim forms does not constitute an admission of liability by the Insurer in respect of any claim lodged.

On receipt of completed claim forms and medical reports on your condition, your claim will be assessed by the Insurer in accordance with the relevant definitions.

As sound medical evidence is vital to a proper and fair assessment, it may be necessary to undergo more than one medical examination whilst your claim is being assessed. Depending on the nature of your claim and the medical evidence provided, there may be a lengthy period of assessment before benefit payments can commence.

Where a member has taken out insurance cover for a Salary Continuance benefit and a claim for payment of a benefit is not accepted by the Insurer, no Salary Continuance benefit will be payable. The Trustee will only pay you the amount of any insured benefit that it recovers from the Insurer.

Other important information about insurance

The following information applies to both Death & TPD cover (including Death Only cover) and Salary Continuance cover.

legalsuper's insurance arrangements may change

The Trustee may from time to time renegotiate some or all of its insurance arrangements. This may result in changes in:

- eligibility criteria;
- insurance fees;
- the terms and scope of the cover provided (for example, the definitions of TPD, TD and Terminal Illness);
- the access of members to insurance cover; and/or
- the amount of cover per unit or the insurance fee per unit of cover, or both whether insurance cover is offered on a unit basis or on some other basis.

You will be given notice of any material changes in accordance with relevant law.

No guarantee

The Trustee does not guarantee the payment of an insured benefit or the performance of the Insurer. Please contact legalsuper for more details on insurance cover. The Trustee will only pay you the amount of any insured benefit that it recovers from the Insurer. There is a possibility that insurance arrangements may be renegotiated with the same or different insurer and that, as a consequence, there may be adverse changes to the scope or cost of your insurance cover. The Trustee may also cease to provide members access to insurance cover.

IMPORTANT: Please note that the Total and Permanent Disablement definition applicable to you may be different from these definitions depending on your circumstances and the date of your illness or injury ('Event Date').

If your Event Date occurred before 8 October 2016 or if your TPD cover started or restarted before 1 July 2014, please contact legalsuper for more information about the relevant definition for your Event Date.

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

The Insurer's definitions for cover

Bolded terms are defined as follows:

'Accident' means a fortuitous, external event which was unexpected and unintended causing Disability.

The following situations are not accidents and any claims arising from these situations are excluded:

- Where one of the contributing causes of Disability was any of the following conditions:
 - illness;
 - disease;
 - allergy; or
 - any gradual onset of a physical or mental infirmity.
- The disability, which was unintended and unexpected, was the result of an intentional act or omission.
- The Insured Member was injured or died as a result of an activity in respect of which they assumed the risk or courted disaster, irrespective of whether they intended injury or death.

An accident must result in the Disability of the Insured Member for a benefit to be payable where liability is contingent on an event being caused by an accident or by accidental injury.

Where there is any doubt as to the cause of the Disability sustained as a result of an accident, the cause will be characterised as being the result of an illness.

Australian Resident means an Australian citizen, a New Zealand citizen or an 'Australian permanent resident' within the meaning of the *Migration Act 1958* (Cth) and *Migration Regulations 1994* (Cth).

Benefit Expiry Age means for Death benefits: 80 years old (age attained), Total and Permanent Disablement benefit: 70 years old (age attained), and for Salary Continuance benefits: 60 years old (age attained) if your Benefit Period is to-age-60, or 65 years old (age attained) if your Benefit Period is 2 years or to-age-65.

Benefit Period is the maximum period of time that a benefit will be paid for any one illness or injury while the Insured Member is Totally or Partially Disabled. The Benefit Periods which can be chosen from are set out in Schedule 1 of the policy. The Insured Member's Decision Note will show the Benefit Period that has been chosen by the Insured Member and accepted by us.

Casual means a person is performing identifiable duties with his or her employer and is working on a temporary as required basis, is paid on an hourly basis for the period actually worked, does not accrue entitlements for sick leave and annual leave, and who is not otherwise working on a Permanent Basis.

Cognitive Loss means the Insurer has determined a total and permanent deterioration or loss of intellectual capacity has required the Insured Member to be under continuous care and supervision by another adult person for at least six consecutive months and, at the end of that six month period, they are likely to require permanent ongoing continuous care and supervision by another adult person.

Employer Approved Leave means a person is:

- a) Gainfully Employed; and
- b) on sick leave or other leave that has been approved by the employer prior to the commencement of that leave.

Event Date means:

- (a) who claims a TPD Benefit under Part 1 of TPD Definition 1 – the first day of the six consecutive month period (or any lesser period agreed by the Insurer) that the Insured Member is totally unable to engage in any occupation, business, profession or employment that results in the Insured Member's Total and Permanent Disablement;
- (b) who claims a TPD Benefit under Part 2 of TPD Definition 1 – the date on which the Insured Member suffers a permanent impairment of at least 25% of whole person function as described in the American Medical Association's publication 'Guides to the Evaluation of Permanent Impairment', 4th edition, or an equivalent guide to impairment approved by the Insurer, that results in the Insured Member's Total and Permanent Disablement;
- (c) who claims a TPD Benefit under Part 3 of TPD Definition 1 or 2 – the date the Insured Member suffers the loss of the use of two limbs (where 'limb is defined as the whole hand or the whole foot), the sight in both eyes, or the sight in one eye and the use of one limb;
- (d) who claims a TPD Benefit under Part 4 of TPD Definition 1 or 2 – the date on which the Insured Member suffers a Loss of Independent Existence (as defined in Part 4 of the TPD definition); or
- (e) who claims a TPD Benefit under Part 5 of TPD Definition 1 or 2 – the date on which the Insured Member suffers a total and permanent deterioration or loss of intellectual capacity that results in the Insured Member's Total and Permanent Disablement.

Excluded Member

means a Member who is ineligible for Salary Continuance cover because the Member satisfies any one or more of the following:

- a Member who has attained the Benefit Expiry Age when their cover commences or re-commences under the policy;
- a Member who works less than 15 hours per week on a regular basis when their cover commences or re-commences under the policy;
- a Member who is engaged or employed on a Casual basis; and/or
- a member who is engaged in an Excluded Occupation.

Excluded Occupation

Certain occupations cannot be insured under the Insurer's policy. To find out if your occupation is an excluded occupation, please contact us on **1800 060 312** (8am to 8pm [AEST] Monday to Friday). If you are engaged in an excluded occupation and you do not tell legalsuper, and you are issued with Salary Continuance cover, then the usual monthly premium (insurance fee) will be deducted from your account. However, you will not be entitled to any benefit under this Salary Continuance cover. In the event of a claim, the Insurer will refund all premiums (insurance fees) paid. A list of Excluded Occupations is available at legalsuper.com.au

Following The Advice Of A Medical Practitioner And Specialist Medical Practitioner

means the Insured Member is under the regular care, and following the advice of, their treating Medical Practitioner(s) and where the Trustee and the Insurer agree it is reasonable for payment of a TPD claim, following the advice of a Specialist Medical Practitioner, on an ongoing basis, including following all recommended courses of treatment and rehabilitation.

Gainful Employment means employed or working for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

Gainfully Working means a person is:

- (a) Gainfully Employed; or
- (b) on paid Employer Approved Leave; or
- (c) on unpaid Employer Approved Leave that has not been ongoing for more than 24 consecutive months.

Incurred Date means in respect of a:

- (a) Death Benefit, the date of death of an Insured Member;
- (b) Terminal Illness Benefit, where two Medical Practitioners (one who may be appointed by the Insurer and who the Insurer may require to be an appropriate specialist physician) certify in writing that an Insured Member has a Terminal Illness, the date of the latest Written Certification; or
- (c) TPD Benefit, the Event Date.

Loss Of Independent Existence means the Insurer has determined that the Insured Member is totally and irreversibly unable to perform at least two of the following five 'activities of daily living' without the assistance of another adult person:

- bathing and/or showering
- dressing and undressing
- eating and drinking
- using a toilet to maintain personal hygiene
- getting in and out of bed, a chair or wheelchair, or moving from place to place by walking, wheelchair or with assistance of a walking aid.

Medical Practitioner means a medical practitioner who is medically qualified and properly registered in Australia, and not related, or connected by a personal or business relationship, to the relevant Insured Member. If practising overseas, and not registered as a medical practitioner in Australia, it means the practitioner is approved by us and has qualifications equivalent to Australian standards. Chiropractors, physiotherapists, psychologists and alternative therapy providers are not Medical Practitioners for the purposes of the policy.

Minimum Average Hours means where the Insured Member is Gainfully Employed on a:

- (a) **Casual basis**, 15 hours per week averaged over the six consecutive months immediately prior to the Event Date based on the number of hours the Insured Member worked over that six month period. Where this six consecutive month period includes a period or periods of unpaid Employer Approved Leave, this means 15 hours per week averaged over the period within the six consecutive months immediately prior to the Event Date in which the Insured Member was not on unpaid Employer Approved Leave provided that the Insurer is satisfied based on evidence issued by the employer that the relevant period the Insured Member was not working was Employer Approved Leave rather than a period the Insured Member was not required to work;
- (b) **Permanent Basis**, 15 hours per week averaged over the six consecutive months immediately prior to the Event Date (including periods of Employer Approved Leave) based on the number of hours the Insured Member is employed to work on a permanent or contractual basis (as applicable).

Multiple Accounts

If for any reason, on the date that an Insured Member becomes entitled to a Benefit, he or she has cover in more than one Account in legalsuper, the Insurer will:

- (a) pay a Benefit with respect to only one Account, being the Benefit for the highest insured amount (if the insured amount is different for any reason). Any other cover in respect of that Insured Member will be cancelled effective from the date the Insured Member becomes entitled to the Benefit; and
- (b) refund the amount of the insurance fee with respect to the cover cancelled after deducting any outstanding Premiums (insurance fees) or any other payments outstanding to it as at the date the Benefit becomes payable in respect of that Insured Member.

Where an Account was set up incorrectly for any reason, including due to inconsistent Member Information received by the Trustee or for any other reason, our Insurer will cancel any cover under that Account and refund any Premium (insurance fee) paid with respect to such cover.

Members who satisfy both the Employer-sponsored Division Eligibility Criteria and the Personal Division Eligibility Criteria can only have cover as either an Employer-sponsored member or a Personal member, but not both.

Screening Questions means limited questions regarding the Member's health which will be as agreed between the Parties and may be varied from time to time. To avoid doubt, Screening Questions does not refer to the *Personal Health Statement*.

Partial Disablement/Partial Disability (PD)

'Partially Disabled' means solely as a result of injury or illness an Insured Member is:

- unable to perform one or more of the duties necessary to produce Salary from their Usual Occupation, but has returned to work in their Usual Occupation or is working in another occupation and has a monthly Salary less than their Pre-Disability Salary; and
- Following The Advice Of A Medical Practitioner in relation to their illness or injury for which they are claiming.

PMIF requirements means in relation to a person who is a member of legalsuper, in the case of:

- (a) a member who joined legalsuper before 1 April 2020, the member had an account balance of at least \$6,000 between 1 November 2019 and 31 March 2020;
- (b) a new or re-joining member from 1 April 2020:
- (i) the member is aged 25 and over; and
 - (ii) the member's account balance is equal to or greater than \$6,000.

Pre-Disability Salary means the average monthly Salary received by the Insured Member in the 12 consecutive months preceding the date of Disability, or the actual period of time the Insured Member worked if less than 12 months (provided the period of work occurred in the 12 month period preceding the date of Disability) if less. If the Insured Member is on Parental Leave or other employer approved leave and becomes Disabled, the Pre-Disability Salary will be the monthly Salary received by the Insured Member in the 12 months immediately before the Parental Leave or employer approved leave commenced.

Salary means:

- (a) For Insured Members who are independently employed, the annual cash income earned from personal exertion by way of total remuneration package, including fringe benefits and any other type of remuneration. This will include non-cash benefits or fringe benefits provided as a direct substitute for salary as well as performance related commission and bonuses received by the Insured Member.
- (b) For Insured Members who are self-employed or working as directors or partners, it means the gross income generated by the business as a result of their personal exertion after allowing for costs and expenses incurred in deriving that income but before the deduction of income tax.

Permanent Basis means the Eligible Person is working on a permanent full-time or part-time basis (including Contractors) and not as a Casual. To avoid doubt, the Eligible Person must receive a fixed salary and accrue entitlements for sick leave and annual leave.

Specialist Medical Practitioner means a Medical Practitioner who is a specialist practising in the relevant medical field of the Insured Member's illness or injury.

Terminally Ill means an Insured Member suffers an illness or injury and all of the following (a), (b), (c), (d) and (e) are satisfied in respect of the Insured Member and that illness or injury:

- (a) Two Medical Practitioners certify in writing ('Written Certification') that the Insured Member suffers from an illness or has incurred an injury that, despite reasonable medical treatment, is likely to result in the Insured Member's death within 24 months from the date of Written Certification ('Certification Period');
- (b) The Insurer is satisfied from medical or other evidence that the Insured Member will, despite reasonable medical treatment, die from the illness or injury within the Certification Period;
- (c) At least one of the two Medical Practitioners is a Specialist Medical Practitioner and, the Insurer chooses one of the two Medical Practitioners may be appointed by the Insurer;
- (d) For each Written Certification, the Certification Period has not ended; and
- (e) The Written Certification by both Medical Practitioners must be properly dated during the period the Insured Member is insured for death cover under the policy.

Terminal Illness Benefit is the lesser of:

- the Death Benefit as at the Incurred Date; or
- \$2 million.

Total Disablement (TD) for Salary Continuance insurance

'**Totally Disabled**' means solely as a result of injury or illness, the Insured Member is:

- (a) medically certified as being incapable of performing one or more duties of his or her Usual Occupation necessary to produce Salary;
- (b) not engaged in any occupation; and
- (c) Following The Advice Of A Medical Practitioner in relation to the illness or injury for which they are claiming.

Total and Permanent Disablement

For Insured Members whose TPD cover first commenced on or after 1 July 2014 and the Event Date occurs on or after 8 October 2016, 'Totally and Permanently Disabled', 'Total and Permanent Disablement', 'Total and Permanent Disability' or 'TPD' means total and permanent disablement or totally and permanently disabled in accordance with TPD Definition 1 or TPD Definition 2 as applicable.

IMPORTANT: Please note that the Total and Permanent Disablement definition applicable to you may be different from these definitions depending on your circumstances and the date of your illness or injury ('Event Date').

If your Event Date occurred before 8 October 2016 or if your TPD cover started or restarted before 1 July 2014, please contact legalsuper for more information about the relevant definition for your Event Date.

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

TPD Definition 1 means:

Part 1) Unlikely to return to work

If the Insured Member is employed or engaged in Gainful Employment when suffering an injury or illness and, as a result of that injury or illness, he or she is;

- totally unable to engage in any occupation, business, profession or employment for a period of six consecutive months; and
- determined by the Insurer at the end of that six month period (or such later time that is agreed with the Trustee), to be permanently incapacitated to such an extent as to render him or her unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience.

or

Part 2) Permanent impairment

If the Insured Member is employed on, or engaged in, Gainful Employment when suffering an injury or illness and, as a result of that injury or illness, the Insured Member:

- suffers a permanent impairment of at least 25% of whole person function as defined in the American Medical Association publication 'Guides to the Evaluation of Permanent Impairment', 4th edition, or an equivalent guide to impairment approved by the Insurer; and
- is disabled to such an extent, as a result of this impairment, that they are unlikely ever again to be able to engage in any occupation, business, profession, or employment for which they are reasonably suited by their education, training or experience.

or

Part 3) Specific loss

As a result of illness or injury, the Insured Member:

- is disabled to such an extent that they are unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience; and
- suffers the total and permanent loss of the use of:
 - two limbs (where 'limb' is defined as the whole hand or the whole foot); or
 - the sight in both eyes; or
 - one limb and the sight in one eye.

or

Part 4) Loss of independent existence

As a result of illness or injury, the Insured Member:

- is disabled to such an extent that they are unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience; and
- suffers Loss of Independent Existence.

or

Part 5) Cognitive loss

As a result of illness or injury, the Insured Member:

- is disabled to such an extent that they are unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience; and
- suffers 'cognitive loss'.

TPD Definition 2 means:

Part 3) Specific loss

As a result of illness or injury, the Insured Member:

- is disabled to such an extent that they are unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience; and
- suffers the total and permanent loss of the use of:
 - two limbs (where 'limb' is defined as the whole hand or the whole foot); or
 - the sight in both eyes; or
 - one limb and the sight in one eye.

or

Part 4) Loss of independent existence

As a result of illness or injury, the Insured Member:

- is disabled to such an extent that they are unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience; and
- suffers Loss of Independent Existence.

or

Part 5) Cognitive loss

As a result of illness or injury, the Insured Member:

- is disabled to such an extent that they are unlikely ever to engage in any gainful occupation, business, profession or employment, for which he or she is reasonably suited by education, training or experience; and
- suffers 'Cognitive Loss'.

Underwriting, Underwritten or Underwrite means the process the Insurer undertakes to assess an Application from an Eligible Person including reference to information concerning their medical, health and employment.

Usual Occupation means the occupation in which the Insured Member is regularly engaged at the time they suffer an injury or illness. For periods of Disability which occur while the Insured Member is unemployed (not engaged in any gainful occupation for salary, reward or profit) or on Parental Leave or other employer approved leave, their usual occupation means the last occupation the Insured Member performed before unemployment, Parental Leave or other employer approved leave.

Visa means a current and valid visa permitting residency (excluding a visa which allows permanent residency in Australia) or employment in Australia issued in accordance with the *Migration Act 1958* (Cth) or any amending or replacing Act. It can be a:

- Subclass 457 working visa;
- Subclass 457 working visa (with a 8107 condition); or
- Spouse visa (spouse of a permanent Australian Resident on a two year temporary stay visa) without a no work condition.

Waiting Period is the number of consecutive days (either 30, 60 or 90 days as applicable) for which an Insured Member must be Disabled before a Disability benefit is payable.

legalsuper.com.au

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

Taxes, insurance fees and other costs relating to insurance 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.

Liability for fees and costs is not dependent on positive investment returns.

We cannot refund or not charge the fees and costs to your account or your investments. It is a term and condition of your membership with the fund that the applicable fees and costs are deducted. This applies regardless of investment returns.

Did you know?

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

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

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

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

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (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.

Fees and costs summary

Legalsuper Employer Sponsored and Personal Super		
Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs¹		
Administration fees and costs	<p>\$67.60 pa (\$1.30 per week) plus 0.29% pa of your account balance</p> <p>For Direct Investment Option members: \$0 per month (Free Access), \$20 per month (Full Access)²</p>	<p>For all investment options the <i>Administration fees and costs</i> are deducted from your account on a monthly basis through the sale of units.</p> <p>For all investment options other than the Direct Investment Option the 0.29%pa 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.</p> <p>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.</p> <p>For the Direct Investment Option an 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.³</p>
Investment fees and costs⁶	A percentage of each investment option's assets per year, depending on the Investment option, ranging from an estimated: 0.05% – 0.52% pa	<p>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.</p> <p>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.</p> <p>For the Direct Investment Option – investment transaction fees such as brokerage apply and are charged directly to your DIO Cash account.</p>
Transaction costs⁴	A percentage of each option's assets per year, depending on the Investment option, ranging from an estimated 0.00% – 0.17% pa	Accrues (usually) daily and is not deducted directly or separately from your account, rather it is deducted from the underlying asset value of the member's account via the unit pricing process.
Member activity related fees and costs		
Buy-sell spread	A percentage of the member transaction amounts, depending on the investment option. Currently, the buy-sell spread is within a range of 0.00% – 0.25%.	<p>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. Therefore, it is not deducted directly from your account or from your investment returns.</p> <p>Buy-sell spreads reflect the cost of buying or selling assets and these vary from time to time. Current <i>buy-sell spreads</i> are available at legalsuper.com.au</p> <p>No <i>buy-sell spread</i> is applicable to the Direct Investment Option.</p>
Switching fee	Nil	Not Applicable.
Other fees and costs⁵	Various, depending on insurance cover you have or personal advice you obtain.	<p>Insurance fees are deducted from insured members' accounts at the end of each quarter.</p> <p>General advice fees are collected as part of the <i>Administration fees and costs</i> set out above.</p> <p>Personal advice is charged as an <i>Activity fee</i>.⁷</p>

1. If your account balance is less than \$6,000 at the end of the Fund's income year, certain administration and investment fees and costs charged to you are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded to you. This is known as the "Administration fees and costs refund".
2. The PAF and DIO Asset Fee relate only to gaining full access to the DIO and administration costs respectively, and do not include fees and costs relating to investing in the products made available under the DIO.
3. This fee is deducted on the last Friday 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.
4. Transaction costs are 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.
5. Refer to Table 1 on pages 65–66 for details of other fees and costs and section titled "Insurance" of this *Employer Sponsored Super & Personal Super Additional Information* for more information on insurance fees.
6. Investment fees and costs include an estimated amount of between 0.00% and 0.04% for performance fees, depending on the investment options you are invested in (see Table 4 on page 67). The calculation basis for this amount is set out under "Performance fees" on page 67.
7. Please refer to "Advice fees" in the section "Additional explanation of fees and costs".

Example of annual fees and costs

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

EXAMPLE – MySuper Balanced and Balanced options		Balance of \$50,000
Administration fees and costs	\$67.60 pa (\$1.30 per week) PLUS 0.29% pa of your account balance	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$145 in administration fees and costs, plus \$67.60 regardless of your account balance. ¹
PLUS Investment fees and costs	0.49%pa	And ² , you will be charged or have deducted from your investment \$245 in investment fees and costs
PLUS Transaction costs	0.16%pa	And ² , you will be charged or have deducted from your investment \$80 in transaction costs
EQUALS Cost of product		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of \$537.60* for the superannuation product

The wording in the table and the section above is required by legislation.

* 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.

¹ Administration fees and costs are comprised of:

- A flat fee of \$67.60 (regardless of your account balance); and
- Plus a % based fee, which is \$145 for every \$50,000 you have in account balance.

² For every \$50,000 you have in the account balance, Investment fees and costs and Transaction costs will apply.

Cost of product for one year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a one year period for all superannuation products and investment options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product information assumes a balance of \$50,000 at the beginning of the year, which is invested in a single investment option. (Additional fees such as a buy-sell spread may apply: refer to the Fees and costs summary for the relevant superannuation product or investment option.)

You should use this figure to help compare superannuation products and investment options.

Investment options	Cost of product
MySuper Balanced (Default option – Employer-sponsored members only)	\$537.60
Cash	\$237.60
Enhanced Cash	\$272.60
Conservative	\$422.60
Conservative Balanced	\$467.60
Balanced Indexed	\$282.60
Balanced	\$537.60
Growth	\$527.60
High Growth	\$522.60
Australian Shares	\$507.60
Overseas Shares	\$472.60
Balanced Socially Responsible	\$557.60

Additional explanation of fees and costs

Table 1: Explanation of other fees and costs

Fee	Explanation
Activity fees	<p>A fee is an activity fee if:</p> <p>(a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:</p> <p>(i) that is engaged in at the request, or with the consent, of a member; or</p> <p>(ii) that relates to a member and is required by law; and</p> <p>(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.</p> <p>legalsuper enables you to pay an adviser an agreed fee from your superannuation 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.</p>
Advice fees	<p>A fee is an advice fee if:</p> <p>(a) the fee relates directly to costs (other than intra-fund advice costs) incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:</p> <p>(i) a trustee of the entity; or</p> <p>(ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and</p> <p>(b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.</p>
Benefit of tax deductions for fees and costs	<p>A contributions tax refund is provided to you based on 15% of the administration fees and insurance premiums (if applicable) charged to your account. This means that the benefit of the tax deductions for the expenses related to these fees is passed on to you.</p>

Fee capping	<p>If your MySuper investment option or the total of your Choice investment options is less than \$6,000 at the end of the income year, fee capping rules will apply where the relevant balance is less than \$6,000. If fee capping applies, certain fees and costs charged to you in relation to administration and investment will be capped at 3% of the relevant balance where it is below \$6,000. Any amounts charged in excess of those caps will be refunded. If you exit your MySuper investment option or all your Choice investment options during the year, the above fees charged to you will also be capped at 3% of the respective balances which are below \$6,000. Any excess amounts will be refunded and paid to the entity that received your benefit.</p> <p>An administration fees and cost rebate may also apply to members who have a high account balance, please refer to the section titled "Member benefit – Administration fees and costs rebate" within the "Administration fees and costs" section within the "Additional explanation of fees and costs" section.</p>
Additions or alterations to fees and charges	<p>The Trustee has the power to alter, increase or introduce new fees and charges at its discretion and without your consent. You will be advised of any fee increases at least 30 days before they are implemented. Where applicable buy-sell spreads are charged, they are charged on a cost recovery basis. The buy-sell spreads periodically change and are available at legalsuper.com.au</p>
Insurance costs	<p>If you have insurance cover under legalsuper, insurance premiums apply and are deducted from your account. Please refer to section titled "Insurance" of this "legalsuper Employer Sponsored Super & Personal Super Additional Information" for more information.</p>
Taxation	<p>Taxes apply to superannuation, including tax on employer contributions and tax on investment earnings. If you are invested in an investment option that has exposure to Australian shares, tax offsets gained through franking credits are reflected in unit prices of that investment option. Please refer to section titled Taxation of this "legalsuper Employer Sponsored Super & Personal Super Additional Information" for more information.</p>

Investment fees and costs

Investment fees and costs includes investment expenses relating to the investment management of legalsuper's assets, such as base and performance related fees paid to investment managers and advisers, management fees charged in investment vehicles, asset consulting fees (if applicable), bank fees, custodian fees and internal legalsuper costs related to the management of the Fund's assets. For further information about performance fees, refer to Table 4 on page 67.

Investment fees and costs are taken into account in the calculation of the unit prices for the investment options and are therefore reflected in the returns allocated to your account through changes in the unit prices.

Investment fees and costs in respect of all investment options are an estimate based on the fees and costs incurred over the year ended 30 June 2020. These estimates reflect actual amounts for the year ended 30 June 2020 (where available) as well as some estimated components.

The actual amount of investment fees and costs that you will incur in the current and subsequent financial year(s) depends on the investment option(s) you are invested in and actual investment fees and costs incurred by legalsuper from year to year in relation to the option(s).

Estimated investment fees and costs (including performance fees where applicable) for each investment option are shown in Table 2.

Table 2: Estimated investment fees and costs

Investment options	Investment fees and costs (% pa) [#]
MySuper Balanced (Default option – Employer-sponsored members only)	0.49
Cash	0.05
Enhanced Cash	0.12
Conservative	0.33
Conservative Balanced	0.39
Balanced Indexed	0.13
Balanced	0.49
Growth	0.46
High Growth	0.45
Australian Shares	0.43
Overseas Shares	0.36
Balanced Socially Responsible	0.52

[#] For further information about performance fees, refer to page 67.

Transaction costs

Transaction costs include explicit transaction costs such as brokerage, settlement costs or stamp duty, as well as buy-sell spreads charged by our investment managers or in underlying investment vehicles.

Where buy-sell spreads are applied by legalsuper, transaction costs incurred by the Fund may be wholly or partly recovered through the buy-sell spread on member transactions.

Any transaction costs that are not recovered through a legalsuper buy-sell spread are deducted from the underlying assets, and therefore deducted from the unit prices for each investment option.

Transaction costs in respect of all investment options are an estimate based on the explicit transaction costs incurred by the Fund and underlying investment vehicles over the year ended 30 June 2020. These estimates are based on information provided by our investment managers and custodian and reflect actual amounts for the year ended 30 June 2020 where available and some estimated components.

The actual amount of transaction costs that you will incur in the current and subsequent financial year(s) depends on the investment option(s) you are invested in; the frequency, size and type of member transactions relating to your account and actual transaction costs incurred by legalsuper from year to year in relation to the option(s).

Estimated transaction costs for each investment option are shown in Table 3.

Table 3: Estimated transaction costs

Investment options	Transaction costs (% pa)
MySuper Balanced (Default option – Employer-sponsored members only)	0.16
Cash	0.00
Enhanced Cash	0.00
Conservative	0.09
Conservative Balanced	0.12
Balanced Indexed	0.01
Balanced	0.16
Growth	0.17
High Growth	0.17
Australian Shares	0.16
Overseas Shares	0.16
Balanced Socially Responsible	0.17

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.

Performance fees

Some of our investment managers may be entitled to receive performance fees (in addition to base fees) if they generate strong investment returns above an agreed benchmark. Where applicable, performance fees are paid on the percentage of the performance above the agreed benchmark and will result in higher investment fees and costs.

Performance fees are included in the Investment fees and costs set out in Table 2 (page 66), where applicable.

In summary, Government regulations require that we disclose performance fees calculated on the basis of accrued performance fees averaged over the five financial years ended 30 June 2020, except in certain circumstances (essentially, where an average over 5 years is not available).

We have estimated performance fees for all investment options based on information provided by our investment managers for the five years to 30 June 2020. These estimated performance fees are shown in Table 4.

The amount of performance fees paid by the Fund in each year will rise and fall depending on the level of performance the relevant managers generate. The actual amount of performance fees that you will incur in the current and subsequent financial year(s) depends on the investment option(s) you are invested in; and the amount of performance fees accrued in relation to the investment option(s) from year to year.

Table 4: Estimated Performance fees

Investment options	Performance fees (% pa)
MySuper Balanced (Default option – Employer-sponsored members only)	0.04
Cash	0.00
Enhanced Cash	0.00
Conservative	0.02
Conservative Balanced	0.02
Balanced Indexed	0.00
Balanced	0.04
Growth	0.02
High Growth	0.02
Australian Shares	0.00
Overseas Shares	0.00
Balanced Socially Responsible	0.00

Buy-sell spreads

The buy-sell spread (where applicable) is the difference between the buy price and sell price of units in each investment option.

Table 5 sets out the possible range of buy-sell spreads. Buy-sell spreads may change within this range without prior notice. Buy-sell spreads are reviewed on a regular basis and are available online at legalsuper.com.au (refer to buy sell spreads).

Table 5: Buy and sell spreads

Investment options	Buy-sell spread (%)
MySuper Balanced (Default option – Employer-sponsored members only)	0.14
Cash	0.0
Enhanced Cash	0.0
Conservative	0.08
Conservative Balanced	0.1
Balanced Indexed	0.13
Balanced	0.14
Growth	0.14
High Growth	0.15
Australian Shares	0.2
Overseas Shares	0.15
Balanced Socially Responsible	0.25
Direct Investment Option	Not applicable, no buy-sell spread is applicable to the Direct Investment option.

Administration fees and costs

The administration fees and costs relate to the administration and operation of the Fund and are made up of two components:

- A flat dollar fee of \$1.30 per week (\$67.60pa); and
- An asset-based fee of 0.29% of your account balance.

When you transfer contributions into your spouse's super account, a fee of \$50 will be charged to your account. This is known as the "Contribution splitting fee".

Member benefit – Administration fees and costs rebate

If your average account balance* at the end of a financial year exceeds the Administration fees and costs rebate threshold of \$450,000 indexed¹ during the entire financial year, and you do not also receive the "Administration fees and costs refund" (see footnote 1 on the Fees and costs table on page 61) for any of your legalsuper accounts, legalsuper will cap ("fee cap") 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. This is known as the "Administration fees and costs rebate".

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.

Administration fees and costs rebate – 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 \$450,000 indexed¹ for the financial year 1 July 2021 to 30 June 2022.

*The "Administration fees and costs rebate" will not apply where a member's account with the fund is closed on or before 30 June during that financial year or if you receive the *Administration fees and costs refund* for any of your legalsuper accounts.

¹ The Administration fees and costs rebate threshold will be indexed annually from 1 July 2021, in accordance with the 'All Groups Consumer Price Index (CPI)'.

Defined Fees

The following definitions are prescribed by law and are set out in the ASIC Corporations (Disclosure of Fees and Costs) Instrument 2019/1070 (available in full at <https://www.legislation.gov.au/Details/F2019L01525>)

Activity fees

A fee is an activity fee if:

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

Administration fees and costs

Administration fees and costs are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:

- Relate to the administration or operation of the entity; and
- Are not otherwise charged as an investment fee and cost, 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:

- 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:
 - 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 and cost, an investment fee and cost, a switching fee, an activity fee or an insurance fee.

Buy-sell spreads

A buy-sell spread is a fee to recover 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 members' interests in a superannuation entity.

Investment fees and costs

Investment fees and costs are fees and costs that relate to the investment of the assets of a superannuation entity and includes:

- (a) Fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- (b) Costs incurred by the trustee of the entity that:
 - (i) Relate to the investment of assets of the entity; and,
 - (ii) Are not otherwise charged as administration fees and costs, 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 the superannuation entity from one investment option or product in the entity to another.

Transaction costs

Transaction costs are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.

Accessing your super

Generally, you cannot access your superannuation benefit until you reach your preservation age and retire permanently from the workforce. However, in special circumstances, you or your beneficiaries may be entitled to receive part or all of your benefit.

You are not required to withdraw your superannuation savings when you reach retirement or preservation age. You can leave your money invested in the superannuation system and take advantage of the generally lower tax rates that apply for as long as you like.

Benefits can be paid to you as lump sums either partially or in full. You may roll over your benefits to another complying superannuation fund, approved deposit fund or retirement savings account at any time.

Superannuation 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.

Temporary residents

Temporary residents includes most (but not all) holders of temporary visas, but does not include New Zealand citizens. If you were a temporary resident and have permanently departed Australia, you may be entitled to claim your super benefit. See page 76 in relation to the taxation of these benefits. For more information, go to the ATO website at ato.gov.au.

Temporary residents can only claim their super entitlements prior to departing Australia on the following grounds:

- a terminal medical condition
- permanent incapacity
- death.

Preserved benefits

All new contributions made to legalsuper and all subsequent 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:

- permanent retirement from the workforce on or after your preservation age (see table below)
- reaching age 65
- leaving or retiring from employment after turning age 60
- 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. (In this situation, a higher tax rate than those outlined on page 76 may apply.) Temporary residents include most (but not all) holders of temporary visas, but doesn't include New Zealand citizens. If you were a temporary resident and have permanently departed Australia, you may be entitled to claim your super benefit.
- Eligible under the First Home Super Saver Scheme (FHSSS).

* See Conditions of release – additional information below.

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

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.

Please note the conditions to obtain a release of your account balance under the Regulations are different to the conditions that apply when making an insurance claim.

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 (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, 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.

Your benefit on leaving legalsuper

Your benefit will be equal to your account balance.

If you are employed by an employer who pays your contributions to legalsuper and your employment comes to an end, you are not required to withdraw your benefit from legalsuper. You can also roll other superannuation into your legalsuper account.

If you transfer or roll over benefits (including preserved benefits) at any time to another complying superannuation fund, the benefits retain their status and remain subject to the preservation rules in the new fund.

Portability

If you are rolling over from legalsuper to another superannuation fund, legalsuper does not impose any portability restrictions on these rollover requests.

You need to provide ID when you access your super

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 a driver's licence or passport etc. legalsuper will advise you of these requirements when you seek payment of a benefit.

Your insured benefit

If you have Death Only cover, an insured benefit may be payable upon your death.

If you have Death & TPD cover, an insured benefit may be paid upon your death or TPD (whichever happens first).

Under either type of cover, if you suffer from a terminal illness, part of your Death benefit may be paid to you as a 'Terminal Illness' benefit.

If you have Salary Continuance cover, an insured benefit may be payable on your total or partial disablement.

Details of insurance eligibility, benefits and charges, and information about the insurance cover can be found on pages 31–62 of this document.

Nominating your beneficiaries

If you die before you retire, a benefit equal to your account balance (less any applicable fees and charges) together with any insured benefits will be payable to your dependants or legal personal representative.

Unless you have made a binding nomination, the Trustee will exercise its discretion when determining to whom the benefits are to be paid and the amount to be allocated, and can allocate your Death benefit amongst your dependants and/or your legal personal representative, as it thinks fit.

Your dependants have the right to complain to the Australian Financial Complaints Authority (AFCA) about the Trustee's decision as outlined on page 73.

Dependants are:

- your spouse or any child of yours at the date of your death;
- any other person who in the opinion of the Trustee was at the date of your death wholly or partially dependent on you; or
- any person with whom you had an 'interdependency relationship' at the date of your death.

The Trustee may consider that you had an interdependent relationship with another person if, at your death:

- you had a close personal relationship with the person; you lived with the person, either or both of you provided the other with financial support, and either or both of you provided the other with domestic support and personal care; or
- you had a close personal relationship with the person but do not satisfy the other criteria set out above because either or both of you suffer from a physical, intellectual or psychiatric disability.

Your legal personal representative is the executor of your estate.

You can nominate your preferred beneficiaries. Nominations of beneficiaries can be either binding or non-binding. All members can make binding nominations. Both types of nominations are explained below. There can be tax and asset-protection consequences when making nominations, and so we suggest that you consider obtaining estate planning advice.

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.

Non-binding nominations

As a member of legalsuper, you have the option to nominate one or more of your dependants, and/or your legal personal representative, as the person or persons to whom you would like your superannuation benefits (including any insured benefits applicable) to be paid in the event of your death. If you nominate more than one beneficiary, you should specify the proportion 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 benefits will be paid.

Binding nominations

All members of legalsuper can make a binding nomination when selecting 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 explained above) or your legal personal representative at the time of your death.
- A binding nomination is only valid for three years from the date you sign it or any confirmation or amendment of it. If your circumstances change, or those of any of your beneficiaries, 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.
- You may revoke or change a binding nomination notice in accordance with legalsuper's procedures at any time.
- legalsuper does not accept any nominations made under any form of Power of Attorney.

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 and/or your legal personal representative in such proportions as the Trustee determines.

Note that binding nominations are subject to splits under Family Law.

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 instruct the Trustee to pay your benefits to your legal personal representative.

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

If you have not yet made a nomination, or if you wish to change your nomination, please complete the *Nomination of beneficiary/ies – superannuation* form. You can obtain a form at legalsuper.com.au or by calling legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

First Home Super Saver Scheme

The First Home Super Saver Scheme allows individuals to apply to withdraw (from 1 July 2018) voluntary contributions made to super after 1 July 2017 for a first home deposit.

A maximum of up to \$15,000 can be paid per financial year, up to \$30,000 in total subject to existing contribution caps. Where a couple is involved, both individuals will be able to take advantage of the Scheme.

Concessional contributions and earnings that are withdrawn for the purpose of buying a first home will be taxed at marginal rates less a 30 per cent offset or 17 per cent if the Commissioner is unable to estimate your expected marginal rate.

Further information about this proposal can be found at ato.gov.au.

Before making a decision about your account, we recommend that you discuss these proposed changes with your licenced financial adviser.

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.

Unclaimed benefits

If you reach the eligibility age for an Age Pension, have not claimed your benefit and the Trustee is unable to locate you, the benefit will become unclaimed money.

The Trustee must report and pay all unclaimed benefits to the Australian Taxation Office (ATO). The member must then claim the benefit directly from the ATO.

Cooling-off period

Members other than Employer-sponsored members may cancel their legalsuper membership during a 14-day cooling-off period. If you wish to exercise this right, you must advise the Trustee in writing during the cooling-off period.

The 14-day cooling-off period commences when we confirm that you have become a member or on the fifth day after we accept your application (whichever happens first). If you cancel your membership in this way, no fees or charges will be deducted from your account. However, any amount refunded will be adjusted for any increase or decrease in the investment value and any tax payable in respect of the contribution.

Some restrictions apply to any preserved amounts or restricted non-preserved amounts paid into the Fund. For this reason, any refunds will most likely be required to be paid into another complying superannuation fund or approved deposit fund, and would not be able to be paid directly to you.

If you terminate your membership in other circumstances, all applicable fees and charges will be deducted from your account.

Hear from us

legalsuper members will be invited to our legalsuper Annual Member Meeting, to hear from the Trustee about how the fund is performing and other important matters. Members also have an opportunity to have their questions answered.

Persons under age 18

If you are under 18, you can join legalsuper through your employer. If you are under 18 and do not join through an employer, your parent or guardian should sign the *Member application* form relevant to your membership type on your behalf and provide proof of their relationship to you, such as a birth or adoption certificate.

Please note that the allowable age range to join online is 10–79 years. If you want to operate your account (including online access) and you are under 18, we require a parent or guardian's signature together with the proof of parent or guardianship document.

A parent or guardian who signs a *Member application* form relevant to your membership type on behalf of a person aged under 18 is responsible for transactions and/or activities of the account established for the person aged under 18.

Enquiries and Complaints

We have a dispute resolution procedure in place and the Trustee's procedure for dealing with enquiries and complaints requires all complaints to be properly considered and dealt with within 90 days (from 5 October 2021, this will become 45 days [except for death benefit distribution complaints where the Trustee can respond within 90 days after the objection period]). Your enquiry or complaint may be received by us by telephone, email, online or by post.

If you have an enquiry or complaint, please contact us online, via email, 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 or you have not received a response within time, 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
Website: 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.

If you apply for insurance cover, your personal details including health information are disclosed to legalsuper's group life insurers to assess your eligibility for insurance cover. If you make an insurance claim, you will need to provide additional information in accordance with claim procedures of legalsuper and the insurer. If you make a claim under legalsuper's policies, the insurers may conduct investigations to assess the value and validity of the claim. This may involve the use of investigation agents, legal advisers and the collection of personal data that the group life insurers believe is relevant.

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 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), visit legalsuper's website at legalsuper.com.au or write to:

legalsuper
Locked Bag 5081
Parramatta NSW 2124

Special offers

Information regarding any special offers will be available on legalsuper's website from time to time, and we may contact you directly.

If we make a special offer available, we can provide you, at your request, with material that outlines the separate terms and conditions that apply to that particular offer. Special

offers may only be available to you for a short time, and we reserve the right to withdraw them at any time.

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 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 where you can choose your communication preferences.

Regular reports on your investment

The Trustee will provide members with the following information:

Member Statement

The Annual Member Statement shows the 30 June balance in your member account, and all transactions for the period. The statement includes your investment profile, investment balances, preservation details, insurance cover and beneficiary information. It will be issued before 31 December each year.

Fund information

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

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.

Consolidation of accounts

Many members have investments in a number of superannuation funds. It may make sense to consolidate your superannuation interests into one account. Not only can this provide better control, but it may eliminate the need to pay multiple fees and charges.

You should, however, consider whether any cessation of insurance will apply if you are thinking of transferring a benefit from another fund, any other benefits (such as, insurance cover) that your other super fund(s) may have, any fees and taxes that may apply if you leave your other fund, that your details match and your tax obligations that must be met if you are self-employed. In addition, you should consider respective fund investment performance.

If you wish to transfer benefits from another superannuation fund into legalsuper, please complete the *Request to transfer* form, which authorises legalsuper to arrange the transfer(s) on your behalf or call us on **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

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 contact details for the Trustee of legalsuper are:

Legal Super Pty Ltd
Level 37, 140 William Street
Melbourne VIC 3000

Phone: (03) 9602 0100

Email: mail@legalsuper.com.au

Taxation

Superannuation is one of the most tax-effective ways of saving for retirement. Learn more about the tax advantages of super and why it's important to provide your Tax File Number.

Taxation of contributions

Employer contributions

An employer can claim a tax deduction for contributions made to legalsuper on your behalf.

Tax deductible contributions

If you wish to claim a tax deduction for contributions you make to legalsuper as an employed person, you will need to join legalsuper.

If you intend to claim a tax deduction for all or part of your contributions to legalsuper, you must complete a notice under s290-170 of the Income Tax Assessment Act 1997, and receive an acknowledgement of this notice from the Trustee.

The notice must be received by the Trustee in accordance with the required lodgement date for such notices under the Income Tax Assessment Act 1997.

Spouse tax offset

A taxpayer may be eligible for a tax offset of up to \$540 per year for contributions made on behalf of their low-income or non-working spouse whose assessable income (plus reportable fringe benefits and reportable employer super contributions) is less than \$40,000 per annum.

If your spouse's assessable income (plus reportable fringe benefits and reportable employer super contributions) is less than \$37,000 per year and you are eligible for a tax offset, your tax offset will be equal to 18% of the contributions which you make for your spouse up to a maximum of \$540.

If your spouse's assessable income (plus reportable fringe benefits and reportable employer super contributions) exceed \$37,000 per year and you are eligible for a tax offset, your tax offset will be equal to 18% of the lesser of:

- \$3,000 less the amount your spouse's assessable income (plus reportable fringe benefits plus reportable employer super contributions) exceeds \$37,000; and
- contributions which you make for your spouse.

If your spouse's assessable income (plus reportable fringe benefits and reportable employer super contributions) exceed \$40,000 no tax offset will be available.

Eligible spouse contributions are not subject to contributions tax.

Temporary Residents: Tax

Departing temporary residents who receive their benefit may have to pay tax.

The tax rate may be as high as 65%. This tax will be withheld by legalsuper and remitted to the ATO.

Temporary Residents: Transfer of benefits to the Australian Taxation Office (ATO) and exit statements

If you have entered Australia on a temporary resident visa and then depart from Australia, you generally have 6 months from date of departure to claim your superannuation benefit. If you do not make a claim in this period, the ATO may issue the Trustee with a notice to pay your superannuation benefit to the ATO.

We are not required to issue you with an exit statement in this circumstance. However, on your request, we are required to provide you with the details of the payment to assist you in applying to the ATO for your super benefit.

Government co-contribution for low-income earners

Low-income earners may be eligible for a Government co-contribution on contributions made by you from after-tax dollars (non-concessional contributions) See page 9 for further details.

Low Income Superannuation Tax Offset (LISTO) Scheme

If your adjusted taxable income is less than \$37,000, you may be eligible for a Government payment up to a maximum of \$500 to compensate you for the 15% contributions tax payable on concessional contributions made by you or on your behalf. Any amount paid is paid into your legalsuper account.

Taxation of benefits

Your superannuation comprises two components:

- a tax-free component; and
- a taxable component.

Along with your age, these components are relevant in determining the amount of tax (if any) payable on your benefit.

Tax-free and taxable components of your benefits

Lump sum and pension payments to people aged 60 and over are tax-free. However, when a benefit is paid as a lump sum or pension to someone aged under 60, the taxable component of that benefit will be subject to tax.

The taxable components and tax-free components of a benefit paid to you must be in the same proportions as the taxable component and tax-free component that make up your total legalsuper account from which your benefit is paid, just before the benefit is paid.

A withdrawal of a lump sum benefit from legalsuper when you are under age 60 is treated as an Eligible Termination Payment (ETP) and will be subject to tax unless rolled over to another complying superannuation fund or approved deposit fund.

The tax payable on receiving benefits from legalsuper will depend on the components of the benefit, your age and how you decide to receive your benefit. As your decision will significantly affect your potential tax liability, it is recommended that you seek professional taxation advice before receiving your benefit.

The 2021/22 tax treatment of the ETP components is set out in the following table:

	Assessable Amount	Tax Rate	
60 and over • Tax Free and Taxable (taxed) component	Nil	Nil	
	Up to \$1.615 million	15%	
	Above \$1.615 million	45%	
Under 60 • Tax free component	Nil	Nil	
Under 60 • Taxable component (element taxed) - Preservation age to 59	Up to low rate cap \$225,000	0%	
	Balance	Lower of your marginal tax rate or 15%	
	- Under preservation age	100%	
Under 60 • Taxable component (element untaxed) - Preservation age to 59	Up to low rate cap \$225,000	15%	
	Balance up to \$1.615 million	30%	
	Above \$1.615 million	45%	
	- Under preservation age	Up to \$1.615 million	30%
	Above \$1.615 million	45%	

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).

The tax free component includes non-concessional contributions since 1 July 2007 and benefits held prior to 30 June, 2007 previously categorised as:

- Pre-July 83 component
- Undeducted contributions
- CGT exempt component
- Concessional component
- Post-June 1994 invalidity component.

The taxable (taxed) component is generally the balance of your superannuation interest less the tax free component and includes concessional contributions, investment earnings and benefits where held prior to 30 June 2007 previously categorised as:

- Post 30 June 1983 (taxed element)
- Post 30 June 1983 (untaxed element)
- Excessive component.

Your preservation age depends on when you were born.

Date Of Birth	Preservation Age
Before 30 June 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
From 1 July 1964	60

Taxation of death benefits

All lump sum death benefit payments made to a 'tax dependant' will be tax-free. A 'tax-dependant' includes your spouse, a child of yours under 18 years of age, a person who is a financial dependant and a person with whom you have an interdependent relationship.

Death benefit payments to a non-tax dependant will be taxed at 0% on the tax free component of the benefit, a maximum of 15%* on the taxable (taxed) component and a maximum of 30%* on the taxable (untaxed) component. A non-tax dependant for this purpose includes an adult child aged 18 or more that is not a financial dependant. Where a death benefit is paid to your legal personal representative, tax will be payable according to who will benefit from your estate.

The taxable (untaxed) component generally consists of proceeds from insurance you held within legalsuper.

* Medicare levy and Medicare levy surcharge (if applicable) are added to these rates.

Taxation of TPD benefits

TPD benefits are taxed as an ETP, and some components of the benefit may be subject to concessional tax treatment.

Contributions tax

Concessional contributions are subject to a 15% contributions tax payable by legalsuper. Your balance will be reduced by the amount of contributions tax paid on your behalf.

Taxation of investment earnings

Taxable investment earnings of superannuation funds are taxed at a maximum rate of 15%. Where the assets of legalsuper are invested in Australian or international shares, the tax payable can be partly offset by franking credits and foreign tax credits. Capital Gains Tax at between 10% and 15% may also be payable.

Additional tax for high-income earners

Individuals with income and concessional contributions exceeding the Division 293 income threshold of \$250,000 will have an additional 15% tax imposed on the lesser of:

- the excess, or
- the concessional contributions (except excess contributions).

Further information can be found at ato.gov.au.

First Home Super Saver Scheme (FHSSS)

If eligible, on withdrawal from your account, assessable FHSSS amounts will be taxed at either your marginal tax rate (less a 30 per cent offset) or 17 per cent if the Commissioner is unable to estimate your expected marginal rate. Further information can be found at ato.gov.au.

Want to know more?

This tax information is based on tax laws that were current as at the date of this Document. It is not intended to be a complete guide to the taxation laws, and other taxes may be payable.

legalsuper does not provide taxation advice. You should seek advice from a professional adviser about the taxes that may apply to your individual circumstances. You can also contact the Australian Taxation Office Super Infoline on 13 10 20 for further, or more up-to-date, information. Rules relating to taxation are subject to change at any time.

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.

Inactive Account or Inactive

An account is inactive for a period of time if the Trustee has not received a contribution or rollover on behalf of the account.

Inactive Low-Balance Account

An account in respect of which no amounts or contributions have been received for 16 months, the account balance is less than \$6,000, there is no insurance provided by the account, and the member has not demonstrated engagement with the Fund, such as by changing insurance or investment arrangements or making a death benefit nomination.

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.

Protecting Your Super Reforms

Means changes made to superannuation laws by the *Treasury Laws Amendment (Protecting Your Superannuation Package) Act 2019*.

Putting Members' Interests First

Means changes made to superannuation laws by the *Treasury Laws Amendment (Putting Members' Interests First) Act 2019*.

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.

Salary sacrifice contributions

Salary sacrifice allows you to make additional superannuation contributions using pre-tax dollars. Salary sacrifice contributions are treated as employer contributions. However, the Australian Taxation Office (ATO) considers that salary sacrifice can only be made prospectively.

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.

SHASA (Superannuation Holding Accounts Special Account)

This is a statutory reserve (formerly known as the Superannuation Holding Accounts Reserve or 'SHAR') managed by the Australian Taxation Office to accept superannuation contributions from employers who are unable to find a fund or Approved Deposit Fund (ADF) that is prepared to accept the (usually small) contributions.

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.

This is not an exhaustive list of all terminology used in superannuation law, industry terms or this *Employer Sponsored Super & Personal Super Additional Information* document. 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).

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.

Total and Permanent Disablement (TPD)

See pages 31–48 for further details.

Superannuation member application

Return this completed form to:

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

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

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

This form will be invalid if unsigned or undated by the applicant (see section 8)

Why not join online at legalsuper.com.au?

1. 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 (refer to Section 7)

Telephone Number

Mobile Number

Email

Occupation
 Judge Solicitor/Lawyer
 Management staff Administration/Support Staff
 Other (please specify)

Employment Status
 Self-employed/Not working/Retired
 Employed (please complete the rest of this section)

Employer's Name

legalsuper Employer Number (if known)

Date joined Employer (dd/mm/yyyy)

Employer Phone Number

2. Investment options

You can invest in one option or any mix of options. **The percentage for each option can only be up to 2 decimal places and the total must equal 100%.** Please refer to 'Your investment options' in legalsuper's PDS and *Employer Sponsored Super & Personal Super Additional Information* document.

Please invest any Future Contributions as follows:

Investment Choice Option	% for each Investment Choice
MySuper Balanced ¹ (Employer-sponsored member only)	<input type="text"/> . <input type="text"/> %
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"/> %
Total	100 . 0 0 %

1. The MySuper Balanced option is the default option for Employer-sponsored members only. For Employer-sponsored members, any amount that you have not provided any instruction for, that amount will be invested in the default MySuper Balanced option.

Applications for the Direct Investment Option (DIO) can only be made online via MemberAccess available at legalsuper.com.au. Investment in the DIO is subject to investment minimums. Please refer to the *Superannuation Product Disclosure Statement (PDS)* and *Employer Sponsored Super & Personal Super Additional Information* document for further details.

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

3. Death and Total and Permanent Disablement (TPD) insurance

EMPLOYER-SPONSORED MEMBERS ONLY

Subject to meeting the Insurer's eligibility conditions, Employer-sponsored members may receive Death Only or Death and TPD insurance cover at the Default Cover level upon meeting the PMIF requirements or electing to opt-in early for default cover.

Depending on their eligibility, Employer-sponsored members can also apply for up to 4 additional units of Death Only or Death and TPD insurance, taking advantage of a simplified application process by completing the **Special offer to increase insurance** form.

If eligible, this form must be received by legalsuper within 60 days of the issue date stated on the welcome letter we send to you.

Members wishing to apply for more than the special offer additional insurance need to complete a *Superannuation change details - (insurance)* form available at legalsuper.com.au or by calling **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

PERSONAL MEMBERS & SPOUSE MEMBERS ONLY

Subject to meeting the Insurer's eligibility conditions, self-employed persons who are Personal members of legalsuper may receive \$250,000 of fixed Death and TPD insurance cover automatically upon meeting the PMIF requirements or electing to opt-in early for default cover. **This cover is subject to a Pre-Existing Condition restriction.** Spouse members of the Fund may only apply for Death Only insurance cover.

Members wishing to apply for higher cover need to complete a *Superannuation change details - (insurance)* form available at legalsuper.com.au or by calling **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

4. Salary Continuance insurance

Employer-sponsored members and Personal members can protect up to 85% of their Salary (as defined by the Insurer) for either 2 years, to age 60, or to age 65. To apply, complete a *Superannuation change details - (insurance)* form.

Note: Employer-sponsored members only can apply for 2 years Salary Continuance insurance up to a maximum benefit of \$6,000 per month, taking advantage of a simplified application process by completing the *Special offer to increase insurance* form. This form must be received by legalsuper within 60 days of the date of the welcome letter we send to you.

5. 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 (plus any insurance proceeds) (**Death benefit**) will be paid in the event of your death.

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

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

A valid Non-binding nomination of preferred beneficiaries 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 and/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 beneficiaries 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 relevant requirements. The requirements include that you sign and date the declaration in section 6 in the presence of two persons over 18 years of age who witnessed you sign and date the declaration, and those witnesses are not included in your nomination. You must submit this form with original signatures. **Please remember:** a Binding nomination is only valid for three years from the date you sign it, confirm or amend it.

The Trustee does not accept any nomination made under any form of Power of Attorney.

You can nominate both individual beneficiaries and a legal personal representative (estate).

'Dependant' is defined as:

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

'Interdependency' means:

Two persons have an interdependency relationship if:

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

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

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

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

Please provide the 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%. Please complete all parts of this section.**

	Surname	Given name(s)	Relationship	% of benefit
1				.00
2				.00
3				.00
4				.00

Option 2 - 100% Lump sum to be paid to your legal personal representative (estate)

Please select the type of nomination you wish to be implemented in the event of your death:

Do you wish to make a Binding nomination?

- No - my nomination is to be Non-binding
- Yes - my nomination is to be Binding

6. Declaration

I acknowledge that:

- I have read and understood the information in this form and the relevant legalsuper PDS regarding nominations.
- Each beneficiary I nominated 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 nominations.
- If I made a Binding nomination, it 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 my nomination in accordance with legalsuper's procedures.
- If this nomination is invalid or has not been received by the Trustee when I die, the Death benefit will be paid by the Trustee in its discretion to or for the benefit of one or more of my dependants or my legal personal representative in such proportions between them as the Trustee determines.
- This nomination will replace any previous valid Binding or Non-binding nomination held by the Trustee for this particular account I have with legalsuper.
- 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.
- My nomination was not 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 nominated above as beneficiary or legal personal representative of the member.

Witness 1

Surname

Given names

Signature

Date (dd/mm/yyyy)

Witness 2

Surname

Given names

Signature

Date (dd/mm/yyyy)

7. 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.

8. Declaration

By providing my email and/or phone number, I understand that legalsuper will contact me to provide me with updates about my account. I understand that I can update my contact details and communication preferences in MemberAccess online or by calling **1800 060 312** (8am to 8pm [AEST] Monday to Friday).

Before you sign this application form, the Trustee is obliged to give you a Product Disclosure Statement (which is a summary of important information relating to legalsuper). The PDS and *Employer Sponsored Super & Personal Super Additional Information* document will help you to understand the product and decide if it is appropriate to your needs.

The personal information that you have provided on this form will be used by legalsuper to establish your account in accordance with your instructions. If you do not complete the sections as detailed on page 1 of this form, legalsuper will not be able to establish your account as you have requested. Information about how legalsuper discloses the personal information that you provide is contained in the Fund's Privacy Policy.

To access the Fund's Privacy Policy and your personal details or to make an enquiry about any aspect of your Fund membership, please call legalsuper on **1800 060 312** (8am to 8pm [AEST] Monday to Friday), visit legalsuper's website at legalsuper.com.au or write to legalsuper at Locked Bag 5081, Parramatta NSW 2124.

I declare that the information in this form is true, and acknowledge responsibility for its completeness and accuracy. I agree to become a member of legalsuper, and understand that my superannuation arrangements will be governed by the terms and provisions of legalsuper's Trust Deed as in force from time to time and prevailing legislation.

I declare I have obtained, read and understood the information contained in legalsuper's PDS and *Employer Sponsored Super & Personal Super Additional Information* document.

I acknowledge that legalsuper:

- will implement any investment instructions as detailed in Section 2.
- is not responsible for my choice of investment strategy or my individual investment selections, or my decision as to whether or when to sell my investments.
- is not responsible for any delays in implementing my instructions.
- will confirm my instructions in writing.

I acknowledge that I should seek independent professional financial advice if I need assistance in understanding my options in completing this form.

Please tick this box to allow legalsuper to use your TFN to find lost super if applicable.

Signature

Date (dd/mm/yyyy)

Confirmation of your account

Once your account has been established with legalsuper, we will confirm your account details, including your insurance cover and your beneficiaries.

If you would like to modify your account, you can go online to MemberAccess at legalsuper.com.au or complete and send to us a *Superannuation change details - (personal details and/or investment option[s])*, a *Superannuation change details - (insurance)* form and/or a *Nomination of beneficiary/ies - superannuation form*, depending on which form(s) is relevant to you.

Join legalsuper today

To become a member of legalsuper,
join online at legalsuper.com.au

 legalsuper.com.au
 1800 060 312 (8am to 8pm [AEST] Monday to Friday)
 mail@legalsuper.com.au
 Locked Bag 5081
Parramatta NSW 2124

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

The information contained in this *Employer Sponsored Super & Personal Super Additional Information* document is about legalsuper. Any advice contained in this Document is of a general nature and does not take into account your objectives, financial situation or needs. You should consider your own financial position, objectives and requirements before making any financial decision. Past performance is not a guide to future performance.