

# Police Blue Ribbon Super

## Member Booklet

1 December 2019

This *Member Booklet (Product Disclosure Statement)* has been prepared by FSS Trustee Corporation (referred to in this document as the 'trustee', 'we', 'us' or 'our') and it provides a summary of significant information for the Police Blue Ribbon Super members of the First State Superannuation Scheme (referred to in this document as 'First State Super' or 'the fund'). It contains references to important information in the *Member Booklet Supplements* which also form part of this *Member Booklet*.

You should consider all the information contained in this *Member Booklet* and the *Member Booklet Supplements* before making a decision relating to the fund. The information in these documents is general information only and does not take into account your objectives, personal financial situation or needs. You should obtain financial advice that is tailored to your personal circumstances.

The information in this *Member Booklet* was accurate at the time of its preparation. Information which is not materially adverse is subject to change and may be updated from time to time. You can find the updated information on our website, at [firststatesuper.com.au/pdsupdates](http://firststatesuper.com.au/pdsupdates). A paper copy of this *Member Booklet*, the *Member Booklet Supplements* and any update is available free of charge by contacting us on 1300 650 873.

We may change any matter about First State Super without member consent, but in the case of an increase in fees and charges, we will notify members at least 30 days before the change occurs.

We may add, close, or remove investment options; add or remove investment managers; or alter the objectives, ranges or benchmarks of an investment option or the Life Cycle strategy at any time. We will notify you about any material changes, although this may be after the change has occurred. If you have money in an investment option that the trustee decides to discontinue, you may have an opportunity to switch to any of our other investment options. Alternatively, we may switch your money to an investment option with a similar risk/return profile.

This offer is only made to persons receiving this *Member Booklet* (electronically or otherwise) in Australia.

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ABN 53 226 460 365

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## 1 About First State Super

First State Super is an industry superannuation fund run solely for the benefit of members. We're one of Australia's largest industry funds providing superannuation, insurance, advice and retirement solutions to those who teach, nurse, care, respond and help others in our communities.

NSW Police has asked us to set up a membership for you to provide your compulsory supplemental insurance cover. Your superannuation guarantee (SG) contributions will also be paid into an account with us, under the government's MySuper arrangements, if you have not chosen your own fund. MySuper was introduced to give members who don't choose their own fund access to a simple, low-cost super option. Our latest MySuper product dashboards are available on our website at [firststatesuper.com.au/dashboards](http://firststatesuper.com.au/dashboards).

If you don't want your super to be invested in the MySuper Life Cycle strategy, then you can choose from our 12 investment options.

You can stay with the fund if you change jobs, or even if you're not working. We also offer retirement income products for when you prepare for, and move into, retirement.

Important information about the fund and the trustee, including trustee and executive remuneration, is available on our website at [firststatesuper.com.au/policies](http://firststatesuper.com.au/policies).

## 2 How super works

### Compulsory retirement savings

The federal government wants Australians to save for their retirement rather than rely solely on the age pension, so superannuation has tax incentives to encourage people to contribute. See **Section 7 – How super is taxed**.

For most people, superannuation is compulsory. Generally, employers are required by law to make superannuation guarantee (SG) contributions on behalf of employees earning \$450 or more (before-tax) per month. Some awards and enterprise agreements have different requirements.

### Choosing a super fund

Most employees have the right to choose the superannuation fund into which their compulsory employer contributions will be paid (choice of fund). This *Member Booklet* summarises the key features of First State Super so you can easily compare it with other super funds.

### Accessing your super

Generally, you can access your super when you reach your preservation age (between 55 and 60 depending on your date of birth) and permanently retire, although you can draw income from your super account as a transition to retirement income stream once you reach your preservation age. In some circumstances, such as severe financial hardship, you may be allowed early access to your super.

### Combine your super

If you have super with more than one fund, you will be paying fees to, and receiving paperwork from, each fund. If you have super with other funds, you can transfer it to First State Super, but remember to check if exit fees apply and whether you will lose or be able to get the equivalent type of insurance cover with us. You should also consider informing your employer where you would like future employer contributions to be paid. You can look for lost super and combine multiple accounts using the **search and combine** tool on our website at [firststatesuper.com.au/combine](http://firststatesuper.com.au/combine).

### Your super account

Your super is in an accumulation account. Contributions and rollovers are added to your account, while withdrawals, insurance premiums, fees (except for investment fees) and taxes are deducted from your account. If your membership only provides compulsory supplemental cover, a unit based accumulation account is not maintained for you.

## Contributions

In addition to the SG, there are other types of contributions that can be made to your super to build your retirement savings. The types of contributions available to you depend on your age and employment status.

There are limits on how much can be contributed to your super each financial year without incurring additional tax. See the *Member Booklet Supplement: How super works* for more detailed information. The main types of super contributions that can be made to super are shown in **Table 1**.

**Table 1: Contribution types**

### Concessional (before-tax) contributions

Employer SG, award and employer voluntary contributions

Salary sacrifice

Personal deductible contributions

### Non-concessional (after-tax) contributions

Personal contributions


Spouse contributions

### Other contributions

Government co-contribution

Low-income superannuation tax offset


Spouse contribution splitting

 You should read the important information about how super works, contributions and preservation rules before making a decision. Go to the fund's website at [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) and read the *Member Booklet Supplement: How super works*. The material relating to how super works, contributions and preservation rules may change between the time when you read this Statement and the day when you acquire the product.

## 3 Benefits of investing with First State Super

We offer a range of features and services to help you build and manage your superannuation throughout your working life and retirement.

- **MySuper** – if you don't make an investment choice, your super will be automatically invested in the MySuper Life Cycle strategy (see **Section 1 – About First State Super**).
- **An industry fund** – designed to deliver better financial outcomes for members, not shareholders.
- **Competitive fees** – as one of Australia's largest superannuation funds, we use our size and stability to keep costs down.
- **Automatic insurance cover** – flexible insurance cover for eligible members.
- **Investment choice** – 12 investment options.
- **Financial advice** – you have access to a range of advice services and no commissions are paid to financial advisers.
- **Stay with us when you change jobs or retire** – keep your membership wherever you work and choose an income stream to help you move into retirement.
- **Online access** – gives you easy access to information that will help you understand and manage your super.
- **Binding beneficiary nominations** – helps you ensure your death benefit is paid according to your wishes.

 You should read the important information about the benefits of investing with First State Super before making a decision. Go to the fund's website at [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) and read the *Member Booklet Supplement: About First State Super for Employer Sponsored, Police Blue Ribbon and Ambulance Officers' Super members and Nominating beneficiaries*. The material relating to the benefits of investing with First State Super may change between the time when you read this Statement and the day when you acquire the product.

## 4 Risks of super

### Investment risk

All investments carry some risk. The key short-term risk is market volatility and the impact this can have on your account balance. The two main risks over the long term are that your savings (including contributions and returns) are not enough to provide adequately for your whole retirement, or don't keep up with the rising cost of living over time.

Your super may be invested in different asset classes such as shares, fixed income, property and cash, and each of these can rise or fall in value. The size and frequency of these rises and falls is referred to as the risk profile. In general, investments that are volatile over short periods of time, such as Australian and international shares, grow more over longer periods. This means that assets with the highest long-term returns may also carry the highest level of short-term risk. By contrast, investments like cash and fixed income tend to produce more stable but lower returns and may not generate the returns you need to reach your retirement goals. This is often called the risk/return trade off and is a key thing to keep in mind when choosing an investment option.

Different options may carry different levels of risk, depending on the assets that make up the option. When choosing an investment option, you should consider the level of investment risk that is appropriate for you, which depends on your age, investment timeframe, where other parts of your wealth are invested and your attitude to risk. Seeking advice from a financial planner can help you choose the most suitable investment option.


Your investment is not guaranteed, and you may lose some of the money you have invested due to investment losses. The value of your investments and the level of returns will vary, and while past performance shows how an investment has performed in the past, future returns may differ.

### Other risks

Changes to laws and regulations may affect the value of your super (for example, changes to taxation rules) or when and how you can access your super. Changes to rules about when and how much you can contribute to super, or how we are required to manage your super, may also affect you. We will communicate material changes that affect your superannuation.

The fund itself is exposed to certain operational risks such as unit pricing errors, systems failures, or fraud against the fund. However, the trustee maintains an Operational Risk Financial Requirement (ORFR) reserve to provide funding for any material losses arising from such events.

Fees, charges or insurance premiums may increase, or we may discontinue or significantly change an investment option you are invested in. We will communicate material changes that affect your superannuation and you will be given at least 30 days' written notice before an increase in fees takes effect. This notice period does not apply to Investment fees, other than the trustee's charge of 0.04%, as Investment fees may vary from year-to-year and cannot be known precisely in advance. For more information on fees and costs, refer to the *Member Booklet Supplement: Fees and costs* or our website at [firststatesuper.com.au/fees](http://firststatesuper.com.au/fees).

 You should read the important information about the risks of investing in super before making a decision. Go to the fund's website at [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) and read the *Member Booklet Supplement: Investments*. The material relating to the risks of investing in super may change between the time when you read this Statement and the day when you acquire the product.

## 5 How we invest your money


### MySuper Life Cycle

If you don't make a choice, your super will be invested in First State Super's MySuper Life Cycle strategy, which consists of the Growth (for members aged under 60) and Balanced Growth (for members aged 60 and over) options. If you are invested in the MySuper Life Cycle strategy in the Growth option, your account balance and future contributions will be automatically switched to the Balanced Growth option when you reach age 60.

The details of the Growth and Balanced Growth options are set out in Table 2 on page 4.

### Your options

We offer you a choice of 12 investment options including five pre-mixed options and seven single asset class options. You can choose to invest in one option or a combination of different investment options and can transfer (switch) your money to another investment option at any time free of charge.

 When choosing how to invest your super, you should consider the likely investment return, the risk and your investment timeframe.

### Pre-mixed investment options

The pre-mixed options provide you with the benefit of diversification by being invested across different asset classes, investment styles and managers. The percentage allocated to each asset class varies, which means each pre-mixed investment option has a different risk/return profile. The pre-mixed options are:

- High Growth
- Growth
- Diversified Socially Responsible Investment (SRI)
- Balanced Growth
- Conservative Growth

Each pre-mixed option is assigned medium to longer term target asset allocation, known as the strategic asset allocation, as well as asset allocation ranges, which are the minimum and maximum amounts we can invest in each asset class. The asset allocation targets and ranges, as at the date of this PDS, are shown in the investment option tables in the *Member Booklet Supplement: Investments*.


### Single asset class investment options

The single asset class options are invested in one asset class only. These options allow you to take a greater degree of control over your investment by choosing your allocation to one or more asset classes. However, some asset classes are not available as a single asset class option (e.g. infrastructure and private equity), so it may be difficult to obtain the same degree of diversification as the pre-mixed options. The risk and potential return of the single asset class investment options reflect the particular asset type in which they are invested. The single asset class options are:

- Australian Equities
- Australian Equities Socially Responsible Investment (SRI)
- International Equities
- Property
- Australian Fixed Interest
- International Fixed Interest
- Cash

## Socially Responsible Investment (SRI) options

Our two socially responsible investment (SRI) options, Diversified SRI and Australian Equities SRI, are designed for members who want greater certainty about the environmental and social impact of their investments. A key feature of these options is that they exclude companies operating within sectors recognised for having a high negative social impact and seek to invest in companies that meet criteria in 'sustainable' products and services or that have strong environmental, social and governance performance. For more information refer to the *Member Booklet Supplement: Investments*.

 You should read the important information about how we invest your money before making a decision. Go to the fund's website at [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) and read the *Member Booklet Supplement: Investments*. The material relating to how we invest your money may change between the time when you read this Statement and the day when you acquire the product.

**Table 2: MySuper Life Cycle strategy**

	Growth (Default option for members up to and including age 59)			Balanced Growth (Default option for members aged 60 and over)		
Summary	Invests in a wide range of Australian and overseas investments with a bias toward capital growth via investments in growth assets such as Australian and international equities.			Invests in a diversified portfolio of income and growth assets with a slight bias towards growth assets such as Australian and international equities.		
Investment objective <sup>1</sup>	CPI + 3.75% p.a. over rolling 10-year periods net of tax and fees.			CPI + 2.75% p.a. over rolling 10-year periods net of tax and fees.		
Growth/income allocation <sup>2</sup>		<b>Target</b>	<b>Range</b>		<b>Target</b>	<b>Range</b>
	Growth assets	75%	55% – 95%	Growth assets	55%	35% – 75%
	Income assets	25%	5% – 45%	Income assets	45%	25% – 65%
Strategic asset allocation <sup>2</sup>		<b>Target</b>	<b>Range</b>		<b>Target</b>	<b>Range</b>
	Australian equities	20%	10% – 30%	Australian equities	14%	4% – 24%
	International equities	30%	20% – 40%	International equities	21%	11% – 31%
	Alternatives <sup>3</sup>	30%	10% – 50%	Alternatives <sup>3</sup>	30%	10% – 50%
	Fixed income	10%	0% – 25%	Fixed income	20%	0% – 35%
	Cash	10%	1% – 45%	Cash	15%	1% – 60%
	Currency exposure <sup>4</sup>	23%	0% – 40%	Currency exposure <sup>4</sup>	16%	0% – 31%
Minimum suggested investment timeframe	Medium to long term (7 years)			Medium term (5 years)		
Standard Risk Measure <sup>5</sup>	6 – High			5 – Medium to High		
Estimated frequency of annual negative returns every 20 years <sup>5</sup>	4 to less than 6			3 to less than 4		
Who might invest in this option?	This option may suit investors who can accept fluctuations in returns, including years of negative returns, but are seeking strong long-term returns.			This option may suit investors who can accept some years when returns are negative but who expect that, over the long term, returns will be well above inflation.		

<sup>1</sup> The investment objectives do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

<sup>2</sup> We may vary the asset allocation for an investment option from time to time. Refer to our website for the latest asset allocations.

<sup>3</sup> Alternative assets include a wide range of investments such as credit income, property, infrastructure, private equity, hedge funds and real return strategies.

<sup>4</sup> These currency exposure targets and ranges refer to the proportion of assets that are subject to foreign exchange rate movements.

<sup>5</sup> For more information on the methodology used to determine risk measures and the estimated number of annual negative returns, refer to the 'Standard Risk Measures' section in the *Member Booklet Supplement: Investments* or our website at [firststatesuper.com.au/investmentandrisk](http://firststatesuper.com.au/investmentandrisk).

## 6 Fees and costs

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

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

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

### To find out more

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

**Table 3** summarises the fund's fees and costs that may be charged to members. These fees and other costs may be deducted from your account, 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. This information can be used to compare costs between different superannuation products. We may vary our fees or introduce new fees at our discretion at any time without your consent. If we increase our fees or introduce new fees, we will notify you at least 30 days before the change occurs. This excludes investment fees which are estimates and the actual fees may be more or less than estimated.

Definitions of the fees and costs can be found in the *Member Booklet Supplement: Fees and other costs* and on our website at [firststatesuper.com.au/fees](http://firststatesuper.com.au/fees). First State Super does not pay any commissions to financial advisers.

**Table 3: Fees and costs (Police Blue Ribbon Super)**

Type of fee	Amount	How and when paid
Investment fee <sup>1,2</sup>	<p><b>MySuper Life Cycle strategy:</b>            Growth option: 0.80% per year            Balanced Growth option: 0.65% per year            The investment fee for the other options varies according to which option you select.</p>	Deducted from the assets of the option, or the assets of underlying investment vehicles, before the unit price is determined.
Administration fee <sup>2</sup>	\$52 per year (\$4.33 per month) plus an asset-based administration fee of 0.15% per year (\$75 per \$50,000). The asset-based administration fee is capped at \$750 per year (\$62.50 per month).	Deducted from your account at the end of each month, or on exit. Fees for part of a month are calculated based on the number of days you were in the fund. The asset-based administration fee is charged from the month your first contribution or rollover is received.
Buy-sell spread	Nil	The fund does not charge a buy-sell spread.
Switching fee	Nil	The fund does not charge a switching fee.
Advice fee relating to all members investing in a particular MySuper product or investment option	Nil	No advice fee is charged for providing general and simple advice limited to your First State Super account.
Other fees and costs <sup>3</sup>	Comprehensive financial advice	<p>! Additional fees may be paid to a financial adviser. The fees will depend on the complexity of the advice you are seeking.</p> <p>If you obtain complex financial advice from a planner in our financial planning business, you will be informed of the fee before you proceed. If you are issued with a Statement of Advice, it will contain details of the fees, which may be deducted from your account when the advice is received (or you may need to pay the fee directly). See the <i>Member Booklet Supplement: Fees and other costs</i>.</p>
	Family law application fee of \$110	Payable to us by the person making the request for information at the time a request is made.
	Family law splitting fee of \$88	Shared equally between both parties and deducted from each party's benefit at the time the benefit is split unless all of the benefit is going to the non-member spouse (in which case the non-member spouse pays the full fee).
	You will pay insurance premiums if you have insurance. In addition, to offset the costs of administering your insurance, for unit-based cover we retain \$1.20 per year per unit of death and total and permanent disablement (TPD) cover, and \$0.60 per year per unit of death only cover.	Deducted from your account at the end of the month or on exit, as part of the insurance premium. Fees for part of a month are calculated daily.
Indirect cost ratio	Nil	All indirect costs are included in investment fees.

<sup>1</sup> Investment fees may vary from year to year and cannot be precisely calculated in advance. These amounts are an estimate of the fees and costs of each option for the 12 months to 30 June 2019. Past costs are not a reliable indicator of future costs. The investment fees for all investment options are provided on page 4 of the *Member Booklet Supplement: Fees and other costs*.

<sup>2</sup> If your account balance is less than \$6,000 at the end of the financial year, the total combined amount of administration fees and indirect costs charged to you is capped at 3% of your account balance. Any amount charged in excess of that cap will be refunded.

<sup>3</sup> For more information on 'Other fees and costs' (also called 'Activity fees'), see the **Additional explanation of fees and costs** section in the *Member Booklet Supplement: Fees and other costs*.

## Example of annual fees and costs


These tables give an example of how the fees and costs in the MySuper Life Cycle strategy for this superannuation product can affect your superannuation investment over a one-year period. You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE – MySuper Life Cycle Growth option		BALANCE OF \$50,000	EXAMPLE – MySuper Life Cycle Balanced Growth option		BALANCE OF \$50,000
Investment fees <sup>1</sup>	0.80%	For every \$50,000 you have in the superannuation product you will be charged \$400 each year.	Investment fees <sup>1</sup>	0.65%	For every \$50,000 you have in the superannuation product you will be charged \$325 each year.
<b>PLUS</b> Administration fees	\$52 (\$4.33 per month) + 0.15%	<b>And</b> , you will be charged \$127 in administration fees.	<b>PLUS</b> Administration fees	\$52 (\$4.33 per month) + 0.15%	<b>And</b> , you will be charged \$127 in administration fees.
<b>PLUS</b> Indirect costs for the superannuation product	0.00%	<b>And</b> , indirect costs of \$0.00 each year will be deducted from your investment.	<b>PLUS</b> Indirect costs for the superannuation product	0.00%	<b>And</b> , indirect costs of \$0.00 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product <sup>2</sup>		If your balance was \$50,000, then for that year you will be charged fees of <b>\$527</b> for the superannuation product.	<b>EQUALS</b> Cost of product <sup>2</sup>		If your balance was \$50,000, then for that year you will be charged fees of <b>\$452</b> for the superannuation product.

<sup>1</sup> These amounts reflect the estimated investment fees for the 12 months to 30 June 2019. The actual amount you'll pay in future years will depend on the actual fees, costs and taxes incurred by us in managing the investment option.

<sup>2</sup> Additional fees may apply.

This example is illustrative only. What it costs you will depend on the investment option you choose.

 ASIC provides a calculator on its MoneySmart website, [www.moneysmart.gov.au](http://www.moneysmart.gov.au) that can be used to calculate the effect of fees and costs on account balances.

 You should read the important information about fees and costs before making a decision. Go to the fund's website at [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) and read the *Member Booklet Supplement: Fees and other costs*. The material relating to fees and costs may change between the time when you read this Statement and the day when you acquire the product.


## 7 How super is taxed

Tax concessions make super a tax-effective way to save for your retirement.

### Tax on contributions

Concessional (before-tax) contributions to your super (including compulsory employer and salary sacrifice contributions) and personal contributions claimed as a tax deduction are generally taxed at 15%. A provision for this tax is deducted from your account. Additional tax may be payable under certain circumstances, read the *Member Booklet Supplement: Tax and super* for further information. Contributions that exceed the concessional contribution cap for the financial year may be included in your assessable income and taxed at your marginal tax rate, plus an interest charge, on top of the 15% contributions tax.

Non-concessional contributions and other contributions to your super, which include spouse contributions, government co-contributions and contributions made from your after-tax salary or from your own savings, are not taxed. The government has set limits on the amount that may be contributed after tax to super in a financial year.


 Contributions that exceed the annual limit may attract additional tax.


### Tax on investment income

Investment income is generally taxed at 15%, but offsets (tax credits and rebates) may reduce the effective tax rate. Tax is deducted from investment income before daily unit prices are determined.

### Tax on your super benefits

Withdrawals from your super account may be taxed if you are aged less than 60 and any applicable tax will be withheld from your benefit payment. Once you turn 60, generally no tax applies to withdrawals, unless you are a temporary resident.


 You may wish to provide your tax file number (TFN). It's not compulsory to provide your TFN, but if you don't you may pay additional tax on your contributions and benefit; and some contributions may not be accepted. It will also be more difficult to trace different superannuation accounts in your name. By providing your TFN, you can help ensure that you receive all your super benefits when you retire.

 You should read the important information about tax and super before making a decision. Go to the fund's website at [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) and read the *Member Booklet Supplement: Tax and super*. The material relating to tax and super may change between the time when you read this Statement and the day when you acquire the product.

## 8 Insurance in your super

Police Blue Ribbon members in First State Super may be eligible to receive automatic cover and optional cover (see Part 1 on page 7) and/or compulsory supplemental cover (see Part 2 on page 7). You should check your eligibility for cover and any options to change or opt out of your cover.

If your membership with us exists only to enable compulsory supplemental cover to be provided, as discussed in Part 2 of this section, then only Part 2 of Section 8 is relevant to your membership. If you would like to make other contributions, in addition to the contributions required for the supplemental Police Blue Ribbon Insurance cover, please contact us to discuss setting up another account.

 The information provided in this section is a summary of the insurance cover available to you. Information about eligibility, cancellation, conditions, and exclusions that may affect your entitlement to insurance cover can be found in the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)* available on our website and by contacting us. You should read this information before deciding whether the insurance is appropriate for you.

## Part 1 – Death and total and permanent disablement cover

### Automatic cover

New Police Blue Ribbon members may receive three units of automatic cover for death (including terminal illness) and TPD cover subject to eligibility.

If you are a new Police Blue Ribbon member aged over 15 and less than 70, you are eligible for automatic cover if your First State Super participating employer is making your SG contributions to the fund. The value of your insurance benefit depends on your age and your employer insurance category.

Your automatic cover will commence on the date you commence employment with your First State Super participating employer, provided we receive the first SG contribution made for you by that employer within 6 months of you commencing employment. In some cases, your automatic cover may be subject to limited cover conditions.

If you have chosen another super fund under choice of fund, you will not receive automatic cover or be eligible to apply for the additional cover options described in Part 1 of this section.

### You can apply for more death cover

First State Super offers eligible members the opportunity to increase their cover in the fund, including:

- Start-up bonus cover (and, subject to conditions, additional start-up bonus cover)<sup>1</sup> where eligible new members with automatic cover can apply to increase their death cover – with only limited health and lifestyle information required (maximum cover limits apply).
- The option for members with automatic cover to apply for additional death cover at any time (but you'll need to provide information about your health, occupation, income and lifestyle). Death cover is available as:

**unit-based cover** – where your benefit amount depends on your age and insurance category; and/or

**fixed cover** – where the amount of cover is fixed, regardless of your age.

<sup>1</sup> We must receive your first SG contribution from your First State Super participating employer within 6 months after you commenced employment and you must not have reduced your automatic cover.

### How to apply

To take up one or more of the start-up offers, complete and return the *Start-up bonus cover for new employer sponsored members* form, ensuring we receive it within 180 days after we receive your first SG contribution from your First State Super participating employer.

To apply for additional death only cover, complete and return the *Application for insurance* form, which is available on our website at [firststatesuper.com.au/forms](http://firststatesuper.com.au/forms) or by contacting us. When providing information for your application for insurance cover, you have a duty of disclosure to the insurer (see the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)*). Conditions apply and the insurer has the right to accept or reject your application. If accepted, any change to your cover starts on the date of the insurer's written acceptance.

 The insurance calculators on our website can help you decide how much insurance you need.

### The cost and amount of your automatic death and TPD cover


The cost for automatic unit-based death and TPD cover is summarised in **Table 4**. Insurance premiums are deducted monthly in arrears from your super account. The cost of cover for part of a month is calculated on a daily basis. If there is not enough money in your account, your insurance cover will stop. The cost of cover may change in the future.

Read the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)* available on our website.

Table 4: Cost of unit-based cover

Employer insurance category	Cost per unit per month (deducted from your account)	
	Death only	Death and TPD
Police <sup>2</sup>	\$15.29	\$32.15

Cover per unit is up to \$69,072 to age 35, reducing to \$0 at age 70. Insurance cover stops at age 70 (except terminal illness cover which stops at age 69) and a restricted definition of TPD applies from age 65. Cost per unit includes an insurance administration fee of \$0.05 per month for death only cover and \$0.10 per month for death and TPD cover.

-  Your cover will cease when any of the following occur (among other situations):
- there is not enough money in your account to cover the cost of your cover;
  - unless you have made an election, your account becomes inactive for a continuous period of 16 months or more;
  - we receive your request to cancel your cover.

<sup>2</sup> If you are a sworn police officer, NSW Police may make additional employer contributions on your behalf. Contact your employer for more details.

### Opting out or reducing your cover


You can reduce your three units of automatic cover to one or two units of death and TPD cover; to one, two or three units of death only cover, or you can opt out of cover at any time. To reduce or opt out of your automatic cover without costs being incurred you must notify us within 30 days of being notified of your automatic cover commencing by completing the *Application to reduce or cancel insurance cover* form, available on our website or by contacting us.

### Maximum amount of death and TPD cover

The maximum amount of insurance cover is unlimited for death and \$5 million for terminal illness. TPD cover is limited to automatic cover.

### Exclusions and limitations

There are conditions and events that affect the cover you may be entitled to. See the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)*.

-  More information about the optional insurance cover available to you, including costs of cover (whether fixed cover or unit-based cover) and other significant matters is provided in the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)* available on our website and by contacting us. You should read this information before deciding whether optional insurance cover is appropriate for you.

### Part 2 – Supplemental insurance cover

Eligible NSW Police Officers are provided with compulsory supplemental death, terminal illness, TPD and income protection cover.

If you have the automatic cover described above, this supplemental cover is provided in addition to the automatic cover. You cannot opt out of this supplemental cover and it ceases automatically when you are no longer an eligible NSW Police Officer. To determine whether you are eligible and when compulsory supplemental cover starts, read Part 2 of the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)* available on our website or by contacting us.

### Death, terminal illness and TPD cover

#### Level and cost of cover

If you are aged under 61, your level of death and terminal illness cover depends on whether you are **on duty** or **off duty** when an insured event occurs. TPD cover is the same whether you are **on duty** or **off duty**. The levels of cover and the cost of cover are briefly explained in **Table 5** on page 8. For the definition of **on duty** and **off duty**, and more information on the levels and cost of cover, read Part 2 of the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)*.

The cost of this cover is shared between you and your employer, NSW Police. The total premium is deducted from your First State Super account. If the only reason you have a First State Super account is to enable compulsory supplemental cover to be provided, you will not have the automatic cover described in Part 1 and the fund's monthly administration fee of \$4.33 will be paid for you by your employer.

Table 5

Cover	Level of death, terminal illness and TPD cover	Cost
Maximum benefit	The maximum amount of cover is \$2 million.	
Death and terminal illness	<p><b>On duty:</b> up to age 60 – cover is calculated as a multiple of your salary (as defined by the applicable award). The level of cover depends on your age and a service factor based on your hours of work.</p> <p>From age 61 – a lump sum equal to the off duty cover. Terminal illness cover ceases at age 64. Death cover ceases at age 65.</p> <p><b>Off duty:</b> lump sum cover of \$382,327<sup>1</sup> up to and including age 60. Cover reduces at each age band from age 61 and is nil at age 65 for death cover and nil at age 64 for terminal illness cover.</p>	<p>1.8% of your salary deducted by way of a salary sacrifice contribution paid to your employer.</p> <p>NSW Police pays the premium for this cover to First State Super.</p>
TPD	<b>Both on duty and off duty:</b> calculated as a multiple of your salary for your age at the date you became TPD, but will not be greater than the death cover. Cover ceases at age 65.	

<sup>1</sup> This is the level as at 1 July 2019. Cover is indexed in line with the percentage increase in annual pay and applies from 1 July each year.

## Income protection cover

If you are eligible, you receive Police Blue Ribbon income protection cover providing a monthly income replacement benefit of 75% of your pre-disability income (to a maximum monthly benefit of \$14,000). Cover ceases at age 60.

The maximum period during which the benefit is paid, and the waiting period before a benefit is payable, depends on whether you are **on duty** or **off duty** when the illness or injury resulting in the payment of a benefit occurs, as shown in **Table 6**. For the definition of **on duty** and **off duty**, and more information about the levels and cost of cover, read Part 2 of the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)*.

Table 6

	On duty	Off duty
Benefit period	7 years	2 years
Waiting period	6 months plus 13 weeks	60 days

The insurer will determine whether income protection cover is payable under the terms of the insurance policy. Limitations or exclusions may apply. The cost of income protection cover is included in the total cost payable for your Police Blue Ribbon insurance cover, which is described in **Table 5**.

## Exclusions and limitations


There are conditions and events that affect compulsory supplemental death, terminal illness, TPD and income protection insurance cover. See the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)* for details.

For information about the levels and cost of insurance cover, read Part 2 of the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)*.

## Other important information

Insurance cover is provided under policies issued to the trustee by TAL Life Limited (ABN 70 050 109 450, AFSL 237848).

A death, terminal illness or TPD benefit is paid as a lump sum. While the definitions of TPD under the insurance policies are similar, they are not the same. Definitions are explained in the **Glossary** sections of the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)*. To receive an insured benefit your claim must be accepted by the insurer and you must meet a condition of release under superannuation law.

 You should read the important information about insurance before making a decision. Go to the fund's website at [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) and read the *Member Booklet Supplement: Insurance (Police Blue Ribbon Super)*. The material relating to insurance may change between the time when you read this Statement and the day when you acquire the product.

## 9 How to open an account

You do not have to complete an application form. You automatically become a member if you did not choose another fund to receive compulsory contributions from NSW Police (and we are authorised to accept these contributions under the government's MySuper arrangements) or because you are entitled to compulsory supplemental cover which NSW Police provide through the fund. This means that as an employee you are automatically nominated to become a member of First State Super. You will become an Employer Sponsored member if you have a super account and you no longer qualify for compulsory supplemental cover.


As a new member, you have a number of choices open to you, particularly in relation to insurance and investment options. It's not compulsory to make these choices and if you don't, the MySuper Life Cycle strategy and automatic insurance arrangements will apply to you. Make sure you're fully informed by reading all the information in this *Member Booklet* and the *Member Booklet Supplements*. If you'd like to make super contributions by payroll deduction, complete the *Contributions by payroll deduction* form and give it to your payroll manager.

If you're not sure of what decisions to make, we recommend that you seek financial advice. Our members have access to single issue advice about their First State Super account at no charge and comprehensive advice on a fee-for-service arrangement, through our financial planning business.

## Making a complaint

You can make a complaint in the following ways:

- call us on 1300 650 873
- send an email to [complaints\\_officer@firststatesuper.com.au](mailto:complaints_officer@firststatesuper.com.au)
- send a fax to 1300 722 072
- write to the Complaints Officer  
First State Super, PO Box 1229, Wollongong NSW 2500
- go online to [firststatesuper.com.au/contact](http://firststatesuper.com.au/contact).

 You should read the important information about making a complaint before making a decision. Go to the fund's website at [firststatesuper.com.au/pds](http://firststatesuper.com.au/pds) and read the section, **If you have a complaint** in the *Member Booklet Supplement: About First State Super for Employer Sponsored, Police Blue Ribbon Super and Ambulance Officers' Super members*. The material relating to making a complaint may change between the time when you read this Statement and the day when you acquire the product.



## Contact us

**Phone** 1300 650 873  
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**Email** [enquiries@firststatesuper.com.au](mailto:enquiries@firststatesuper.com.au)  
**Web** [firststatesuper.com.au](http://firststatesuper.com.au)  
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