

ADDITIONAL INFORMATION ABOUT YOUR SUPER GUIDE



super



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This *Additional Information About Your Super Guide*, was prepared on 1 November 2019 and issued by Media Super Limited, Level 15, 45 Clarence Street, Sydney NSW 2000, ABN 30 059 502 948, AFSL 230254 (Trustee), the Trustee of Media Super (ABN 42 574 421 650, SPIN 0100AU, USI 42574421650001) [Fund].

The information in this document forms part of the *Media Super Member Guide Product Disclosure Statement* (PDS) issued 1 November 2019. You should read this document in conjunction with the PDS before you make a decision about Media Super.

Warning: The information in this document is general information only. It has been prepared without taking into account your objectives, financial situation or needs. Because of that, before acting on the information, you should consider its appropriateness, having regard to your objectives, financial situation and needs.

We recommend that you also consider obtaining financial advice from a licensed financial planner.

Information in the PDS and the additional information that forms part of the PDS (including this document) may change from time to time. We will notify members in writing of any significant events or material changes. We may update information that is not materially adverse via our website at mediasuper.com.au/blog.

A paper or electronic copy of any updated information is available without charge on request. Any statements given by third parties in this document have been given with their consent which has not been withdrawn at the time of issuing this document.

Except as outlined in the PDS and the additional information that forms part of the PDS, we can change matters which are the subject of representations set out in these documents at any time without notice.

1. HOW SUPER WORKS

Superannuation is money saved during your working life to help support your financial needs when you retire.

Under the terms of most employment arrangements, your employer must pay a minimum percentage of your income into a superannuation fund. This is known as the Superannuation Guarantee (SG) and is in addition to your salary or wages.

Super is an investment in your future, and it does not work like a regular savings account. When a super contribution is received on your behalf, your super is invested into an investment option chosen by you (or the 'default' investment option if you don't make a choice). As different investment mixes can make for different investment returns, it's worth looking into your investment options.

Generally, you cannot withdraw your super until you reach your 'preservation age' (see page 8 for details) and permanently retire, or until you satisfy another condition of release.

LEARN MORE

Investment options – see the *Investment Guide* available at mediasuper.com.au/pds.



Making contributions

Just relying on your employer contributions to provide for you in retirement may not be enough. How much income you need in retirement will depend on your circumstances, but generally, you may want to aim for between 60% and 70% of your pre-retirement salary.

You can make extra contributions to your super account throughout your working life. These contributions are divided into two types – 'concessional' and 'non-concessional'. The difference between the two types is the tax treatment of each.

Concessional contributions (also known as 'before-tax')

As the name suggests, these are contributions made to your super account before they are taxed as part of your salary. Concessional contributions up to the cap (see page 5) will be taxed at the rate of 15%. This may be less than your marginal tax rate, so you may benefit over the long term from the low-tax environment of super.

If your income and low tax contributions (i.e. concessional contributions less any excess concessional contributions)

exceed \$250,000 p.a. in a financial year, you will be liable for an additional tax of 15% (on the lesser of the excess amount over the cap and the contributions).

Employer contributions

The SG is the minimum amount of superannuation contributions that an employer is legally required to pay into a complying fund, such as Media Super, on behalf of an employee.

Generally, you should be receiving SG contributions if you are:

- 18 years of age or over and earning \$450 or more (before tax) in salary or wages in a calendar month;
- less than 18 years of age, earning \$450 or more (before tax) in salary or wages in a calendar month and working at least 30 hours a week.

Currently the minimum SG rate is 9.5% of your Ordinary Time Earnings (generally, the payments you receive for your ordinary hours of work such as your salary).

The minimum SG rate is scheduled to increase incrementally until it reaches 12% by the 2025–26 financial year.

Awards and industrial agreements may stipulate a higher employer contribution rate, or your employer may voluntarily choose to pay you additional superannuation.

Salary sacrifice

Salary sacrifice involves making a prior agreement with your employer to sacrifice some of your pre-tax salary into your super account. This may lower your taxable income without substantially reducing your take home pay.

Remember to clarify the terms of your salary sacrifice agreement with your employer to ensure that your employer SG contributions are based on your pre-salary sacrifice salary and that entitlements such as long-service leave or loadings are not adversely affected.

If your employer offers a salary sacrifice option make sure that your salary sacrifice agreement is in writing.

Super splitting

You may be able to split up to 85% of your concessional contributions in a financial year with your spouse, up to your concessional contributions cap (see page 5 for the current contribution caps).

You can make only one super splitting application per year – we require that a minimum of \$1,000 be split and that your account balance cannot be less than \$6,000 after the split.

This application can be made at any time during the financial year that immediately follows the financial year in which the contributions were made. Also, if you close your Media Super account, then you can split the contributions made during the financial year in which you close the account.

You can split contributions with your spouse regardless of your own age, but your spouse must either be:

- under preservation age (see page 8 for details), or
- between preservation age and age 64, and must not satisfy the 'retirement' condition of release.

If your spouse is age 65 or older, you can't split your super contributions.

Please note that the amount transferred to your spouse's super account does not reduce the concessional contributions counted towards your cap.

To split your super, request a super splitting pack by calling our Super Helpline **1800 640 886**. This pack will contain a statement showing the concessional contributions we received from you in the previous financial year and the maximum amount you can split, as well as a form for you to advise us how you wish to split your super.

Note: If you wish to claim a tax deduction for voluntary (personal) contributions AND make a super split, by law you must claim the tax deduction BEFORE lodging your super splitting application. In addition, at the time of claiming the tax deduction, Media Super must:

- still hold these contributions, and
- not have begun to pay a superannuation income stream based in whole or part of these contributions.

Non-concessional contributions (also known as 'after-tax')

These are contributions made to your super account after they have been taxed as part of your salary. They include:

Voluntary (personal) contributions

Voluntary or personal contributions can be made as frequently as you like from your take home pay. Since you've already paid income tax, no contributions tax applies to voluntary contributions up to the non-concessional cap amount.

If you're aged between 65 and 74, you can only make personal after-tax super contributions if you have been gainfully employed for at least 40 hours over 30 consecutive days during the financial year.

See the section 'How to contribute' on page 7 for further information on how to make voluntary contributions.

Note: If you're self-employed or to provide an alternative to salary sacrifice where an employer doesn't offer this as an option, anyone under 75 will be able to claim a tax deduction for personal voluntary concessional contributions to super from their after-tax salary. See the section 'Tax on personal contributions' on page 21 for further information.

Spouse contributions

Spouse contributions are designed to help build super for non-working or low-income partners (including same-sex couples). You can make contributions on behalf of your spouse and, if eligible, obtain a tax rebate of up to \$540 for the financial year.

The spouse making the contribution will receive an 18% tax rebate on non-concessional contributions (up to \$3,000 per year) if the receiving spouse's annual income is less than \$37,000. If the receiving spouse earns between \$37,000 and \$40,000 per year, a partial rebate applies. Eligibility conditions apply.

The rebate will be calculated by the Australian Taxation Office (ATO) when you lodge your tax return at the end of the financial year.

Generally, to be eligible, you and your spouse must be Australian residents at the time the contribution is made and must not be living separately and apart on a permanent basis at that time. However, it doesn't matter whether you are employed or not. Age restrictions apply (see page 7).

You will not be entitled to the tax offset when your spouse receiving the contribution:

- exceeds their non-concessional contributions cap for the relevant year, or
- has a total superannuation balance equal to or exceeding the general transfer balance cap (\$1.6 million for the 2019-20 financial year) immediately before the start of the financial year in which the contribution was made.

See the section 'How to contribute' on page 7 for further information on how to make spouse contributions. For details of how your total superannuation balance is calculated, go to ato.gov.au.

Government co-contribution

If eligible, the co-contribution is a payment made by the Federal Government for low and middle-income earners. The payment is designed to reward those who make an additional contribution to their super, on top of what their employer contributes.

If you earn less than \$53,564 per annum (upper income threshold) and make a voluntary post-tax super contribution you may be eligible for a co-contribution.

If eligible, the maximum co-contribution of \$500 applies for people earning up to \$38,564* per annum (lower income threshold) or less who have made a voluntary super contribution of \$1,000 to their super account. The amount of co-contribution reduces by 3.333 cents for each dollar of the person's total income above \$38,564.

*This lower income threshold is indexed each year in line with AWOTE (Average Weekly Ordinary Time Earnings for full-time adult persons, private sector).

You may be eligible for a co-contribution if you satisfy all of the following criteria:

- you generate 10% or more of your total annual income¹ from eligible employment, running a business, or a combination of both; and
- you earn² less than \$53,564 per annum (upper income threshold); and
- you make a voluntary post-tax super contribution in that financial year; and
- you were less than 71 years old at the end of the financial year; and
- you did not hold an eligible temporary resident visa at any time during the year (New Zealand citizens are not temporary residents for this purpose); and
- you had a total superannuation balance less than the general transfer balance cap (\$1.6 million for the 2019-20 financial year) at the end of 30 June of the previous financial year; and

- you have not exceeded your non-concessional contributions cap for the relevant year; and
- you lodged your income tax return for the relevant financial year.

If you are eligible for a co-contribution it will be automatically calculated by the ATO and deposited into your super fund after you lodge your tax return each year. Although the co-contribution is treated as a non-concessional contribution it is not counted towards your non-concessional contributions cap.

For assistance on calculating the level of co-contribution that you're eligible for, use the co-contribution calculator at mediasuper.com.au/calculators.

Note: These amounts are applicable for the 2019-20 financial year.

1. For the purposes of the 10% test, your total income is not reduced by your allowable deductions for carrying on a business.
2. Your earnings are the sum of your assessable income, your reportable fringe benefits and your reportable employer super contributions for the income year, minus any allowable deductions for carrying on a business.

Low Income Super Tax Offset (LISTO)

The government will provide a superannuation contribution of up to \$500 annually for individuals on adjusted taxable incomes of up to \$37,000.

The amount payable under this measure will be calculated by applying a 15% matching rate to the concessional contributions made by or for individuals on adjusted taxable incomes of up to \$37,000, with an annual maximum amount payable of \$500 (not indexed). If the calculated amount is less than \$10 the LISTO payment will be rounded up to \$10.

You're eligible if:

- you earn less than \$37,000 per year in 'adjusted taxable income';
- you earn 10% or more of your income from eligible employment, running a business, or both*;
- a concessional contribution was made to your super fund in the financial year; and
- you were not a temporary resident at any time in the financial year (New Zealand citizens are not temporary residents for this purpose).

* For the purposes of the 10% test, your total income is not reduced by your allowable deductions for carrying on a business.

Incentives for first home buyers

As part of the First Home Super Saver (FHSS) scheme, from 1 July 2017, you have the ability to make additional contributions into your super to help you save for your first home (note your normal annual contribution caps apply). From 1 July 2018, you can apply to release up to \$15,000 of your voluntary contributions per financial year (up to a total of \$30,000 across all years) along with associated earnings, to help you purchase your first home. You must meet certain requirements before you are eligible for the release of these amounts. Full details of the FHSS scheme are available on the ATO's website.

Contribution caps

There are limits on the amount of concessional and non-concessional contributions you can make each financial year as shown in the table below. Tax penalties apply for breaching the caps. Refer to 'How super is taxed' for more information [see page 19].

	BEFORE-TAX (concessional)	AFTER-TAX (non-concessional)
Types of contributions included	Employer (including SG of 9.5%) Salary sacrifice Personal	Personal Spouse Government co-contribution ¹
Contribution cap	\$25,000 ² per year	\$100,000 per year Individuals with a total superannuation balance of \$1.6 million or more will have a non-concessional contributions cap of nil.

Notes:

1. Government co-contributions are not counted towards your non-concessional contributions cap.
2. Indexed annually in line with Average Weekly Ordinary Time Earnings, in increments of \$2,500 (rounded down).

From 1 July 2018, individuals with a total superannuation balance under \$500,000 on 30 June of the previous financial year can carry forward any unused concessional contribution cap amounts on a rolling five year basis. The first year you can make carry forward concessional contributions over the general cap is in the 2019/20 financial year.

If you are under age 65 at 1 July of the financial year in which a non-concessional contribution was made, you may be eligible for the 'bring forward' option. This effectively allows you to contribute up to three times the annual non-concessional contributions cap in a single year.

The non-concessional contributions cap amount that you can bring forward, and whether you have a two or three year bring forward period, depends on your total superannuation balance.

If you have triggered the bring-forward option in the 2015-16 or 2016-17 financial year, but did not fully use your remaining bring-forward balance before 1 July 2017, transitional arrangements will apply. This means that the maximum amount of bring forward available will reflect the reduced annual contribution caps.

The rules regarding the bring-forward option for non-concessional contributions are complex. Please speak to your financial adviser or a qualified tax professional for further information regarding the bring-forward option.

Other contributions

Rollover

A rollover is super that you transfer from another super fund you belong to.

If you have multiple super accounts it's a good idea to combine them all into a single easy to manage account. You'll generally save on fees and reduce your paperwork, helping you to grow your super faster.

Before rolling over always compare the fees, investment options and insurance offerings of super funds to ensure you are aware of any costs or loss of benefits that may apply.

To make Media Super the home for all your super, simply combine online through your Media Super account. Alternatively, please complete the *Combine and save form* available at mediasuper.com.au/forms.

Downsizing contributions

If you are 65 years old or older and meet the eligibility requirements, you may be able to make a downsizer contribution of up to \$300,000 from the proceeds of selling your home.

The downsizer contribution is neither a concessional nor non-concessional contribution and will not count towards your contributions caps. The downsizer contribution can still be made if you have a total superannuation balance greater than \$1.6 million, but it will count towards your transfer balance cap.

You can only make downsizing contributions following the sale of one home; it cannot be accessed again after the sale of a second or subsequent home.

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

- To be eligible to take advantage of the downsizer contribution: you must be at least 65 years old at the time you make a downsizer contribution;

- the amount you are contributing is from the proceeds of selling your home where the contract of sale was exchanged on or after 1 July 2018;
- your home was owned by you or your spouse for 10 years or more prior to the sale;
- your home is in Australia and is not a caravan, houseboat or other mobile home;
- the proceeds (capital gain or loss) from the sale of the home are either exempt or partially exempt from capital gains tax (CGT) under the main residence exemption, or would be (where the home was acquired before 20 September 1985);
- you must provide the trustee with a downsizer contribution form either before or at the time of making your downsizer contribution;
- you must make your downsizer contribution within 90 days of receiving the proceeds of sale, which is usually the date of settlement;
- you must not have previously made a downsizer contribution to your super from the sale of another home.

REPORTABLE EMPLOYER SUPERANNUATION CONTRIBUTIONS (RESCS)

Non-wage remuneration will be included in income tests used to determine eligibility for a range of government financial assistance programs.

Certain salary sacrifice superannuation contributions will be included as income for income-testing purposes, as well as the spouse contribution rebate income test.

This could affect your eligibility to receive the Federal Government co-contribution, the LISTO and the spouse rebate.

Age restrictions on receiving super contributions

CONTRIBUTION TYPE	YOUR AGE			
	Less than 65	65–69	70–74	75+
Employer SG contribution ¹	Accepted without restriction			
Additional employer contribution ²	Accepted without restriction	Accepted provided you are gainfully employed on at least a part-time ³ basis	Accepted provided you are gainfully employed on at least a part-time ³ basis	Cannot be accepted
Voluntary contribution	Accepted without restriction	Accepted provided you are gainfully employed on at least a part-time ³ basis ⁴	Accepted provided you are gainfully employed on at least a part-time ³ basis ⁴	Cannot be accepted
Spouse contribution	Accepted without restriction	Accepted provided you are gainfully employed on at least a part-time ³ basis	Cannot be accepted	
Government co-contribution	Accepted without restriction	Accepted for the period that you were eligible to make voluntary contributions	Accepted under age 71 ⁵ Cannot be accepted over age 71	
Downsizer contributions	Cannot be accepted	Accepted without restriction		
Low Income Super Tax Offset	Accepted without restriction			
Rollover	Accepted without restriction			

1. Includes SG and contributions stipulated by Awards and Enterprise Agreements.

2. Includes additional employer contributions, salary sacrifice contributions and personal contributions where a tax deduction has been claimed.

3. Part-time means you must have worked at least 40 hours in 30 consecutive days in the financial year.

4. If your total superannuation balance is below \$300,000 at the end of the previous financial year, you can make voluntary contributions without having to be gainfully employed on at least a part-time³ basis – this option is only available in the financial year immediately following the financial year in which you were last gainfully employed on at least a part-time³ basis.

5. You must be under age 71 at the end of the financial year in which an after-tax contribution is made to receive a government co-contribution.

Important notes:

- > Super splitting transfers cannot be received by a spouse who is aged 65 years or more, or who has reached their preservation age and is retired.
- > Further restrictions on receiving contributions may apply if you have not supplied your tax file number.
- > If you are gainfully employed on at least a part-time basis during the financial year that contributions are made, contributions received on or before the day that is 28 days after the end of the month in which you turn 75 can be accepted.

How to contribute

METHOD	SUITABLE FOR	WHAT TO DO
BPAY® or CHEQUE For regular or one-off payments into your Media Super account.	Voluntary (personal) contributions Self-employed contributions* Spouse contributions	BPAY® – check your member card for your unique BPAY® details. Cheque – send your cheque made payable to Media Super to us along with any relevant paperwork (e.g. <i>Voluntary contribution form</i> or <i>Spouse contributions form</i>). At a minimum your cheque must be accompanied by your membership number or it will be returned.
PAYROLL Your employer will adjust your pay (according to your instructions) and send contributions to Media Super on your behalf.	Voluntary (personal) contributions Salary sacrifice	Find out if your employer offers this service. If so, sign and return to your employer the <i>Payroll deduction authority</i> .

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* If you intend to claim a tax deduction for personal contributions see 'Tax on personal contributions' on page 19 for further requirements.

Accessing your super

As super is about saving for retirement there are restrictions on when you can access or withdraw your super. Generally, you cannot withdraw your super until you reach your 'Preservation Age' (see the preservation age table below) and permanently retire or until you satisfy another condition of release.

You may also request that Media Super pays your benefit as a pension if you have reached your preservation age.

A \$1.6 million cap on the total amount of super you can transfer to a pension account applies.

Preservation of benefits

All contributions and any investment earnings made to your account since 1 July 1999 are 'preserved'; that is, they must stay invested in super until you satisfy a condition of release.

If you accumulated benefits before 1 July 1999 you may be able to access 'restricted non-preserved' benefits on termination of employment or 'unrestricted non-preserved' benefits that can be paid to you at any time.

Note: Further information about your account can be obtained by calling our Super Helpline **1800 640 886**.

Conditions of release

Conditions of release apply to the preserved component of your superannuation. These include you:

- reaching preservation age and electing to access some or all of your super in the form of a Transition to Retirement (TTR) pension while remaining in the workforce;
- permanent retirement from the workforce on or after your preservation age;

- termination of employment after turning age 60 without necessarily retiring permanently;
- reaching age 65 regardless of employment status;
- permanent incapacity (please see 'Important information' below for more detail);
- diagnosis of a terminal medical condition (please see 'Important information' below for more detail);
- death (benefits are paid to your dependants or legal personal representative);
- severe financial hardship;
- approval on compassionate grounds by the Commissioner of Taxation;
- termination of employment with an employer-sponsor where your preserved amount is less than \$200;
- permanent departure from Australia if you are an eligible temporary resident; or
- satisfying any other condition of release as specified in superannuation law.

Your preservation age

Your preservation age varies depending on your date of birth (see table).

DATE OF BIRTH	PRESERVATION AGE
Before 1/7/60	55
1/7/60 to 30/6/61	56
1/7/61 to 30/6/62	57
1/7/62 to 30/6/63	58
1/7/63 to 30/6/64	59
After 30/6/64	60

IMPORTANT INFORMATION

In addition to meeting the applicable insurance definitions in the policy, in order for the Trustee to release insurance benefits to a member, one of the following definitions (as applicable) must be satisfied:

Permanent incapacity means ill-health (whether physical or mental) where the Trustee is reasonably satisfied that you are unlikely, because of the ill health, to engage in gainful employment for which you are reasonably qualified by education, training or experience. Also note that for this benefit to be concessionally taxed, it must satisfy the requirements detailed under the heading 'Tax on insurance benefits', in 'How super is taxed' on page 19.

Temporary incapacity in relation to a member who has ceased to be gainfully employed (including a member who has ceased temporarily to receive any gain or reward under a continuing arrangement for the member to be gainfully employed), means ill-health (whether physical or mental) that caused the member to cease to be gainfully employed but does not constitute permanent incapacity.

Terminal medical condition means the following circumstances exist:

- two registered medical practitioners have certified, jointly or separately, that the person suffers from an illness, or has incurred an injury, that is likely to result in the death of the person within a period (the certification period) that ends not more than 24 months after the date of the certification;
- at least one of the registered medical practitioners is a specialist practicing in an area related to the illness or injury; and
- for each certificate, the certification period has not ended.

For insured benefits to be paid directly to you, both the insurance definitions for your insurance cover and the applicable definitions above must be satisfied. Refer to the *Insurance Guide* for the current insurance definitions.

Temporary residents

Eligible temporary residents have restricted conditions of release. Unlike permanent residents, benefits cannot be accessed if the temporary resident has reached preservation age and/or retired, or has turned age 65. Temporary residents can generally only access superannuation benefits if they:

- are diagnosed with a terminal medical condition;
- suffer temporary or permanent incapacity;
- have died; or
- are permanently departing Australia.

To access your super as a temporary resident, call our Super Helpline **1800 640 886**.

Departed Australia

To access your super as a temporary resident after you permanently leave Australia, you can apply to Media Super for a Departing Australia Superannuation Payment (DASP), subject to the following events occurring within the last six months:

- your departure from Australia; and
- cancellation or expiration of your visa.

To apply for a DASP, call our Super Helpline **1800 640 886**.

Your super may be treated as unclaimed money if you do not apply for payment. See the section 'Unclaimed money' on page 9 for further information.

What happens when I die?

Media Super will pay your Death benefit to either your dependant[s] for superannuation law purposes or legal personal representative. It's important you keep your beneficiaries up to date, or if your personal circumstances change, that you review and update your nomination, so we know what your wishes are.

If you do not make a nomination, it is invalid or (in certain circumstances) it lapses, the Trustee will decide who receives your super benefit.

The Death benefit will generally be paid as a lump sum unless the recipient requests the Fund to pay it as a Media Super pension.

Payment of a Death benefit may be subject to favourable tax treatment depending on who receives it and how it is paid. For information on tax on a Death benefit paid as a lump sum see 'How super is taxed' on page 18. For information on Death benefits paid as a pension please refer to the *Pensions Guide PDS*.

Nominating beneficiaries

You may nominate one or more beneficiaries to receive your benefit in the event of your death. Your beneficiaries must either be a dependant or legal personal representative.

You can make either a binding or non-binding Death benefit nomination.

Binding

A binding nomination is a binding direction from you to Media Super to pay any Death benefit to your estate or to one or more dependants nominated by you and in the proportions that you have specified. To make a binding nomination, please complete a *Binding Nomination form*.

To obtain the form, please either visit the forms section of our website at mediasuper.com.au/forms or phone the Super Helpline on **1800 640 886**.

If you decide to make a binding nomination it is your responsibility to keep the nomination up to date. Binding death benefit nominations lapse three years from the date you make, confirm or vary your nomination.

The legal requirements for a binding nomination to be valid include:

- the nomination must be in writing;
- you must sign and date the nomination in the presence of two witnesses over age 18 who are not nominated beneficiaries;
- any nominated beneficiary must be your dependant at the date of your death;
- the proportion of the benefit that will be paid to a nominated beneficiary, or to each nominated beneficiary, is certain or readily ascertainable from the nomination; and
- less than three years have elapsed since you made the nomination.

If your nomination is invalid the Trustee will decide who receives your super benefit.

Non-binding

A non-binding nomination means that Media Super will take your nomination of beneficiaries into account but will not be bound to follow it. To make a non-binding nomination you must complete the *Nominating beneficiaries form* in accordance with the instructions set out in the form.

A dependant for superannuation law purposes includes:

- your spouse (including de facto and same-sex spouses);
- your children (including natural, step or adopted and children of your spouse). In order to receive the benefit tax-free, children must be under the age of 18. A child over the age of 18 can only receive the benefit tax-free if they are financially dependent on you or have a disability (as defined by legislation);
- a person financially dependent on you at the date of death; and
- a person in an interdependency relationship with you.

An interdependency relationship exists if:

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

An interdependency relationship also exists if two people have a close personal relationship and the other requirements are not satisfied because either or both of them suffer from physical, intellectual or psychiatric disability or because they are temporarily living apart.

A dependant for tax purposes is defined differently to a dependant for superannuation purposes. Payment of a death benefit to a dependant for tax purposes may be subject to favourable tax treatment. For information on who is a tax dependant, go to ato.gov.au or consult your financial adviser or tax professional.

Calculating your benefits

Your Death, TPD or Terminal Illness benefit will be made up of the following:

- your account balance; plus
- any insured amount paid by the Insurer following approval of a claim; less
- applicable taxes.

Your account balance (including your insured benefit, if any) will reflect the unit prices that applied on the date your payment is processed.

Payment of any insured amount is subject to approval by the Insurer and payment out of the Fund is subject to you satisfying a condition of release.

Claiming your super benefit

Benefits are generally paid as a lump sum. However, some benefits may be paid as a pension.

If you believe that you satisfy a condition of release and would like to access your superannuation, call our Super Helpline **1800 640 886**. We will send you the relevant forms. Note that specific requirements apply to each condition of release.

Proof of identity

By law, we are required to ensure that the Fund is not being used to launder money or finance terrorism. Media Super may ask you to provide proof of identity before you withdraw any money from the Fund or start a pension with us. For example, we may need proof of your name, date of birth and address. We may decide to delay or refuse any request or transaction, including suspending a withdrawal application, if we are concerned that the request or transaction may breach any obligation we have, or cause us to commit or participate in an offence, under law. We will incur no liability to you if we do so.

Other important information

Lost members

A Media Super member is regarded as a 'lost member' if the member is:

- **uncontactable** – this means that:
 1. Media Super has never had a postal or email address for you or Media Super has made one or more attempts to contact you at your last known address (or addresses) and Media Super believes, on reasonable grounds, that you are no longer contactable at any address known to it;
 2. You have not contacted the Fund (whether by written communication or otherwise) within the last 12 months of your membership of the Fund;

3. you have not accessed details about your superannuation interest in the Fund from any electronic facility provided by the Fund within the last 12 months of your membership of the Fund; and
4. no contributions or rollovers have been paid into your account within the last 12 months of your Fund membership; or

- **inactive** – you were a standard Employer-sponsored member when you joined the Fund, you have been a member of the Fund for longer than two years, and no contributions or rollovers have been paid into your account within the last five years of your Fund membership;

unless:

- within the last two years of your Fund membership, we have verified that your address is correct and have no reason to believe that the address is now incorrect; or
- you are permanently excluded from being a lost member.

All super funds regularly provide the ATO with a 'lost' members report. The ATO maintains a register of these members. You can see if you are registered as a lost member, either at ato.gov.au/super using the SuperSeeker feature, or by contacting **131 020**. Alternatively, try searching at unclaimedsuper.com.au.

Inactive low-balance accounts

Your account will be an inactive low-balance account if all of the following criteria are met on an unclaimed money day:

- we have not received a contribution or rollover for you for the last 16 months;
- the account balance is less than \$6,000;
- you have not met a prescribed condition of release;
- you do not hold insurance in the account.

However, an inactive low-balance account is deemed to be active if any of the following have occurred within the last 16 months:

- you changed your investment options;
- you changed your insurance coverage;
- you made or amended a binding beneficiary nomination;
- you notify the ATO in writing that you are not a member of an inactive low-balance account;
- Media Super was owed an amount in respect of you.

Unclaimed money

Media Super is required to transfer your account balance to the ATO as unclaimed super if:

- you are a departed temporary resident, at least six months have passed since the later date of your visa expiring or your departure from Australia, you are not currently the holder of a temporary, permanent or prescribed visa, and you are not an Australian or New Zealand citizen and have not made a valid application for a permanent visa; or
- you have reached age 65 or more, we have not received an amount for you in the last two years, and after a period of five years since we last had contact with you, we have been unable to contact you again after making reasonable efforts; or

- you are a lost member, and either:
 - the balance of your account is less than \$6,000; or
 - your account has been inactive for a period of 12 months or more, and we are satisfied that it will never be possible to pay an amount to you; or
- in the event of your death, we have not received an amount for you in the last two years, and we cannot ensure that your benefit is received by your beneficiaries after reasonable searches by us; or
- your account is an inactive low-balance account and is not deemed to be active.

If your account balance is transferred to the ATO, you will no longer be a member of Media Super. As a result, you will not earn investment returns with Media Super, and any applicable insurance cover obtained through Media Super will cease. You may claim your benefit from the ATO once we have transferred it.

The ATO must pay interest on all unclaimed superannuation monies transferred to the ATO and subsequently reclaimed by members.

If your account balance has been transferred to the ATO, you can apply to the ATO to claim your benefit. The ATO can be contacted on **13 10 20**.

Relying on relief provided by ASIC, the Trustee is not obliged to notify or give an exit statement to a member who was a temporary resident where we transfer their superannuation to the ATO following their departure from Australia.

Media Super will pay any unclaimed money to:

Australian Taxation Office
GPO Box 9990
Melbourne VIC 3000
Phone: 13 10 20
Website: ato.gov.au

Unallocated money

If we receive money for a member without sufficient information [e.g. the member's name, employer's address etc.] we will be unable to allocate the money to the correct account. Wherever possible, we hold the money in trust while we try to obtain information which enables us to allocate the money to the correct member account. If we are unable to obtain sufficient information, we will return the money to the employer or to the person who made the contribution. Any interest earned on unallocated money held in trust by us is not payable to a member, but may be retained by us or paid into the Fund.

If it is not possible for us to identify who made the contribution we will pay the money to ASIC, generally within one month from the date we receive the money.

If you think you may be entitled to unallocated money, contact:

Australian Securities and Investments Commission
Unclaimed Money Unit
Phone: 1300 301 198
Email: unclaimed.money@asic.gov.au
Website: moneysmart.gov.au

Family Law & superannuation

Superannuation benefits can be considered as property and may be included within the asset pool of a property settlement after the breakdown of a relationship.

A superannuation split may only be made in respect of superannuation which is \$5,000 or more.

For further information or to obtain a copy of the Superannuation Information Kit, visit **familycourt.gov.au**.

New Zealand super transfers

New rules allow individuals to transfer retirement savings between Australia and New Zealand [NZ]. These rules are the Trans-Tasman portability rules.

Members who emigrate to live permanently in NZ can transfer their super benefits to a nominated NZ retirement savings account ['KiwiSaver scheme'].

Please call our Super Helpline **1800 640 886** for details of the application process for an NZ transfer. You will be required to provide proof of permanent residence in NZ and to confirm that your KiwiSaver scheme account has been opened and can accept a transfer of your super.

At this time, Media Super does not accept transfers from KiwiSaver schemes.

Note: Before transferring your super consider any applicable fees and costs and any insurance cover and other product features you may lose. Any super you transfer to a KiwiSaver scheme will generally be subject to the NZ laws on retirement savings and NZ taxation rates and rules.

For further information on the Trans-Tasman portability rules visit **ato.gov.au/individuals/super/in-detail/withdrawing-and-paying-tax/trans-tasman-retirement-savings-portability-scheme-for-individuals**.

Rolling over part of your super

If you wish to roll part of your account balance out of Media Super and into another fund, at least \$6,000 must remain in your Media Super account. If there are insufficient funds to meet your insurance premiums, your insurance cover will cease.

Merging multiple accounts

At least once a year, Media Super will check whether you have more than one account with the Fund. We will look for multiple accounts with the same date of birth and the same Tax File Number (TFN) recorded. If we identify that you have more than one account and it is in your best interests, Media Super will merge your accounts into one so you can save additional ongoing fees. This process does not apply to pension accounts.

Direct Investment option

If you have funds in the Direct Investment option, immediately prior to payment of your death benefit, Media Super will sell all investments that you held in the Direct Investment option and transfer the resulting cash to the Media Super Cash option. Term deposit break fees may apply.

Regulated Superannuation fund

The Fund is:

- a resident regulated super fund within the meaning of the *Superannuation Industry [Supervision] Act 1993* [SIS]; and
- not subject to a direction under section 63 of the SIS Act.

2. FEES AND OTHER COSTS

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

Other fees, such as activity fees, 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 are set out in another part of this document and insurance fees and other costs relating to insurance are set out in the separate *Insurance Guide*.

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 the MySuper product offered by the superannuation entity, and each investment option offered by the entity, are set out in the following pages.

MEDIA SUPER		
Type of fee	Amount	How and when paid
Investment fee¹	Varies from 0.03% to 0.84% p.a. [estimated] of your account balance ³ plus \$209 p.a. if you're invested in the Direct Investment option (indexed annually on 1 April in line with Average Weekly Ordinary Time Earnings as per other indexed fees, but only applies where the indexation to the pre-GST fee is \$4 or more and, if so, the pre-GST fee will increase by \$5 or the nearest multiple of \$5).	<p>The investment fee is deducted weekly from the investment option assets prior to the unit price being calculated, which reduces the return on your investment.</p> <p>For any portion of your account balance invested in the Direct Investment option, this fee will be calculated then deducted from your account balance at the end of every month, or on ceasing to hold the option.</p> <p>The \$209 p.a. Direct Investment option fee is deducted from your account balance at the end of every month and when you cease to hold the option.</p>
Administration fee¹	<p>\$65 p.a. (\$1.25 per week) plus 0.15% p.a. of your account balance.</p> <p>A fee cap of \$600 p.a. in relation to the 0.15% p.a. administration fee may apply if your account balance is \$400,000 or greater.</p>	<p>The fixed administration fee is deducted from your account balance at the end of every month and when you exit the Fund.</p> <p>The 0.15% p.a. is deducted from the investment options, excluding the Direct Investment option, on a weekly basis prior to the unit prices being calculated, which reduces the return on your investment.</p> <p>For any portion of your account balance invested in the Direct Investment option, this fee will be calculated then deducted from your account balance at the end of every month, or on ceasing to hold the option.</p> <p>If your account balance exceeds \$400,000 in a particular month (totalled across all of your accounts), in the following month you will receive a refund of any amount you pay over \$50 in relation to the 0.15% administration fee for that month, provided that you still have an account with Media Super at the time of the refund.</p>
Buy-sell spread	Nil	Not applicable. The Trustee does not currently charge a buy-sell spread, but reserves the right to do so.
Switching fee	\$30	The switching fee will be deducted from your account at the end of the month or on exiting the Fund (if you exit the Fund before the end of the month) following each investment switch you make. The fee is waived for your first switch if it is received by Media Super within 30 days of you joining the Fund or if you are only changing your investment options for future transactions.
Advice fees relating to all members investing in a particular MySuper product or investment option	Nil	Not applicable.

continued next page >

Type of fee	Amount	How and when paid
Other fees and costs²		
Indirect cost ratio¹	Varies from 0.00% to 1.25% p.a. (estimated) of your account balance.	The indirect cost ratio is an estimate of costs that are not charged to members as a fee, but are deducted from the Fund's assets when the costs are incurred prior to the unit price being calculated, which reduces the return on your investment. This ratio has generally been estimated based on an indicative annualised amount for the 2018-19 financial year and the estimates on the left are described in the 'Additional explanation of fees and costs' following.

1. If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
2. Information on activity fees, advice fees for personal advice, property operating costs and insurance fees is found in the 'Additional Explanation of Fees and Costs' section following.
3. For further information regarding the estimated Investment fee, see the 'Additional Explanation of Fees and Costs' section following. The amounts of the fixed percentage-based fee and the total estimated Investment fee for each investment option are set out in the table on page 15.

A fee or cost deducted directly from your account will be deducted from your account balance in each investment option in proportion to your total account balance (excluding any Direct Investment balance).

As an industry superannuation fund, Media Super is run only to benefit our members, so we provide our members with low fees comparable within the industry.

WARNING: Please note if your account balance is small and you do not have roll-ins or contributions being made to your account on a regular basis, your account balance may reduce due to the deduction of fees and insurance premiums. We recommend that you review your superannuation and insurance requirements.

EXAMPLE OF ANNUAL FEES AND COSTS

This table gives an example of how the fees and costs for the Balanced investment option for this superannuation product can affect your superannuation investment over a 1-year period. You should use this table to compare this superannuation product with other superannuation products.

Example – Balanced investment option		Balance of \$50,000
Investment fees	0.17% p.a.	For every \$50,000 you have in the superannuation product, you will be charged \$85 each year.
Plus Administration fees	\$65 [\$1.25 per week] + 0.15% p.a.	And , you will be charged \$65 in administration fees regardless of your balance, plus \$75, each year.
Plus Indirect costs for the superannuation product	0.53% p.a.	And , indirect costs of \$265 each year will be deducted from your investment.
Equals Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$490 for the superannuation product.

Note: Additional fees may apply. The investment costs payable as part of the investment fee and the indirect cost ratio vary from year to year, based on cash flow, changes in the Fund's investment managers, changes in asset allocations, and other influencing factors. The investment costs payable as part of the Investment fee and the indirect cost ratio have been estimated based on an indicative annualised amount for the 2018-19 financial year and the above example is provided by way of illustration only.

Additional explanation of fees and costs

FEES AND OTHER COSTS										
Type of fee	Amount	How and when paid								
Advice fees for personal advice	The hourly fee for Media Super Financial Planners ¹ is \$350 (indexed annually on 1 April in line with Average Weekly Ordinary Time Earnings). Intra fund advice service ² is available over the phone at no additional cost.	The eligible advice fee can be deducted from a member's account when the member authorises the Fund to deduct the fee. Current fees will be advised to you before engaging the planner.								
Property operating costs	Varies from 0.00% to 0.48% p.a. (estimated) of your account balance.	Property operating costs are an estimate of costs that are not charged to members as a fee, but are deducted from the Fund's assets when the costs are incurred prior to the unit price being calculated, which reduces the return on your investment.								
Insurance fees	Insurance premiums are payable if you have insurance cover in Media Super. The applicable premium will depend on the insurance cover you have and your personal circumstances. See the <i>Insurance Guide</i> for full details.	Premiums are deducted from your account monthly and on exit.								
Activity fees										
Family law application for information	\$114.17 (indexed annually on 1 April in line with Average Weekly Ordinary Time Earnings)	The fee must be paid by cheque on application.								
Family law benefit split	\$18.45 (indexed annually on 1 April in line with Average Weekly Ordinary Time Earnings)	If the non-member spouse receives the entire benefit, the entire fee is deducted from their entitlement. If the non-member spouse receives only a portion of the benefit, half the fee is deducted from their entitlement, and the other half from the member's account balance. The fee is payable when the benefit split is processed.								
Type of fee	Amount	How and when paid								
Direct Investment option										
Brokerage fees	<table><tr><td>Trade Value</td><td>Brokerage (inclusive of GST)</td></tr><tr><td>\$</td><td></td></tr><tr><td>0-20,000</td><td>\$22.00 (flat fee)</td></tr><tr><td>20,001 +</td><td>0.11%</td></tr></table>	Trade Value	Brokerage (inclusive of GST)	\$		0-20,000	\$22.00 (flat fee)	20,001 +	0.11%	Brokerage will be charged on each trade of a share or ETF within the Direct Investment option, and shall be added to the purchase price of a buy transaction or deducted from the sale proceeds of a sell transaction.
Trade Value	Brokerage (inclusive of GST)									
\$										
0-20,000	\$22.00 (flat fee)									
20,001 +	0.11%									
Term deposit break ³	Typically around 25% of the outstanding accrued interest amount on the term deposit. However, this will vary depending on the term deposit provider.	The term deposit break fee is charged if a term deposit within the Direct Investment option is broken prior to maturity, and is deducted from the outstanding interest payment amount.								

- Media Super Financial Planners are Authorised Representatives of Industry Fund Services Limited (IFS) ABN 54 007 016 195, AFSL No 232514.
- Helpline Advisers providing general or limited advice are representatives of Mercer Outsourcing (Australia) Pty Ltd (MOAPL) ABN 83 068 908 912, AFS Licence No 411980.
- The break fee applicable may be significant and, therefore, is a risk you should consider before making a decision to break a term deposit. For further information on break fees, please refer to the *Direct Investment Guide*, available at mediasuper.com.au/pds and to the Terms and Conditions of the term deposit provider, available from the 'Direct Investment option' section in your Media Super online account.

Indirect cost ratio (ICR)

The Indirect cost ratio is an estimate of the costs for investing in the Fund's assets which are not charged to members as a fee and are deducted from investments rather than deducted directly from members' accounts.

It includes expenses that do not form part of the investment fees incurred in investing the assets (but excludes Buy-sell spread and property operating costs).

Fees and costs deducted from the Fund's assets

The estimated Indirect cost ratio, Investment fee, transactional and operational costs and property operating costs figures for each investment option are shown below. The 'Total estimated Investment fee' figure for each investment option is the total estimated Investment fee

charged to a member, which is comprised of the fixed percentage-based fee and the estimated investment costs that are paid from the Fund's assets.

The 'Total estimated indirect cost ratio' figure for each investment option is the total estimated indirect cost ratio, which is comprised of the estimated transactional and operational costs and other indirect costs. The estimated Property operating costs for each investment option are separate from, and do not form part of, the total Investment fee or the total indirect cost ratio.

These figures (other than the fixed percentage-based investment fees) are based on indicative annualised calculations for the 2018-19 financial year except where indicated below. The figures (other than the fixed percentage-based investment fees) will change throughout the year due to factors such as cash flow, changes in the Fund's investment managers, and changes in asset allocation.

INVESTMENT FEES, INDIRECT COST RATIO , TRANSACTIONAL AND OPERATIONAL COSTS AND PROPERTY OPERATING COSTS

Investment option	TOTAL estimated investment fee (Fixed percentage-based fee + Estimated investment costs)*	Fixed percentage-based investment fee deducted from investment options	TOTAL estimated indirect cost ratio (Estimated transactional and operational costs + other indirect costs not charged as a fee)	Estimated transactional & operational costs (included in the indirect cost ratio)	Estimated Property operating costs (excluded from the indirect cost ratio)
Australian Shares	0.44%	0.05%	0.00%	0.00%	0.00%
Balanced	0.17%	0.05%	0.53%	0.18%	0.05%
Cash	0.07%	0.04%	0.02%	0.01%	0.00%
Fixed Interest	0.04%	0.04%	0.24%	0.09%	0.00%
Growth	0.19%	0.05%	0.50%	0.14%	0.02%
High Growth	0.23%	0.06%	0.65%	0.16%	0.01%
Indexed Balanced	0.05%	0.04%	0.01%	0.00%	0.00%
Overseas Shares	0.04%	0.04%	0.58%	0.18%	0.00%
Property	0.04%	0.04%	1.17%	0.68%	0.48%
Stable	0.10%	0.05%	0.33%	0.13%	0.03%
Sustainable Future Shares	0.84%	0.04%	0.00%	0.00%	0.00%
Unlisted Infrastructure	0.05%	0.04%	0.44%	0.12%	0.00%
Direct Investment option	0.10% + \$209 p.a.**	0.10% + \$209 p.a.**	N/A+	N/A+*	N/A+
Australian Small Companies	0.03%	0.03%	1.25%	0.45%	0.00%
Diversified Shares	0.03%	0.03%	0.92%	0.12%	0.00%
Emerging Markets Shares	0.03%	0.03%	0.69%	0.20%	0.00%
Global Listed Infrastructure	0.03%	0.03%	0.80%	0.00%	0.00%
Global Listed Property	0.03%	0.03%	0.88%	0.08%	0.00%
Hedged International Shares	0.03%	0.03%	0.71%	0.17%	0.00%
Income Plus [^]	0.03%	0.03%	0.77%	0.09%	0.01%
Moderate Growth	0.03%	0.03%	0.56%	0.05%	0.02%
Passive Australian Shares	0.03%	0.03%	0.09%	0.00%	0.00%
Passive International Shares	0.03%	0.03%	0.07%	0.00%	0.00%

continued next page >

INVESTMENT FEES, INDIRECT COST RATIO , TRANSACTIONAL AND OPERATIONAL COSTS AND PROPERTY OPERATING COSTS

Investment option	TOTAL estimated investment fee (Fixed percentage-based fee + Estimated investment costs)*	Fixed percentage-based investment fee deducted from investment options	TOTAL estimated indirect cost ratio (Estimated transactional and operational costs + other indirect costs not charged as a fee)	Estimated transactional & operational costs (included in the indirect cost ratio)	Estimated Property operating costs (excluded from the indirect cost ratio)
SmartPath 2019-2023~					
SmartPath 2014-2018~					
SmartPath 2009-2013~					
SmartPath 2004-2008~					
SmartPath 1999-2003~					
SmartPath 1994-1998~					
SmartPath 1989-1993	0.03%	0.03%	0.73%	0.09%	0.02%
SmartPath 1984-1988	0.03%	0.03%	0.72%	0.08%	0.02%
SmartPath 1979-1983	0.03%	0.03%	0.70%	0.08%	0.02%
SmartPath 1974-1978	0.03%	0.03%	0.70%	0.08%	0.02%
SmartPath 1969-1973	0.03%	0.03%	0.70%	0.08%	0.02%
SmartPath 1964-1968	0.03%	0.03%	0.70%	0.09%	0.02%
SmartPath 1959-1963	0.03%	0.03%	0.66%	0.08%	0.02%
SmartPath 1954-1958	0.03%	0.03%	0.56%	0.07%	0.02%
SmartPath 1949-1953	0.03%	0.03%	0.54%	0.06%	0.02%
SmartPath Before 1949	0.03%	0.03%	0.55%	0.07%	0.02%

Any updates to the estimated investment costs payable as part of the investment fee, indirect cost ratios and property operating costs may be disclosed via our website mediasuper.com.au/investment-fees.

* The total investment fee consists of the fixed percentage-based fee and estimated investment costs paid from the Fund's assets. The investment fee, excluding the fixed percentage-based fee, is an estimate only based on indicative annualised calculations for the 2019-20 financial year as actual costs will vary based on actual asset allocations to individual investments throughout the year. If you are invested in the Direct Investment option, an additional dollar-based fee will apply (currently, this is \$209 p.a.).

** Indexed at 1 April each year.

+ Other fees and costs may apply to individual investments held within the Direct Investment option. In particular, if you choose to invest in ETFs, other fees and costs in relation to the ETF may be deducted from the underlying investment in the ETF. In order to understand all of the fees and costs applicable in respect of your investment, you will need to read the terms and conditions and, if available, the PDS, for the underlying investment product, available from the issuer of the underlying product. Refer to the *Direct Investment Guide* for further information.

Certain activity fees may apply within the Direct Investment option. Refer to Brokerage fees and Term deposit break fees under 'Fees and other costs' section for details.

^ The Income Plus investment option will be closing in early 2020, please consider this when choosing an investment option. Notification of the confirmed closure date will be available at mediasuper.com.au/investment-choices in late 2019. Members invested in this option will be notified of their options accordingly.

~ These cohorts are initially combined with the 1989-1993 cohort. As at the date of this document, the total estimated investment fee, the fixed percentage-based investment fee, the estimated total indirect cost ratio, the estimated transactional and operational costs and the estimated property operating costs for these cohorts are the same as for the 1989-1993 cohort.

Defined fees

Activity fees

A fee is an activity fee if:

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

Administration fees

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

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

Advice fees

A fee is an advice fee if:

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

Buy-sell spreads

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

Exit fees

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

Indirect cost ratio

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

Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

Insurance fees

A fee is an insurance fee if:

- a. the fee relates directly to either or both of the following:
 - i. insurance premiums paid by the trustee of a superannuation entity in relation to a member or members of the entity;
 - ii. costs incurred by the trustee of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and
- b. the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- c. the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an advice fee.

Investment fees

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

- a. fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- b. costs that relate to the investment of assets of the entity, other than:
 - i. borrowing costs; and
 - ii. indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
 - iii. costs that are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee;

but does not include property operating costs.

Note: The costs referred to in paragraph b. do not include transactional or operational costs referred to in paragraphs (b), (f) and (g) of the definition of transactional or operational costs.

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.

Investment management fees

The range of investment options available in Media Super require different levels of management which means that some are more expensive to manage than others. The total fee charged is made up of the Investment fee and Indirect cost ratio.

Transactional and operational costs

Transactional and operational costs are estimates of costs such as brokerage, buy-sell spreads and settlement costs associated with investing in the Fund's assets. These costs are deducted from investments rather than paid directly and are included in the ICR. These costs are paid to third parties (and not to us).

Transactional or operational costs are incurred when assets are bought or sold and are an additional cost to members. They comprise a broad range of costs including the following:

- a. Brokerage;
- b. Buy-sell spreads;
- c. Settlement costs (including custody costs);
- d. Clearing costs;
- e. Stamp duty on an investment transaction;
- f. where an asset is acquired other than through a financial market, any part of the acquisition price of the asset that exceeds the price at which the asset could have been disposed of;
- g. where an asset is acquired through a financial market, any part of the acquisition price of the asset that exceeds the bid price in the financial market that would apply without the acquisition having occurred either:
 - i. immediately following the acquisition; or
 - ii. if the acquisition was a part of multiple acquisitions reflecting a single and non-recurring instruction to acquire, after the last acquisition made in accordance with the instruction;
- h. costs incurred in or by an interposed vehicle that would be transactional and operational costs if they had been incurred by the superannuation entity to which the superannuation product or investment option relates.

Transactional and operational costs do not include property operating costs, borrowing costs or indirect costs related to derivative contracts.

Borrowing costs

The Fund currently does not incur any borrowing costs.

Insurance premiums

Insurance premiums are set out in the 'Insurance in your super' section of the PDS and in the *Insurance Guide*, available at mediasuper.com.au/pds.

Maximum fees

Other than the low balance fee cap required by law (as outlined below), the Trust Deed does not provide any limits on the maximum amounts that may be charged by the Trustee in respect of the fees and charges outlined in this section.

However, the Trustee will endeavour to ensure that the level of fees and charges is comparable with its competitors and that it represents good value for members.

Low balance account fee cap

If your account balance is less than \$6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance.

If you only hold an account for part of the financial year the 3% cap will apply to you on a pro rata basis and will be calculated on the earlier of the last day of the financial year or the last day on which you are a member of the fund. Any amount charged in excess of that cap will be refunded.

Increases or alterations to fees and costs

All fees are current and may be revised or adjusted by Media Super from time to time without members' consent. Media Super may also introduce new fees. The family law application for information fee and the family law benefit split fee are indexed each year on 1 April in line with AWOTE (Average Weekly Ordinary Time Earnings for full-time adult persons, private sector) as measured at the end of the prior November.

The Direct Investment Option dollar-based investment fee is indexed annually as per other indexed fees on 1 April in line with Average Weekly Ordinary Time Earnings, but indexation only applies where the indexation to the pre-GST fee is \$4 or more and, if so, the pre-GST fee will increase by \$5 or the nearest multiple of \$5.

The hourly fee for Media Super Financial Planners will be indexed annually on each 1 April in line with AWOTE.

If there is an increase in the Investment fee (other than the fixed percentage-based fee), the property operating costs or the indirect cost ratio, we may notify you of this after the increase.

Changes to the estimated investment costs payable as part of the Investment fee, the indirect cost ratio and property operating costs may be disclosed on the Fund's website.

If there is an increase in any other fee charged in the Fund (other than an annual increase in line with AWOTE as described in this 'Fees and costs' section), we will notify you at least 30 days in advance of the change.

If you leave your employer, any fees paid by your employer will instead be deducted from your account.

Tax

All fees and costs are inclusive of GST less any input tax credit and stamp duty (if applicable). Information about taxation is set out in the 'How super is taxed' section of the PDS and this guide (see page 18).

3. HOW SUPER IS TAXED

TAX FILE NUMBERS

Under the *Superannuation Industry (Supervision) Act 1993*, your superannuation fund is authorised to collect, use and disclose your TFN, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. The trustee of your superannuation fund may disclose your TFN to another superannuation provider when your benefits are being transferred, unless you request the trustee of your superannuation fund in writing that your TFN not be disclosed to any other superannuation provider.

It is not an offence not to quote your TFN. However, giving your TFN to your superannuation fund will have the following advantages (which may not otherwise apply):

- your superannuation fund will be able to accept all permitted types of contributions to your account(s);
- the penalty tax rate on contributions to your superannuation account(s) will not apply;
- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
- it will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

WARNING: If you do not provide Media Super with your TFN, you will be taxed at the highest marginal tax rate plus Medicare levy on all employer and salary sacrifice contributions, and Media Super will not be able to accept your personal contributions.

It's your responsibility to provide your TFN

As a member of Media Super it is your responsibility to ensure that Media Super has your TFN on file. If your employer has neglected to supply your TFN you may still be subject to additional tax.

The additional tax will be deducted directly from your Media Super account either at the end of the financial year or when any part of your account balance is withdrawn, whichever occurs first.

Provided that you supply us with a valid TFN within four years of the end of the financial year that the contributions are made, you may be entitled to a refund of the additional tax. No interest will be earned while the additional tax is held at the ATO. Please note that refunds are subject to processing by the ATO.

Note: The information in this 'How super is taxed' section is general in nature and is based on the applicable tax rates for the 2019-20 financial year (except where stated otherwise). As the tax treatment of super is complex and may change from time to time, we recommend that you seek professional financial advice in relation to tax matters.

Tax on contributions

Media Super collects applicable taxes from your super account and pays them to the ATO. The following is a summary of relevant taxes. Superannuation regulations may change in the future.

Tax on concessional and non-concessional contributions

BEFORE-TAX (concessional)	AFTER-TAX (non-concessional)
Types of contributions included	
Employer (including SG of 9.5%) Salary sacrifice Personal	Personal Spouse Government co-contribution ¹
Contribution cap	
\$25,000 ² per year	\$100,000 per year Individuals with a total superannuation balance of \$1.6 million or more will have a non-concessional contributions cap of nil. If you are under age 65, depending on your total superannuation balance, you may be eligible to contribute up to three times the annual non-concessional contributions cap in a single year. See the 'Contributions cap' section on page 5 for further information.
Tax payable on contributions up to the cap	
15% If your income and low tax contributions (i.e. concessional contributions less any excess concessional contributions) exceed \$250,000 p.a. in a financial year, you will be liable for an additional tax of 15% (on the lesser of the excess amount over \$250,000 and the contributions).	Nil
Tax payable on contributions over the cap	
Your marginal tax rate ³ [less a 15% tax offset] plus an excess concessional contributions charge. [You have the option to withdraw from your Media Super account any excess concessional contributions made – see page 19 for details.]	47% ³ [You have the option to withdraw from your Media Super account any excess non-concessional contributions made and 85% of associated earnings – see page 19 for details.]

1. Government co-contributions are not counted towards your non-concessional contributions cap.
2. Indexed annually in line with average weekly ordinary time earnings in increments of \$2,500 (rounded down). Depending on your total superannuation balance, you may be eligible to carry forward any unused portion of your concessional contributions cap to add contributions above the cap in subsequent years. See the 'Contributions cap' section on page 5 for further information.
3. Including the Medicare Levy.

If you make concessional contributions or concessional contributions are made on your behalf to Media Super, or across multiple super funds, and the total exceeds the concessional contribution cap, the excess contributions will be included in your assessable income and taxed at your marginal tax rate [plus Medicare Levy] less a 15% tax offset. The excess contributions will also count towards your non-concessional contribution cap.

If you exceed your concessional contributions cap, you will also have to pay an excess concessional contributions charge.

Any amount over the non-concessional contributions cap will be taxed at the highest marginal tax rate plus Medicare Levy.

On receiving an ATO notice of excess concessional contributions, you can however, elect to have the ATO issue a Release Authority to the Fund of up to 85% of the

excess concessional contributions amount without penalty. Any excess concessional contributions left in the Fund will count towards your non-concessional contributions cap.

Similarly, on receiving an ATO notice of excess non-concessional contributions, you can elect to have the ATO issue a Release Authority to the Fund of the excess non-concessional contributions amount, plus 85% of the associated earnings. Any excess non-concessional contributions released will not be subject to the 47% tax. The released associated earnings are then included in your assessable income and are taxed at your marginal rate plus Medicare Levy. You are entitled to a non-refundable tax offset equal to 15% of the associated earnings in your assessable income.

For further information about the taxes on contributions that may apply, go to ato.gov.au.

Tax on other contribution types

There is no tax applicable for government co-contributions, the Low Income Super Tax Offset or super-splitting transfers for the receiving spouse.

Rollovers will not be taxed unless an untaxed rollover amount (previously called a 'post-June 1983 untaxed element') is included, which will be generally taxed at 15%.

Generally, this is only applicable if you are transferring from an untaxed superannuation fund. For Media Super, members' tax has already been deducted by us, so this tax will not apply if you roll over your account to another fund.

Tax on personal contributions

If you're self-employed or as an alternative to salary sacrifice and you're under age 75 you will be able to claim a tax deduction for personal contributions made to super from your after-tax salary. These amounts will count towards the concessional contributions cap and will be taxed at 15%.

If you're aged between 65 and 74, you'll need to meet the work test (i.e. be gainfully employed for at least 40 hours in 30 consecutive days in the financial year) to be eligible for a tax deduction.

How to claim a tax deduction

If you have made super contributions into your Media Super account and wish to claim a tax deduction, you will need to notify us before the earliest of the dates when:

- you lodge your tax return for the year the contributions were made;
- the end of the financial year after the financial year in which you made the contributions; and
- you formally request a withdrawal benefit from the Fund (if applicable).

In addition, at the time of claiming the tax deduction, Media Super must:

- still hold these contributions, and
- not have begun to pay a superannuation income stream based in whole or part of these contributions.

To claim a tax deduction, complete the form *Deduction for personal super contributions* available at mediasuper.com.au/forms, return it to Media Super and receive acknowledgment of the amount from Media Super. This form details the amount you have paid in super contributions during the year.

If you operate a company it is the company that claims the full deduction, so do not use the form referred to above. Super contributions made by the company are treated as employer contributions.

Important information

Generally speaking, your personal super contributions will not be taxed if you do not notify Media Super that you intend to claim a deduction. They will be treated as non-concessional contributions for tax purposes.

Please use the form *Deduction for personal super contributions* to notify Media Super of the amount you will claim as a deduction. We then provide you with an acknowledgement as proof of your notification.

The ATO may require this proof that you have notified us of your intention before it allows the deduction.

Super contributions tax will be calculated on the amount that you are claiming as a tax deduction. The tax will be deducted from your Media Super account and sent to the ATO.

Eligible temporary residents and tax

If you are an eligible temporary resident (not an Australian or New Zealand citizen) and permanently leave Australia, your lump sum benefits will be taxed as follows:

- tax-free component – no tax payable;
- taxed element of taxable component – up to 65%;
- untaxed element of taxable component – up to 65%.

Tax on death and disability benefits

Permanent incapacity

Under age 60: In order for a permanent incapacity benefit (which may include a Total and Permanent Disability [TPD] benefit received from the Insurer) to be taxed concessional, the following conditions must be satisfied:

- the payment is made because you stopped being gainfully employed;
- you stopped being gainfully employed because you suffered from ill health (whether physical or mental);
- your gainful employment stopped before your last retirement day – generally before age 65; and
- two medical practitioners certify that because of your ill health, it is unlikely that you can ever be gainfully employed in a capacity for which you are reasonably qualified by education, training or experience.

If you satisfy the above conditions then part of the normal taxable component may be recalculated to form part of your tax-free component. Generally, the tax-free component is increased to reflect the period where you could have expected to be gainfully employed if the disability had not occurred. This amount is calculated on the basis of your age, length of service and the amount of your benefit.

Your adjusted tax-free and taxable components will be taxed at the rates shown in the 'Tax on lump sum withdrawals' table in Section 7 of the *Member Guide PDS*.

Age 60 plus: No tax applies.

Death

If your Media Super Death benefit is paid to a dependant for tax purposes as a lump sum then the benefit is tax-free. If it is paid to a non-dependant as a lump sum, tax is deducted from the taxable component (taxed element) of the benefit at a rate of up to 15% plus Medicare levy, and from the taxable component (untaxed element) of the benefit at a rate of up to 30% plus Medicare levy. A higher rate will apply if the Death benefit recipient does not provide their TFN to Media Super.

Terminal medical condition

Generally, if you have been diagnosed by two medical practitioners (one needs to be a specialist) that you have a terminal condition and are not expected to live beyond 24 months, and your benefit is paid as a lump sum, it will be tax-free.

Income Protection

Income Protection benefits are regarded as taxable income and attract PAYG tax (the same tax that applies to salary and wages). This will be deducted and remitted to the ATO before you receive the benefit. You will be required to supply your TFN when receiving an Income Protection benefit, otherwise you will be taxed at the highest marginal tax rate plus Medicare Levy.

SURCHARGE

The superannuation surcharge was abolished from 1 July 2005. However, the surcharge may still be payable for periods prior to that date.

If the ATO assesses that you are liable to pay a superannuation surcharge it will advise Media Super, and payment will be deducted from your account.

4. OTHER INFORMATION

Cooling-off period

Public Offer [Personal account] members have 14 days to reconsider after opening a Media Super account. The 14-day cooling-off period commences on the earlier of:

- your receipt of confirmation of your application; or
- five days after the day your Media Super membership application is accepted.

We will pay the balance of a member's super account if they cancel their application of membership within the cooling-off period. An account will only be paid directly to a member if that member has met the legal requirements to access their account as cash, otherwise we will make the payment by transferring it to another complying superannuation fund in the member's name.

To cancel your membership, simply write to us.

WARNING: The amount refunded may be less than the amount of your original investment. It may reflect any movement in the value of the investment option[s] you have selected and any tax payable. Cooling-off rights will cease if you have exercised any rights or powers in respect of your Media Super membership (e.g. claimed a benefit or switched investment options).

Your privacy

Respecting and protecting your personal information is important to us. Read our privacy policy at mediasuper.com.au/privacy-policy.

Complaints

Media Super welcomes feedback and has a procedure in place to deal with member complaints. If you are dissatisfied with any aspect of the Fund, please write to us at:

Media Super Complaints Officer
GPO Box 4303
Melbourne VIC 3001

All complaints will be acknowledged promptly and, in most cases, addressed within 30 days. You will receive a written reply detailing Media Super's decision.

Australian Financial Complaints Authority

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)

In writing to:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

EXTRA MEMBERSHIP BENEFITS FOR YOU

Media Super membership provides extra benefits – access to helpful and cost-effective services such as those below.

Financial planning

At Media Super we want to see you thrive. That's why we offer you the opportunity to meet with one of our Financial Planners* to assess the health of your super, set goals and develop strategies to achieve them.

Our Fund-based planners can help you understand your current position, determine what your goals are and look specifically at your superannuation and retirement planning needs, including:

- Determining if you're on track to having enough super to fund your desired retirement lifestyle.
- Taking advantage of the various options and strategies available to boost your super, such as transition to retirement.
- Creating a complete retirement solution, by exploring the Age Pension and how other benefits from Centrelink work, and what can be done to maximise these.
- Determining if your current investment strategy is appropriate for your personal situation, needs and tolerance to risk.

As a valued member of Media Super, you are entitled to an initial one hour, face-to-face or phone consultation with a Media Super Financial Planner, at no cost to you and without any obligation.

Your planner will only suggest you seek advice if they are confident that it will improve your situation and is in your best interests to do so.

For more information or an appointment call our Super Helpline on 1800 640 886 or go to mediasuper.com.au.

* Media Super Financial Planners are Authorised Representatives of Industry Fund Services Limited (IFS) ABN 54 007 016 195 AFSL No 232514.

Banking from ME

ME was originally created by member-owned industry super funds, like Media Super, to be a fairer home loan lender, helping Australians reach the dream of owning their own home. These days ME is a fully fledged bank, but its profits still go back to the industry super funds – the very same ones that look after the retirement savings of more than seven million Australians.

ME helps Australians get ahead. ME gives you ways to get more from your savings, pay less on your loans and cut down on fees – however ME can, whenever ME can.

ME are making banking as simple as possible. You shouldn't have to wade through jargon to find what you need, and opening an account should be easy.

And because financial know-how doesn't always come naturally, ME give you tools to spend wiser and save smarter: things like ME's online school of money 'ed', which is fast, free and simple to use.

More for Media Super members

As a member of Media Super, you've got access to **ME's** Member Benefits Program – a full program of special offers and deals to help you get more from your banking.

Here are just some of offers ME have had in the past:

- **More on home loans**
Save more with ME's already-low rates
- **More on everyday accounts**
Enjoy bonus offers to make your money go further
- **More on credit cards**
Save with a competitive low rate

ME has new special deals regularly; to see how you could benefit from **ME's** Member Benefit Program call **13 15 63** or visit mebank.com.au/benefitsmediasuper.

Terms, conditions, fees and charges apply. Applications for credit are subject to credit approval. This is general information only. It has been prepared by Members Equity Bank Limited ABN 56 070 887 679 AFSL and Australian Credit Licence 229500 without taking into account your objectives, financial situation or needs. Because of that, before acting on the information, you should consider its appropriateness, having regard to your objectives, financial situation and needs.

Before you make any decisions about ME's products, you should review the relevant disclosure document and/or terms and conditions, available by calling **13 15 63**.



Please note: Media Super does not recommend, endorse or accept responsibility for products or services provided by third-party organisations. Terms and conditions apply which should be obtained from the relevant third-party provider. As these are not Media Super products, we do not accept liability for any loss or damage caused by the products and services provided by these third-party providers.

FOR MORE INFORMATION

Super Helpline **1800 640 886**
mediasuper.com.au

