

# Pension Handbook

(Product Disclosure Statement)

9 August 2019



## About this Handbook

This Handbook is a combined Product Disclosure Statement and Financial Services Guide.

### Product Disclosure Statement (PDS)

The PDS describes the features, benefits, risks and significant terms and conditions of the *MTAA Super Pension* and the MTAA Super Transition to Retirement Pension.

The information provided in this PDS is general only and does not take into account your personal financial situation or needs. Pension products are complex and have different tax and social security implications depending on your circumstances, including your age. You should therefore consider obtaining financial advice that is tailored to your personal circumstances from a licensed financial adviser.

### Financial Services Guide

The Financial Services Guide on page 48 of this Handbook describes the financial services offered by the Motor Trades Association of Australia Superannuation Fund Pty. Limited (ABN 14 008 650 628) and its representatives.

### Changes to information

The information contained in this PDS is current as at the date of publication and may change from time to time. Changes that are not materially adverse will be provided at **mtaasuper.com.au/member-handbooks**. A paper copy of information updated on the website can be obtained free of charge by calling **1300 362 415**.

Issued by Motor Trades Association of Australia Superannuation Fund Pty. Limited (ABN 14 008 650 628, AFSL 238 718) of Level 3, 39 Brisbane Avenue Barton ACT 2600, the Trustee of the MTAA Superannuation Fund (ABN 74 559 365 913).

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**mtaasuper.com.au**  
**1300 362 415**



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# About MTAA Super

Since 1989 we've built our name as the leading industry fund for the motor trades. And over the years we've grown to become one of Australia's largest super funds with \$12.8 billion in funds under management (as of 30 June 2019). We now proudly drive the future of Australians from a diverse range of trades and industries.

## Practical, hard-working, low cost

- We put your retirement savings to work by investing on your behalf. You can choose from one or more of our eight investment options and we do the rest.
- We're here to help you get the most out of your pension. We cut through the jargon and give you the information and tools you need to understand your pension.
- As an industry fund, we exist only to benefit our members. We keep our fees low so you keep more money in your pension.

## Pension options for you

We offer two types of pension accounts:

- *MTAA Super Transition to Retirement (TTR) Pension* – for members who are looking to ease into retirement; and
- *MTAA Super Pension* – for members who are fully retired.

Your personal circumstances will determine which account you're eligible for:

If you are:	You can:
Over preservation age and still working or intend to return to work	top up your take home pay using the <i>MTAA Super TTR Pension</i>
Over preservation age and have met a condition of release	receive regular income payments using the <i>MTAA Super Pension</i>

.....

There is a limit of \$1.6 million (known as the Transfer Balance Cap) on the amount of money you can transfer from super into the retirement phase. Any amount above this can be left in super or taken from the super system (as long as you meet a condition of release).

.....

## Key features of our pension accounts

- **Flexible payments**  
You can choose how often you'd like to receive your pension payments and how much you want to be paid, subject to the annual minimum set by the government. For MTAA Super's *TTR Pension*, a maximum annual payment limit also applies in the pre-retirement phase.
- **Your choice of investments**  
You can choose one or a mix of our eight investment options for your retirement savings, and choose which of these options you'd like your pension payments made from. You can change your investment options to suit your needs.
- **Tax on investment earnings**  
Investment earnings in your *MTAA Super Pension* account are tax free.  
  
Any investment earnings on your *MTAA Super TTR Pension* account are concessional taxed at a rate of 15% in the pre-retirement phase, and tax-free in the retirement phase.
- **Online account access**  
With MTAA Super's online facility ePension, you have 24/7 access to your pension account. You can check your account transactions, get a balance estimate and view your current and past statements. You can also change your personal details, investment options, payment amount and payment frequency.
- **Estate planning**  
When you open a pension account, you can nominate a reversionary beneficiary who will continue to receive your pension payments in the event of your death. You can also make a binding or non-binding death benefit nomination.



# Pension accounts at a glance

The following table outlines some of the key features of our *MTAA Super Pension* and *MTAA Super TTR Pension*.

Feature	Details
<b>Minimum opening balance</b>	You need a minimum of \$10,000 to open a pension account with MTAA Super.
<b>Maximum opening balance</b>	<p>The amount that you can transfer into your retirement income stream accounts is limited to \$1.6 million. This is known as the Transfer Balance Cap. This limit will apply to amounts transferred into your <i>MTAA Super Pension</i>.</p> <p>The limit doesn't apply to the TTR Pension while in pre-retirement phase. However, it will apply once your TTR Pension enters the retirement phase.</p>
<b>Payment amounts</b>	You can choose how much you'd like to receive as a pension each financial year, as long as it meets the minimum payment amount set by the Government (and is less than the maximum for a <i>MTAA Super TTR Pension</i> ). Refer to page 15 for more information.
<b>Payment frequency</b>	<p>You can choose how often you receive your pension payments: fortnightly, monthly, quarterly, half-yearly or annually. You can also change the frequency of your pension payments at any time.</p> <p>You must receive at least one pension payment in a financial year.</p>
<b>How will I receive my pension?</b>	Your pension will be paid to your nominated bank, credit union or building society account. It can't be paid to you by cheque or cash.
<b>How long will my pension last?</b>	<p>Your pension payments will continue until your pension account balance is zero. There is no guaranteed period and your pension may not last you for the rest of your life.</p> <p>How long your pension lasts will depend on a number of factors, including:</p> <ul style="list-style-type: none"><li>• your opening account balance</li><li>• how much you withdraw as pension payments each year</li><li>• whether you make lump-sum withdrawals</li><li>• investment returns applied to your account, and</li><li>• any fees, costs and taxes deducted.</li></ul>
<b>Partial lump sum withdrawals</b>	<p>If you have a <i>MTAA Super Pension</i> account, you can make lump sum withdrawals at any time. You must withdraw a minimum of \$1,000 and have at least \$10,000 left in your Pension account after the withdrawal. The tax you pay on lump sum withdrawals will depend on your age. Refer to the 'How your pension is taxed' section on page 45 for more information.</p> <p>If you have a <i>MTAA Super TTR Pension</i>, you generally can't make lump sum withdrawals in the pre-retirement phase.</p>

Feature	Details
<b>Fees</b>	You pay an administration fee of \$1.50 a week* plus 0.10% p.a. of your account balance, up to a maximum total administration fee of \$528.00 p.a. Refer to the 'Fees and costs' section on page 38 for more information.
<b>Centrelink</b>	Your pension will be assessable for Centrelink's assets and income tests.
<b>Investment options</b>	You can invest your pension account in one or a mix of our eight investment options. Our investment options are described in detail on pages 32 to 37.
<b>Investment earnings</b>	Any investment earnings credited to your MTAA Super Pension account are generally tax free.  Any investment earnings on your TTR Pension account are concessionally taxed at a rate of 15% while in the pre-retirement phase, and tax-free when in the retirement phase.

\* The flat rate component of the administration fee (\$1.50 per week) is calculated each Friday and deducted on the last Friday of each month. In a financial year, where there are 53 Fridays, this results in a deduction of \$79.50 and a total administration fee of up to \$529.50 for any member who is in the Fund for the full year.

### **Ongoing disclosure to be communicated online**

We are required by law to communicate material changes and significant events which may affect your account, including material changes to product disclosure documents. We are also required to provide you with an Annual Pension Statement, and provide access to our Annual Report. We'll let you know either by email or post

when the updated disclosure item is available to be viewed online and how you can access it.

If you wish to receive printed copies of these communications, you can opt out of receiving these communications electronically via e-Pension at **mtaasuper.com.au/member-login** or by calling us on **1300 362 415**.

### **Advice for your needs**

Choosing the right financial product for your retirement is important. That's why we offer a range of tools and advice options to help.

#### **Education workshops**

We host regular education workshops across Australia. Our workshops help you understand issues you need to think about as you approach retirement and how to get the right advice. Each workshop is two hours long and there's no cost to attend. For upcoming workshop dates and locations go to **mtaasuper.com.au/workshops**

#### **Simple advice**

For general and limited advice on matters about your super and retirement options, you can receive **over-the-phone** or **face-to-face** advice. Simple advice is provided

to MTAA Super members at no additional cost. Call us on **1300 362 415**.

#### **Comprehensive Advice**

Comprehensive advice involves working with a financial planner to develop a full financial plan. This plan considers your personal and financial circumstances. We have engaged Industry Fund Services (IFS) (ABN 54 007 016 195, AFSL No 232 514) to provide comprehensive personal advice to our members. IFS is responsible for any advice given to you by our representatives. Your first consultation is at no additional cost. Once you have discussed your financial situation and needs, your planner will provide an obligation free itemised fixed quote. From there, all advice is provided on a strictly fee-for-service basis. To arrange to meet a financial planner, call us on **1300 362 415**.

# MTAA Super Pension

With a *MTAA Super Pension*, you receive a regular income in retirement with the flexibility to make lump sum withdrawals.

To be eligible to open an account, you need to have at least \$10,000 in super and have met one of the following conditions of release:

- You have reached your preservation age (as shown below) and are permanently retired

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

- You are age 60 or over and have ceased an employment arrangement
- You are age 65 or over, or
- You have become permanently incapacitated at any age.

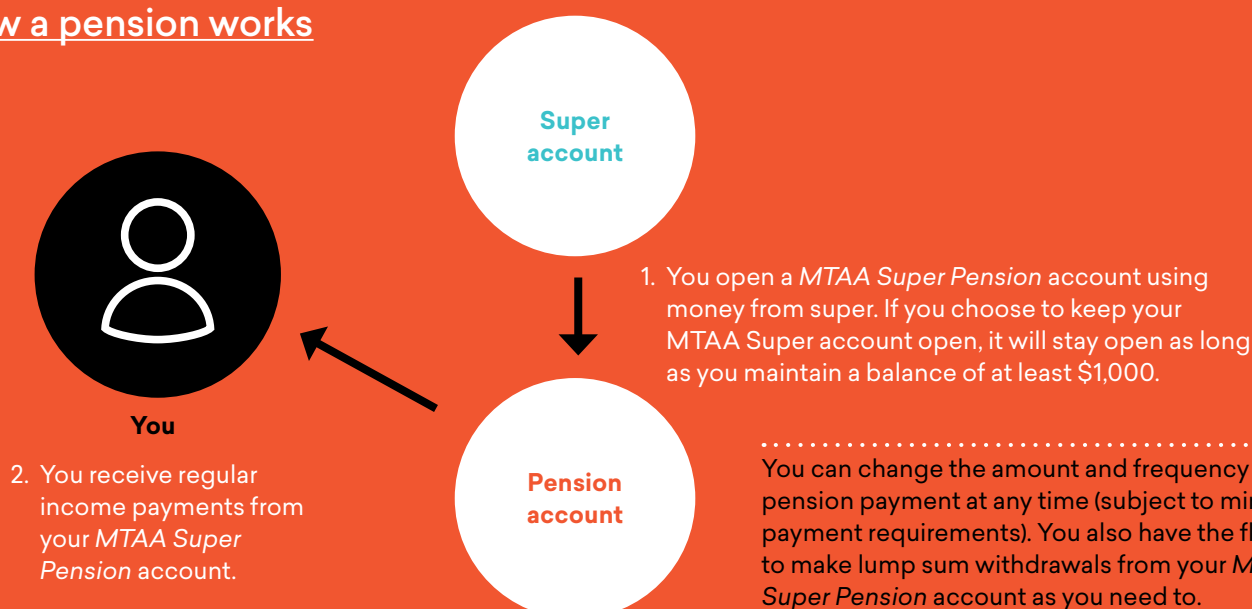
For more information on setting up a *MTAA Super Pension* account, refer to the 'Opening a pension account' section on page 14.

The amount that you can transfer into your retirement income stream accounts, is limited to \$1.6 million. This is known as the Transfer Balance Cap. This limit applies per individual not per fund. If you exceed the cap, you will have to remove the excess and pay excess transfer balance tax on income generated from your balance over \$1.6 million.

## Tax benefits of a MTAA Super Pension account

A *MTAA Super Pension* account can be a tax-effective way to invest as there is no tax payable on investment earnings and after age 60, you don't pay tax on your pension payments. If you're under age 60, you can get a tax rebate on some of your pension income.

## How a pension works







# MTAA Super Transition to Retirement Pension

With a *MTAA Super TTR Pension*, you can continue to work and contribute to your super while you supplement your take-home pay with income from your pension.

To be eligible for a *MTAA Super TTR Pension*, you must have reached your preservation age (see table on page 8) and still be working or intend to return to work.

## Benefits of a MTAA Super TTR Pension account

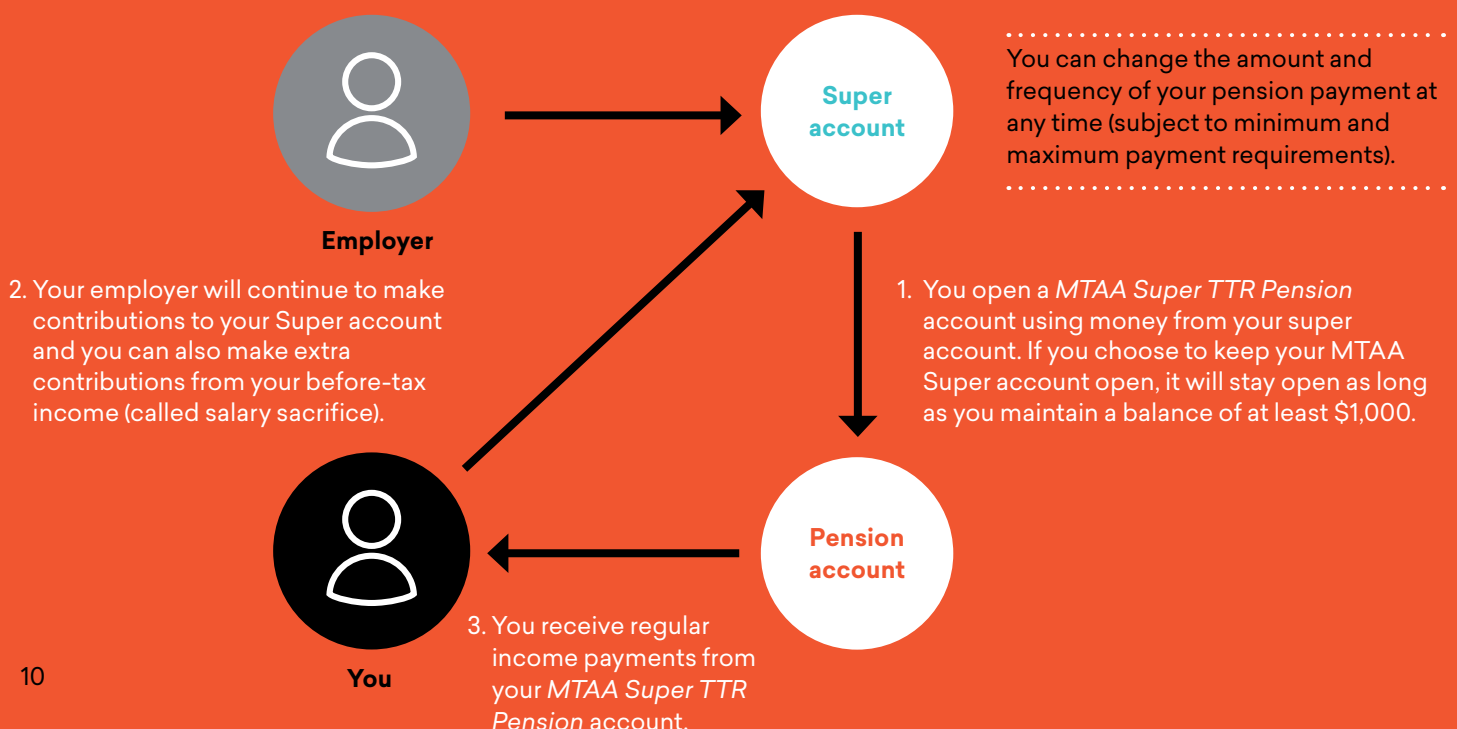
A *MTAA Super TTR Pension* can be an effective way to invest. After age 60, you don't pay tax on your pension payments and if you're under age 60, you may get a tax offset on some of your pension income.

You'll continue to pay 15% tax on investment earnings in your *MTAA Super TTR Pension* account while in the

pre-retirement phase. However, once your *MTAA Super TTR Pension* enters the retirement phase, your investment earnings will be tax-free.

Contributing more of your before-tax salary to your super via salary sacrifice can also have tax benefits. You'll pay only 15% tax on before-tax contributions to your super (including employer contributions and salary sacrifice) which may be much less than the marginal tax rate payable on the rest of your income. This means you could save on the amount of income tax you pay. To find out more about how you can save on tax with a *MTAA Super TTR Pension*, refer to examples 1 and 2 on pages 11 to 12.

## How a MTAA Super TTR Pension works



## A MTAA Super TTR Pension can be used to:

- **Top up your take home pay while you reduce your work hours**

As you ease into retirement, you may want to reduce your working hours and move to part-time work. With a *MTAA Super TTR Pension*, you can draw on your super savings to help top up the difference in your take-home pay and maintain your lifestyle. To find out more, refer to example 1 below.

or

- **Add extra to your super in the years before you retire**

While you're working and your super account remains open, you can continue to receive employer contributions to your super. You can increase your salary sacrifice contributions (up to your contributions cap of \$25,000) to give your super a boost before you retire, and then draw payments from your *MTAA Super TTR Pension* to top up your take-home pay. To find out more, refer to example 2 on page 12.

### Reduce working hours

	Without a TTR Pension and working full time	With a TTR Pension and working reduced hours
Before-tax salary	\$60,000	\$48,000
Pension income	\$0	\$9,700
<b>Total taxable income</b>	<b>\$60,000</b>	<b>\$57,700</b>
Tax payable (including Medicare and tax offsets)	(\$12,147)	(\$9,864)*
<b>After tax income</b>	<b>\$47,853</b>	<b>\$47,836</b>

\*Assuming there is no tax-free component in Tom's account balance.

#### What are the overall benefits for Tom?

Tom maintains a similar take-home pay even with reduced hours by topping up his income with pension payments. Tom also saves \$2,283 in overall tax due to the pension tax offset. The strategy will have the effect of reducing Tom's super balance.



#### Example 1

##### Tom reduces his work hours

Tom wants to work part-time while easing into retirement and wants to maintain about the same after tax income. Tom is age 56, has a super balance of \$180,000 and earns \$60,000 per year before-tax. Tom would like to reduce his working hours, which would reduce his income to \$48,000 per year.

Tom transfers most of his super account balance to open a *MTAA Super TTR Pension* account.

While Tom's take home pay has reduced, he is able to take payments of \$9,700 per year from his *MTAA Super TTR Pension* account.

This is how Tom's income and tax situation looks with and without a TTR Pension.



## Example 2

### Mary saves more for retirement

Mary wants to continue working full time and save more for retirement. She is age 60, has a super balance of \$150,000 and earns \$70,000 per year before-tax.

Mary currently contributes an extra \$4,927 per year to her super account as salary sacrifice contributions. With a *MTAA Super TTR Pension*, Mary could increase her salary sacrifice contributions to \$18,000 per year (without exceeding her contributions cap), and top up her take home pay using payments from her pension account.

Let's have a look at how Mary's income and tax situation looks with and without a *MTAA Super TTR Pension*:

### Save more for retirement

	Without a TTR Pension	With a TTR Pension
Before-tax salary	\$70,000	\$70,000
Less salary sacrifice	(\$4,927)	(\$18,000)
Taxable income	\$65,073	\$52,000
<b>Total taxable income</b>	<b>\$65,073</b>	<b>\$52,000</b>
Pension income	\$0	\$8,367 (tax free)
Tax payable excluding contribution tax (including Medicare and tax offsets)	(\$13,973)	(\$9,267)
<b>After tax income</b>	<b>\$51,100</b>	<b>\$51,100</b>

	Without a TTR Pension	With a TTR Pension
Salary sacrifice contributions (on top of the 9.5% employer contributions)	\$4,927	\$18,000
Less 15% contributions tax	(\$739)	(\$2,700)*
Net super contributions	<b>\$4,188</b>	<b>\$15,300</b>
Less pension drawn down	\$0	(\$8,367)
Net increase in super	\$4,188	\$6,933

\*Contribution tax shown is only on salary sacrifice and doesn't include contribution tax on SG.

### What are the overall benefits for Mary?

Mary pays less tax and ends up with the same take home (after-tax) income. Using a transition to retirement strategy, Mary's net tax saving of \$2,745 has been directed towards increasing her retirement savings.

Transition to retirement strategies are complex, and the taxation of pension assets changed from 1 July 2017. We recommend you seek financial advice to help you determine whether this may be suitable for your circumstances.

## More detail about the TTR Pension

Feature	Details
<b>Roll back into a Super account</b>	You can roll your <i>MTAA Super TTR Pension</i> account balance back into a super account with MTAA Super or another fund and return your benefits to an accumulation account.
<b>Restrictions on payments</b>	<p>If you transfer your existing super into your <i>MTAA Super TTR Pension</i>, you should be aware that super benefits are made up of different preservation components which determine when you can access your super.</p> <p>The components are:</p> <ul style="list-style-type: none"> <li>• preserved</li> <li>• restricted non-preserved</li> <li>• unrestricted non-preserved.</li> </ul> <p>Your preserved and restricted non-preserved benefits are limited to a maximum withdrawal of 10% per year. Any unrestricted non-preserved benefits can be accessed at any time, including making lump sum withdrawals.</p> <p>Your pension payments will be made firstly from unrestricted non-preserved money, then from any restricted non-preserved component and finally from any preserved component.</p>
<b>Restrictions on lump sum withdrawals</b>	You can't make lump sum withdrawals (commutations) from a <i>MTAA Super TTR Pension</i> account unless you satisfy a condition of release (outlined on page 8) or have unrestricted non-preserved money. However, you can commute your <i>MTAA Super TTR Pension</i> for a family law payment split.
<b>Moving into the retirement phase</b>	<p>At age 65, or when you notify us* that you have retired or satisfied another condition of release (refer to page 8), your <i>MTAA Super TTR</i> enters the retirement phase. This means that:</p> <ul style="list-style-type: none"> <li>• the restrictions on your TTR account will be lifted, and</li> <li>• your investment earnings will be tax free, and</li> <li>• the balance of your TTR Pension account will be counted towards your Transfer Balance Cap (see page 14 for more information).</li> </ul> <p><small>*Your notification could take up to five business days to process.</small></p>

# Opening a pension account

To open a pension account with MTAA Super, you will need to complete the *Pension Application* form on page 53.

## Before you get started

Once you have determined your eligibility (refer to pages 8 and 10) and decided which pension account is right for you, you'll need to consolidate the funds you will use to open your account.

You need to have a minimum of \$10,000 in super to open a pension account with MTAA Super. This can be made up of:

- the balance of your MTAA Super account
- rollovers from other super funds or pension accounts
- certain disablement amounts from a disability claim settlement, and
- the proceeds from the sale of a small business.

Once you open a pension account, you can't add money to it. Make sure you consolidate your super accounts before you start a pension.

You will need to let us know the source of the funds that you will use to open your account. If you are rolling money in from external funds, you will need to complete the *Rollover* form on page 65.

If you roll in super from a number of accounts, the funds will be kept in a cash holding account until all amounts have been received. Any interest earned on money in the holding account is retained by the Trustee for the benefit of all members of MTAA Super.

To avoid this, you should consolidate all your funds into an MTAA Super account before you apply for your pension. We can open an account for you for this purpose if you are not already an MTAA Super member. Before you close any super accounts, make sure you consider the benefits you may be losing (such as insurance cover) and any fees that may apply.

We recommend that you seek advice from a financial adviser before making any decisions in relation to starting a pension account.

**Note:** Transferring money from your super account into a pension or transition to retirement account will crystallise any gains or losses attributable to your super account at the time of transfer.

### Transfer Balance Cap

The amount that you can transfer into retirement income stream accounts is limited to \$1.6 million. This is known as the Transfer Balance Cap.

The cap applies to all income streams you hold, not only your MTAA Super retirement income streams.

We recommend you keep track of transfers into all your retirement income stream accounts to make sure you stay below the cap. If you exceed the cap, you will have to remove the excess and pay excess transfer balance tax on income generated from your balance over \$1.6 million.

If you do not remove the excess, the ATO may send you an *Excess Transfer Balance Determination* requiring you to remove the excess. If you do not respond, MTAA Super may receive a determination from the ATO requiring the Fund to remove the excess.

However if we cannot contact you, MTAA Super will be required to transfer the excess into either an existing or a new MTAA Super accumulation account. The transferred balance in the accumulation account will be invested in the same option/s and proportions as your *MTAA Super Pension* account.

### Setting up an MTAA Super Pension account from an existing MTAA Super accumulation account

Your new pension account will commence with the same investment option/s held in your existing MTAA Super accumulation account. If you elect to change your investment option/s, your pension account will initially be invested in the same investment option/s that were held in your accumulation account and in the same proportions. An investment switch will then be processed two business days after your pension commences.

Similarly, if you close your *MTAA Super Pension* and transfer the balance back into an MTAA Super accumulation account, your accumulation account will commence with the same investment option/s held in your *MTAA Super Pension*.

The buy-sell spread will only be incurred if you elect to change your investment option/s.



## Your Tax File Number (TFN)

We also ask for your TFN. You are not required to provide your TFN, but if you do not:

- you might pay more tax on your super than you are obliged to, and
- it might be difficult to find your super benefits if you change address and don't notify your fund.

If you're under 60, make sure you complete the *ATO Tax File Number Declaration* form on page 73 so the correct tax can be applied to payments from your pension account.

We recommend that you seek professional advice from a licensed financial adviser about how to structure your pension arrangements, taking into account your personal circumstances.

For more information about our pension accounts, visit [mtaasuper.com.au](http://mtaasuper.com.au) or call us on **1300 362 415**.

## Choose your payment amount and frequency

You will need to let us know how much you'd like to receive in pension payments each financial year. This amount needs to meet the minimum (and be less than any applicable maximum) amounts set by the Government.

The prescribed minimum pension is based on your age (as at 1 July each year) and how much you have in your pension account:

Your age	Minimum annual % of pension account balance
Under 65	4
65 – 74	5
75 – 79	6
80 – 84	7
85 – 89	9
90 – 94	11
95+	14

If you have a *MTAA Super TTR Pension*, a maximum of 10% of your account balance per financial year also applies while in the pre-retirement phase.

If you start your pension during the year, your minimum payment will be calculated based on your balance when you open the account and the number of days remaining in the financial year.

We'll let you know your minimum (and any applicable maximum) pension amounts each year.

You will also need to let us know how often you would like to receive your pension: fortnightly, monthly, quarterly, half-yearly or yearly.

If you receive your pension fortnightly, payments will be made every second Friday. Otherwise, payments are made on the 28th of the month in which the payment falls due. If the 28th day is a weekend or public holiday, you will be paid the preceding business day.

You must receive at least one payment each financial year, but if you start your pension after 1 June in any year, you can start your pension payments in the next financial year.

## Calculating payments



### Example: MTAA Super Pension

Tony has a super account balance of \$400,000 and is aged 66 at 1 July 2017. Tony opens a *MTAA Super Pension* account and transfers in the balance of his super account.

Tony must withdraw a minimum of 5% or \$20,000 in the first year, calculated as follows:

$$5\% \times \$400,000 = \$20,000$$

If Tony elects to receive his pension payments monthly, his payments will be \$1,666, calculated as follows:

$$\$20,000/12 = \$1,666$$

.....  
If Tony's pension did not begin on 1 July, his minimum pension payment amount would be calculated based on his account balance and the number of days remaining in the financial year.  
.....



### Example: MTAA Super TTR Pension

Julie is 57 years old and has a super account balance of \$400,000 at 1 July 2017. Julie wants to reduce her days at work as she eases into retirement.

Julie opens a *MTAA Super TTR Pension* account and transfers \$350,000 from her super account into her new pension account.

The minimum amount Julie can withdraw from her pension account is \$14,000 and the maximum is \$35,000 in the first year.

This is calculated as follows:

- Minimum – \$350,000 x 4% = \$14,000
- Maximum – \$350,000 x 10% = \$35,000

Julie can choose a payment amount anywhere between the minimum and maximum amounts.  
.....

.....  
If Julie started her TTR Pension mid-way through a year, the minimum payment limits would be calculated based on the number of days remaining in the financial year.  
.....

# Decide your investment strategy



## Example

Maria chooses to have her account balance invested 50% in the Balanced option and 50% in the Growth option.

She opts to have her pension payments paid first from the Balanced option and then the Growth option. Initially all Maria's pension payments will be paid out of the Balanced option and over time her overall allocation to the Balanced option will decrease as pension payments are paid. The proportion of her account balance invested in the Growth option will increase over time.

If Maria wants to keep a more even asset allocation and continue to have her pension payments paid from the Balanced option, she will have to make investment switches from the Growth to Balanced option from time to time. She can do this online via her ePension account or by completing the *Pension Investment Choice* form.

With an MTAA *Super pension* account, you can invest in one or more of our eight investment investment options:

Pre-mixed options	Asset Class options
Conservative	Cash
Income-Focussed	Diversified Fixed Interest
Balanced	Australian Shares
Growth	International Shares

Each investment option is described in detail on pages 32 to 37.

Our Pre-mixed options invest in a range of asset classes while the Asset Class options invest in a single asset class. You can read about the different asset classes in 'Key investment terms explained' on page 25.

When it comes to choosing your investment option/s, you should consider these questions:

- How much risk do I feel comfortable with?
- What level of return do I want?
- What is my investment timeframe?

The answers to these questions will help guide you in choosing the investment or mix of options for your pension. For more information, refer to the 'Investing with MTAA Super' section on page 24.

Once you have chosen which investment option/s you want your account invested in, you can choose the option/s from which you want your pension payments to be paid from. If the assets in these investment option/s run out, your pension will be paid from your remaining investment options in proportion to your investment allocation.

If you don't nominate the option/s you would like your pension payments to be paid from, your payments will be paid on a pro rata basis from your overall asset allocation.

If you nominate an option, your overall asset allocation will change as your funds in this option reduce and you will need to make investment 'switches' to rebalance the assets in your account. See the example on this page.



## Changing your investment choice

You can change (or switch) your investment choice for:

- your existing account balance, and
- the option/s your pension payments are made from.

Different rules apply for switching investment options for your existing account balance and your pension payments.

### **Your existing account balance**

You can change (switch) investment options as often as you like at no charge.

Switching applications will be effective two business days after the request is received using the most recent price/s available. A business day is any day that is not a weekend or NSW public holiday.

Applications received before 11.59pm Sydney time will take effect two business days after the request is received. For example, switching applications received on a Friday, Saturday or Sunday, prior to 11.59pm Sydney time will be effective on Tuesday. Switching applications received on a Monday prior to 11.59pm Sydney time will be effective on Wednesday.

### **Your pension payments**

Your request to switch the option/s from which your pension payments are made will take effect from the date your instructions are received by MTAA Super and will apply to all future payments from that date. There is no switching fee applied to these changes.

If there are insufficient funds to cover payments from the investment option/s you have nominated, your pension payments will be paid from your remaining investment options in proportion to your investment allocation until we receive a different instruction.

## How to change your investment option/s

To change your investment option/s you can:

- login to your account via ePension at **mtaasuper.com.au/member-login**, or
- complete a *Pension Investment Choice* form available at **mtaasuper.com.au/member-forms**, or
- call us on **1300 362 415**.

If more than one switch request is received in the same **day** (whether written or online), the form or request received last will be applied.

## How to cancel a switch request

To cancel a request to switch the investment option/s for your existing account balance, you must call us on **1300 362 415** prior to 7.00pm Sydney time on the day we receive your instruction. Alternatively, you can login to your account via e-Pension and send us a message no later than 11.59pm Sydney time on the same day the instruction was made.

To cancel a request to switch the investment option/s for your pension payments, you must call us on **1300 362 415** prior to 7.00pm Sydney time on the same day the instruction was made.

# Nominate your beneficiaries

It's important that you let us know who you'd like to receive your super benefit in the event of your death.

You can nominate a 'reversionary beneficiary' who will continue to receive your pension after you die, or you can make a 'binding' or 'preferred' nomination for the beneficiaries you would like to receive your account balance as a lump sum.

You can nominate one or more dependants or your legal personal representative as the beneficiaries of your death benefit. Your dependants may include your spouse, children, or others as outlined in the definitions on page 19.

If you nominate your legal personal representative, then he or she may distribute the benefit in accordance with your Will or, where there is no valid Will, the applicable intestacy laws.

## Reversionary beneficiary nomination

You need to nominate your reversionary beneficiary at the time you open a pension account by completing the relevant section of the *Pension Application* form. Once your account is open, you can't change your reversionary beneficiary. To make a change, you would need to close your pension account and open a new one.

There are rules around who you can nominate as your reversionary beneficiary. This person must be one of the following:

- your spouse
- your child who is under 18
- your child who is between 18 and 25 and financially dependent on you
- your disabled child (see section 8(1) of the Disability Services Act)
- an interdependent
- anyone financially dependent on you.

In the event of your death, your reversionary beneficiary will continue to receive your pension payments. Tax may apply to these payments. Refer to the 'How your pension is taxed' section on page 45 for more information.

.....  
**Please note:** The reversionary pension amount will count towards your beneficiary's Transfer Balance Cap.  
.....

## Lump sum beneficiary nominations

### Preferred nomination

When you make a preferred nomination (also known as a non-binding nomination), the Trustee will consider your nomination when deciding how to pay your death benefit. However, the Trustee will not be bound to follow it. The Trustee will take into account other relevant information, including which of your dependants is entitled to receive all or part of the death benefit, when making a decision.

You can make, change or cancel a preferred nomination at any time either online via ePension or by writing to us.

### Binding nomination

When you make a binding nomination, the Trustee is bound to pay your benefit to the beneficiary/ies you have nominated, if your nomination is valid. In order for your binding nomination to be valid, you must nominate your dependant/s or your legal personal representative. See page 19 for the definition of 'dependant'.

To make a binding death benefit nomination, you need to complete a *Binding Death Benefit Nomination* form and have the form signed by two witnesses who are not beneficiaries.

Binding nominations last for three years. While you can update your binding nomination at any time, you'll need to complete a new form at least every three years to keep a valid nomination in place.

## Definitions

A **‘dependant’** means a person’s spouse, a child of the person, someone who has an interdependent relationship with the person or anyone who is wholly or partly financially dependent on the person at the time of the person’s death.

The **‘spouse’** of a person also includes:

- another person (whether of the same or a different gender) with whom the individual is in a relationship that is registered under a state or territory law, and
- another individual who although not legally married to the member lives with the member on a genuine domestic basis in a relationship as a couple.

A **‘child’** of a person includes:

- an adopted child, a stepchild or an ex-nuptial child of the person
- a child of the person’s spouse
- someone who is a child of the person within the meaning of the *Commonwealth Family Law Act 1975*, including a child born as a result of an artificial conception procedure or as a result of a surrogacy arrangement.

An **‘interdependant’** is a person with whom the member has an ‘interdependency relationship’.

An **‘interdependency relationship’** applies if two people satisfy all of the following conditions: have a close personal relationship, live together and one or each of them provides the other with financial and domestic support and personal care.

A relationship of interdependency will also be found to exist if the parties can establish that they have a ‘close personal relationship’ but they cannot satisfy the other two conditions because one or both of them suffers from a physical, intellectual or psychiatric disability. This can apply when one person is disabled and lives in an institution but was nevertheless interdependent with the deceased person.

A **‘close personal relationship’** is defined as a relationship that involves a demonstrated and continuing commitment to the emotional support and wellbeing of the two parties. Indicators can be the duration of the relationship, the degree of mutual commitment to a shared life, and the reputation and public aspects of the relationship (such as whether the relationship has been publicly acknowledged). People who share accommodation for convenience or who provide care as part of an employment relationship or on behalf of a charity do not meet the definition of a close personal relationship.

### Need help?

It’s important that the person you nominate as your beneficiary is eligible. If you are not sure, call our Financial Education Advice Team (FEAT) on **1300 362 415** for help.

### No nomination?

If you don’t nominate a beneficiary, the balance of your account will be paid to your dependant/s or your estate, or a combination of the two, as determined by the Trustee.

## Investment choice on death

If you haven’t nominated a reversionary beneficiary, when you die your account balance will be automatically invested in the Cash option until your beneficiaries are identified. The aim is to protect your benefit from market fluctuations while we determine the beneficiaries of your benefit.

# Submit your application

To submit your application, you need to:

1. Complete the following forms:
  - *Pension Application* form on page 53
  - *Rollover* form (if rolling in money from other super funds) on page 65
  - *ATO Tax File Number Declaration* form (if you under age 60) on page 73.
2. Read the information about identification requirements to ensure you have provided the required documents and have them correctly certified.
3. Return your completed forms to:

**MTAA Super Pensions**

Locked Bag 5134

Parramatta NSW 2124

## Identification requirements

We're required by law to carry out a proof of identity check before paying benefits. This is to make sure we're paying your money to the right person and to protect against money laundering and terrorism financing.

If we don't have the identification details we require, there may be a delay in processing your pension application.

When you complete your application form, you will be asked to consent to MTAA Super verifying your identity by using reliable and independent electronic data sources, including a credit reporting agency. Your personal information may be provided to that credit reporting agency and used for the purposes of preparing an assessment of whether your personal information can be verified or not.

Alternatively, you can provide hard copy certified identification documents. For more information on how to provide hard copy certified documents, visit **[mtaasuper.com.au/proof-of-identity](https://mtaasuper.com.au/proof-of-identity)** or call us on **1300 362 415**.



## Next steps

We'll review your application form and let you know if any information is missing.

You should receive a confirmation letter from us within six weeks of your application. Once all funds have been received to set up your pension, you will receive a:

- welcome letter with your pension details and Centrelink information, and
- digital membership card with your member number and contact details for MTAA Super.

## Cooling off period

You have a 14-day cooling off period to cancel your pension account. The period starts from the date we confirm that your application has been accepted, or five days after the application has been accepted, whichever happens first. A request to cancel your account must be in writing.

The amount rolled over or paid out of MTAA Super might be adjusted to take into account any variation in the value of the investment, any fees payable, and any tax payable as a result of your period of fund membership.

When a *MTAA Super TTR Pension* account is cancelled, any preserved or restricted non-preserved benefits must be rolled over to another transition to retirement pension, regulated super fund, approved deposit fund or retirement savings account (including an accumulation account with MTAA Super). These benefits cannot be paid to you in cash.

You cannot cancel your MTAA Super membership if you have already exercised any of your rights as a member.

## We'll keep in touch

Once your new account is open, we'll provide you with regular updates and important information about your pension account, including:

- an annual notice with your minimum and maximum (for TTR Pensions) payment amounts
- an annual statement that lists all transactions on your pension account
- a PAYG payment summary (if you are under age 60), and
- a Centrelink schedule (if you request it).

For more information, including our annual reports, newsletters and current investment performance information, visit **mtaasuper.com.au**.

.....  
You get 24/7 access to your MTAA Super account online through ePension.

With ePension you can view your account balance, investment options and payment history.

To get started with ePension, visit **mtaasuper.com.au/member-login** or call us on **1300 362 415**.  
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# Investing with MTAA Super

We aim to maximise our members' returns during their working life and in retirement while protecting their accumulated retirement savings from large fluctuations. We also aim to deliver solid returns with an acceptable level of risk.

## Our investment strategy

Our investment strategy is to build a diversified portfolio of assets that balances investment returns and risks. We achieve this by investing in a combination of **growth assets** and **defensive assets**.

The growth assets we invest in include shares, infrastructure and property. The returns from growth assets come mainly from capital gains and income in the form of dividends. Growth assets generally offer the greatest potential for long-term growth, but the returns can fluctuate and returns may be negative from time to time.

The defensive assets we invest in include fixed interest and cash. The returns on defensive assets are mainly from interest. Defensive assets generally offer less potential for long-term growth than growth assets but returns are generally more stable and have a relatively low level of risk. Negative returns are possible in the case of fixed interest, however cash returns are generally positive.

MTAA Super also invests in a number of 'alternative' investments or asset classes such as private equity, alternatives credit, property and infrastructure. These investments are less frequently traded than some other assets classes (such as shares, for example) and can be in both domestic and international markets. Assets such as property and infrastructure assets, can have long term leases and are not directly linked to share markets. As such, they provide income streams to the Fund and provide a buffer against the short-term fluctuations of share markets.

## Asset allocation

MTAA Super's Pre-mixed options are Conservative, Income-Focussed, Balanced and Growth. These options all invest in a range of different asset classes. With the Pre-mixed options, the asset allocation is constructed with the aim of achieving the option's specific investment return objective.

In comparison, each of the Asset Class options invests in one asset class only. The name describes the single asset class for the option: Cash, Diversified Fixed Interest, Australian Shares or International Shares.

The Trustee sets medium to long term risk and return targets for each of the Fund's investment options, then sets a Strategic Asset Allocation (SAA) for each option with the aim of achieving the option's investment return objective.

The investment objective and SAA for each investment option is set out in 'Your investment options' starting on page 32. The SAA and ranges are reviewed by the Trustee at least annually.

For the Pre-mixed investment options, the Trustee may adjust the asset allocation and make portfolio adjustments within the SAA ranges. This allows the Trustee some flexibility to adopt tactical asset allocations in response to market movements.

From time to time the actual asset allocations may differ from the SAA for the Pre-mixed options due to market fluctuations, new investment opportunities and irregular cash flow levels. Differences may also result from tactical moves (within the SAA ranges) to position the portfolio for current market conditions.

For example, if the share market falls, the proportion allocated to shares in the Pre-mixed options may decrease and the allocation to other assets classes in the options may increase.

While the Trustee seeks to ensure that variations between the actual and strategic asset allocations of all investment options are managed within the ranges as outlined, in times of extreme market volatility the actual and strategic asset allocations can differ significantly.

The actual asset allocation figures for all investment options are updated monthly. To view the asset allocations for our investment options, visit [mtaasuper.com.au/investment-options](https://mtaasuper.com.au/investment-options).



# Key investment terms explained

To help you decide which of our investment options may be right for you, it's important to understand some key investment terms.

## Understanding asset classes

MTAA Super invests across all major asset classes. An asset class is a grouping of similar financial/physical assets.

All asset classes have different levels of risk and expected return. The key assets MTAA Super currently invests in include shares, fixed interest, cash, property and infrastructure. These asset classes can be further broken down to include Australian and international shares, unlisted shares and private equity, Australian or international fixed interest and global floating rate credit, direct or indirect property investments, and domestic and international infrastructure.

### **Shares**

Shares, also known as equities, represent ownership of a company. They generally provide returns as dividends (income) and offer the potential for gains (or losses) through changes in their price on the share market. In the long term, shares are expected to provide higher returns than cash, fixed interest or property, but there is a higher level of risk which can result in negative returns from time to time.

### **Infrastructure**

Infrastructure includes roads, airports, ports and other large-scale community projects and assets. Investment in infrastructure can take many forms, among them direct equity in a development or asset or a loan to a participant in a development. Infrastructure is a moderate to high risk investment that can produce strong returns over the medium to long-term.

### **Property**

Property includes residential real estate and industrial and commercial property (office buildings, factories and shopping centres). Property generates rental income and can also increase (or decrease) in value over time. It normally generates better returns than cash or fixed interest, but can be more volatile and is usually considered a moderate to high risk investment.

### **Private equity**

Private equity involves investment in private or unlisted companies. Private equity investment can be used to expand or develop a business. With care and thorough research, private equity can provide high returns, but with a higher level of risk.

### **Fixed interest**

Common forms of fixed interest securities are loans to government bodies and companies. These typically provide interest payments over the term of the security, as well as the return of the amount invested at the end of the security's life. The security's value fluctuates during its lifetime in response to a variety of factors, including changes in market interest rates. Fixed interest securities generally have a moderate level of risk and are expected to produce a moderate rate of return.

Floating rate securities are another form of fixed interest investments. These provide a variable rate of interest paid at a specified spread over a money market reference interest rate (for example the RBA cash rate).

MTAA Super's investments in fixed interest securities may include government and credit securities of both a fixed and floating rate nature.

### **Alternatives credit**

Alternatives credit are high-yield debt assets including infrequently traded debt securities (such as corporate bonds and loans) that exhibit greater credit risk and higher expected returns relative to sovereign government debt.

### **Cash**

Cash is invested in term deposits, notice period accounts, bank bills, commercial paper and other money market instruments for short periods. Cash is one of the most stable investments because returns are among the most predictable, but it generally earns the lowest rate of return of the main asset classes over the long term.

## Risk versus return

Each of MTAA Super's investments is subject to varying risk levels and changes in value. The key to choosing the right investment option/s is deciding the rate of return you would like to achieve and balancing this against the degree of risk you are prepared to accept.

Before making an investment choice, it's important to know your risk profile – that is, the extent to which you are prepared to accept low or even negative returns in any year for the possibility of higher gains over the medium to long term.

## Diversification

It's important to also balance the risk of short-term fluctuations in the value of your super investment against the long-term retirement benefit that a well-diversified investment strategy can help provide.

Diversification means spreading your super across a number of different asset classes or types of investments. Asset classes perform differently at different times. Diversification can mean that if one asset class or investment falls in value, others that are performing well can make up for the loss or at least reduce the impact of the fall in value.

## Investment timeframe

Your investment timeframe reflects how long you anticipate your super will be invested. Having sufficient time in investment markets is an important consideration in selecting investments and making your investment choice. Your investment timeframe will be influenced by your age and whether you're investing for the short term or long term.

When you have a short investment timeframe, you may want to minimise the risk of a negative return and choose a lower risk investment strategy.

When you have a longer investment timeframe, a higher risk investment strategy may be more suitable as you have more time to ride out the market fluctuations that can be associated with higher risk investments.

Remember that your investment timeframe will change over time, as will your risk profile, so it's important to review your investment choice from time to time and make changes if appropriate.

.....  
Your investment needs change over time. We recommend you seek professional financial advice to ensure your investment strategy is right for your circumstances.  
.....

# Investment risks

All investments, including super, involve a degree of risk. The potential risks you should consider include:

## Market risk

Economic, technological, political and legal conditions, and even market sentiment, can (and do) change and this may mean that changes in the value of investment markets affect the value of investments in the Fund. MTAA Super aims to reduce market risk through diversification across asset classes, countries and investment managers.

## Liquidity risk\*

There is a risk that assets, especially unlisted assets, may not be able to be sold in a relatively short period without affecting the price of the asset. MTAA Super monitors liquidity risk constantly and has a policy for managing it.

\*The Fund's investment portfolio contains exposure to illiquid assets. MTAA Super is generally able to satisfy portability requirements from cash reserves. For more information about the Fund's portfolio, visit [mtaasuper.com.au](http://mtaasuper.com.au) or call us on 1300 362 415.

## Counterparty risk

The risk that the issuer of an investment that the Fund holds, or the other party to a contract with the Trustee, may fail to meet its legal or contractual obligations. This risk can arise in relation to arrangements such as derivative contracts, brokerage agreements, as well as repurchase and foreign exchange contracts. MTAA Super considers counterparty risk when evaluating contracts.

## Credit risk

The risk of loss arising from a borrower defaulting on debt and/or a decline in the perception of credit quality within the market. This has the potential to arise with various investments including derivatives, fixed interest and mortgage securities. MTAA Super manages credit risk in various ways, including conducting due diligence on prospective investments and ongoing performance monitoring and reporting.

## Currency risk

MTAA Super invests in other countries and if their currencies change in value relative to the Australian dollar the value of the investment changes. External currency managers are employed with the aim of reducing the impact of adverse movements in the Australian dollar.

## Derivatives risk

Derivatives are used to reduce risk or gain exposure to other types of investments. Among the risks associated with derivatives is the potential illiquidity of the derivative, the value of the derivative fails to move in line with the value of the underlying assets, the Trustee being unable to meet payment obligations as they arise, and counterparty risk. MTAA Super aims to keep derivative risk to a minimum by constantly monitoring the Fund's exposure to derivative contracts and by entering into derivative contracts with reputable counterparties. Derivatives are not used by MTAA Super to leverage investment exposure.

## Fund risk

There is a risk that disruption to the Fund's operations may occur as a result of a breakdown in technological systems or material changes to staffing arrangements. MTAA Super aims to keep fund risk to a minimum by maintaining a risk management and compliance framework in accordance with legislative requirements. Changes to super laws and/or taxation legislation can also affect your investment.

## Inflation risk

If inflation is greater than the return on your investment, the 'real' value of your investment falls. MTAA Super aims to reduce this risk by investing a portion of the Pre-mixed options in assets that are expected to generate returns in excess of inflation in the medium term.

## Interest rate risk

Changes in interest rates can have a positive or a negative effect directly or indirectly on investment value or returns.

## Specific risk

Specific risk refers to the non-market risk exposure of assets. Individual assets the Trustee purchases can (and do) fall in value for many reasons – for example, changes in the internal operations or management of a fund or company, or its business environment. MTAA Super aims to reduce this risk holding a diversified portfolio of carefully selected assets across various asset classes. This ensures the portfolio has an affordable level of risk.

## Assessing investment risks

To make it easier to compare the risks of each of the Fund's investment options, each option is assessed according to its 'Standard Risk Measure'. This measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period.

### Standard Risk Measure

Risk Band	Risk Label	Estimated number of negative annual return over any 20 year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

The Standard Risk Measure disclosed for each of MTAA Super's investment options (see 'Your investment options' starting on page 32) is calculated on the basis of the Strategic Asset Allocation for that investment option current at the date of this Guide. It represents the Trustee's calculation of the Standard Risk Measure for that option over a 20-year period. However, over shorter periods the risk associated with an investment option may differ from the Standard Risk Measure for that option. This can occur, for example, during transitional periods when changes are being made to the underlying assets of an option or when market movements mean that the day-to-day asset allocation of an investment option differs from the option's Strategic Asset Allocation.

The Standard Risk Measure is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should not rely exclusively on the Standard Risk Measure and should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

## Daily unit pricing

MTAA Super uses unit pricing to apply investment returns and calculate member account balances. This is generally considered to be 'best practice' in the financial services industry.

### How does it work?

When you invest in any MTAA Super investment option, your money is placed in a pool of assets, along with every other member who has chosen that investment option.

Each investment option is divided into units and every unit you own in that investment pool represents your share of that investment option. The value of your investment in a particular option is the number of units you hold in that option multiplied by the unit price of the option.

Each time you invest in an investment option (e.g. by switching into a new investment option), you **buy units** and each time you reduce your investment in an option (e.g. by making a withdrawal) you **sell units**.

The table below shows the type of unit price associated with common transactions.

#### Buy price

Money going **into** your account:

Rollover, transfer into an investment option (switch)

#### Sell price

Money going **out of** your account:

Withdrawal, pension payments, fees, transfer from an investment option (switch)

### Buy-sell spread

A buy-sell spread represents the estimated transaction costs incurred when buying or selling underlying assets in relation to investment options. The spread is applied to ensure that all transaction costs incurred in buying or selling assets are fairly allocated to those members who

transact in an investment option. The buy-sell spread is retained in the Fund and is not a fee paid to the Trustee.

### How is the unit price determined?

The unit price for each investment option is calculated by dividing the value of the assets in the option (after allowing for fees, costs (including fees paid to investment managers) and taxes) by the number of units on issue. As the value of these assets and liabilities can go up or down, the unit prices for the different investment options can also go up or down.

The buy-sell spread is applied to the unit price to obtain the buy price and the sell price. The difference between the investment option buy and sell prices is the total buy-sell spread for that option.

A new buy and sell unit price will be set, typically, each business day\* for each investment option, reflecting the changing value of the underlying assets in the investment option/s and transactional and operational costs. The unit price will be available at [mtaasuper.com.au/pension-unit-prices](https://mtaasuper.com.au/pension-unit-prices) each day.

If a unit price is unable to be determined for a business day due to an unforeseeable event, such as a trading suspension in relevant markets, MTAA Super will take all reasonable steps to recommence unit pricing as soon as possible.

\*A business day is generally considered to be Monday through Friday and excludes weekends and NSW public holidays.

For historical performance information and the latest unit prices for each of the options, visit our website at [mtaasuper.com.au/pension-unit-prices](https://mtaasuper.com.au/pension-unit-prices)

### Different unit prices for super and pension accounts

Unit prices will vary between the same investment options for accumulation and pension accounts in the retirement phase. This is because the earnings on assets within super accounts are subject to tax and other expenses, whereas they are tax free within pension accounts in the retirement phase.

## Environmental, Social and Governance Risk

MTAA Super considers environmental, social and governance (ESG) risks, impacts and opportunities in its investment decision making and investment governance processes in order to protect and prudently manage the Fund's investments for the long term. This includes the selection, retention or realisation of investments, as well as the discharge of its proxy voting entitlements and company engagement efforts. This applies equally across all of the Fund's investment options.

Governance considerations may include Board and Director independence and executive remuneration, disclosure and transparency. Environmental considerations will include climate change and pollution and social considerations will include risks and impacts arising from labour standards and human rights.

ESG principles are taken into account in the investment governance processes in the following ways:

- As a foundation member of the Australian Council of Superannuation Investors (ACSI), including involvement in its Member Council, MTAA Super seeks to act collectively with like-minded investors to take advantage of the strong collective voice on key governance issues impacting the listed companies in which the Trustee invests. MTAA Super takes guidance from ACSI's various policies, guidelines and frameworks and supports its company engagement program. ACSI's role includes assisting member funds with the management of ESG risks and impacts.
- MTAA Super is active in the proxy voting process and strives to vote on every resolution for every listed portfolio company for which it is entitled to do so. The Trustee's voting actions are published on the Fund's website and updated twice per annum.

- The majority of MTAA Super's investment managers for listed asset classes are signatories to the United Nations' Principles for Responsible Investment (UNPRI) and they take into account ESG factors in making investment decisions. MTAA Super considers prospective managers' capabilities in respect of integrating ESG risks into their investment processes and monitors investment managers' activities in this regard once appointed. MTAA Super is a signatory to the UNPRI in its own right.
- MTAA Super believes that the issue of corporate governance within the unlisted investment companies in which it directly holds stakes is equally important as for listed entities. Accordingly, when entering into unlisted investments the Trustee seeks the strongest possible governance, information and representation rights and will also actively vote on all resolutions issued by unlisted investee companies. It will also take into account environmental, social and governance risks and impacts among the many risks considered. The Trustee works with its advisers in assessing all reasonable risks when entering into new unlisted investments.

MTAA Super relies on advice from Management, ACSI, our asset consultant, investment managers and other professional advisers as required; however, it's ultimately the Trustee's responsibility to ensure ESG risks and impacts are understood, managed and taken into account in accordance with our Investment Governance Framework and Investment Beliefs.

While MTAA Super doesn't currently offer any investments options selected solely on the basis of ESG considerations, we take ESG considerations into account as part of our broader investment decision-making process where practicable to do so.

Where possible, we seek to exclude tobacco from our investment portfolio. This portfolio wide exclusion relates to the manufacture of tobacco products as defined by the Global Industry Classification Standard.





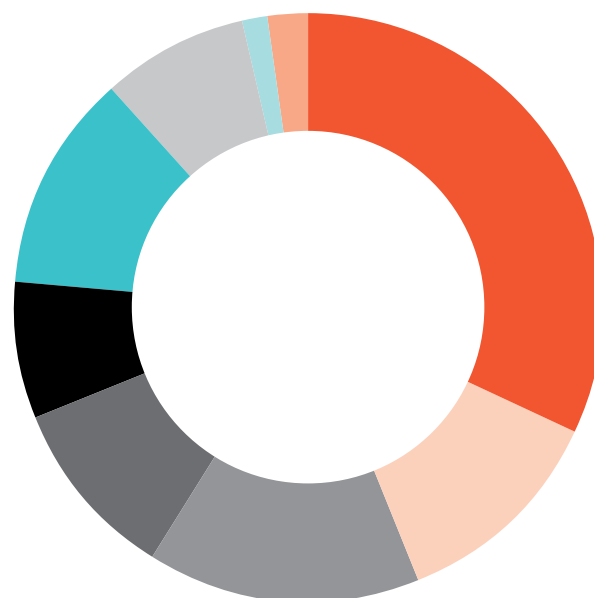
# Your investment options

## Pre-mixed options

### Conservative

The Conservative option seeks stable returns in the short to medium term through reduced exposure to risk. It is intended to be suitable for members who are willing to take on an average level of risk.

Strategic Asset Allocation	%	Range %
● Cash	32.0	20.0 – 50.0
● Australian Fixed Interest	12.0	5.0 – 25.0
● Overseas Fixed Interest	15.0	0.0 – 25.0
● Australian Equities	10.0	0.0 – 20.0
● International Equities	7.5	0.0 – 20.0
● Infrastructure	12.0	0.0 – 17.5
● Property	8.0	0.0 – 12.5
● Alternatives Credit	1.5	0.0 – 7.5
● Private Equity	2.0	0.0 – 7.5
● Other <sup>+</sup>	0.0	0.0 – 5.0



**Objective:** To out-perform (after tax and fees) the Consumer Price Index (CPI) by 1.25% a year over rolling four-year periods.

**Minimum suggested time frame:** 4 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 1.8

**Standard Risk Measure:** Risk Band 3, Low – Medium



+ Investments in this asset class may include natural resources, multi-asset class strategies and other alternative investments deemed appropriate.



## Income-Focussed

The Income-Focussed option seeks to generate an appropriate income yield, along with a balance between stable returns and growth. It is intended to be suitable for members seeking to generate returns from a stable level of yield, whilst accepting some risk of capital fluctuation.

Strategic Asset Allocation	%	Range %
● Cash	20.0	0.0 – 30.0
● Australian Fixed Interest	0.0	0.0 – 30.0
● Overseas Fixed Interest	22.5	0.0 – 30.0
● Australian Equities	22.5	0.0 – 40.0
● International Equities	12.5	0.0 – 40.0
● Infrastructure	7.5	0.0 – 20.0
● Property	7.5	0.0 – 20.0
● Alternatives Credit	7.5	0.0 – 20.0
● Private Equity	0.0	0.0 – 0.0
● Other <sup>+</sup>	0.0	0.0 – 0.0

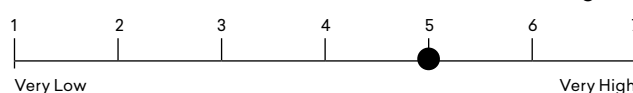


**Objective:** To provide income yield of RBA Cash plus 2% per annum primarily, while aiming to achieve a total return in excess of CPI+2% per annum.

**Minimum suggested time frame:** 5 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 3.7

**Standard Risk Measure:** Risk Band 5, Medium – High



<sup>+</sup> Investments in this asset class may include natural resources, multi-asset class strategies and other alternative investments deemed appropriate.

## Balanced

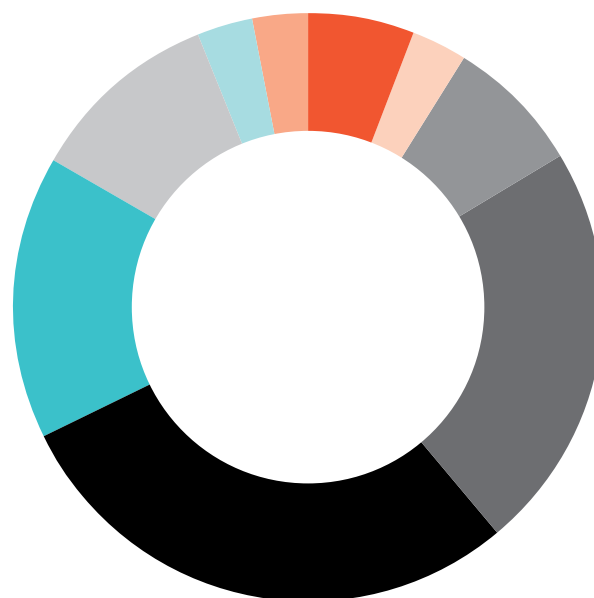
The Balanced option seeks medium to high long-term returns through a balanced exposure to risk. It is intended to be suitable for members with a moderate to high risk level.

Strategic Asset Allocation	%	Range %
● Cash	6.0	0.5 – 20.0
● Australian Fixed Interest	3.0	0.0 – 15.0
● Overseas Fixed Interest	7.5	0.0 – 15.0
● Australian Equities	22.5	5.0 – 35.0
● International Equities	29.0	5.0 – 35.0
● Infrastructure	15.5	0.0 – 35.0
● Property	10.5	0.0 – 22.5
● Alternatives Credit	3.0	0.0 – 17.5
● Private Equity	3.0	0.0 – 12.5
○ Multi Asset	0.0	0.0 – 10.0
● Other <sup>+</sup>	0.0	0.0 – 17.5

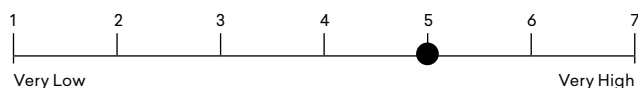
**Objective:** To out-perform (after tax and fees) the Consumer Price Index (CPI) by 3% a year over rolling seven-year periods.

**Minimum suggested time frame:** 7 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 3.9



**Standard Risk Measure:** Risk Band 5, Medium – High

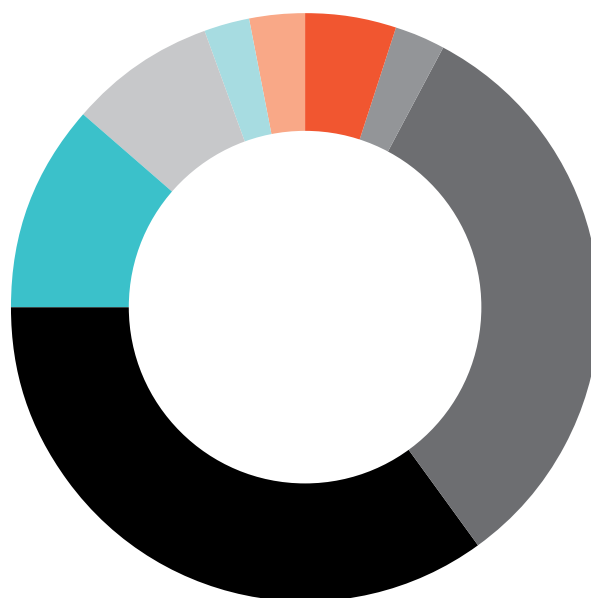


<sup>+</sup> Investments in this asset class may include natural resources and other alternative investments deemed appropriate.

## Growth

The Growth option seeks high long-term returns through a controlled exposure to specific risk. It is intended to be suitable for members who are willing to take on above-average risk with a 10-year or longer investment time horizon.

Strategic Asset Allocation	%	Range %
● Cash	5.0	0.0 – 15.0
● Australian Fixed Interest	0.0	0.0 – 10.0
● Overseas Fixed Interest	3.0	0.0 – 10.0
● Australian Equities	32.0	20.0 – 50.0
● International Equities	35.0	20.0 – 50.0
● Infrastructure	11.5	0.0 – 30.0
● Property	8.0	0.0 – 17.5
● Alternatives Credit	2.5	0.0 – 7.5
● Private Equity	3.0	0.0 – 10.0
● Other <sup>+</sup>	0.0	0.0 – 5.0



**Objective:** To out-perform (after tax and fees) the Consumer Price Index (CPI) by 3.5% a year over rolling 10-year periods.

**Minimum suggested time frame:** 10 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 4.6

**Standard Risk Measure:** Risk Band 6, High



<sup>+</sup> Investments in this asset class may include natural resources, multi-asset class strategies and other alternative investments deemed appropriate.

# Asset Class options

## Cash

The Cash option seeks stable returns through low exposure to risk. It is intended to be suitable for members who seek stable and secure investments without capital growth opportunity.

Strategic Asset Allocation %

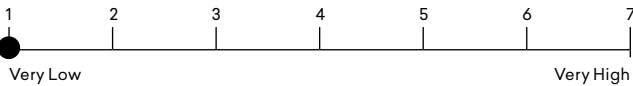
● Cash 100

**Objective:** To perform in line with (before tax and fees) the returns of the Bloomberg AusBond Bank Bill Index.

**Minimum suggested time frame:** 1 year

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 0.0

**Standard Risk Measure:** Risk Band 1, Very Low



## Diversified Fixed Interest

The Diversified Fixed Interest option seeks stable returns over the short to medium term through reduced exposure to risk. It is intended to be suitable for members who seek stable investment with limited capital growth opportunity.

Strategic Asset Allocation % Range %

● Australian Fixed Interest 40.0 35.0 – 65.0

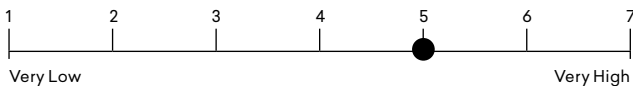
● Overseas Fixed Interest 60.0 35.0 – 65.0

**Objective:** To perform (before tax and fees) in line with a weighted average of the Bloomberg Ausbond Treasury 0+Year Index, the Citigroup M1 Global Bond (ex-Australia). Index hedged to Australian dollars and global floating rate credit targeting a return of 0.8% p.a. above the Bloomberg AusBond Bank Bill Index.

**Minimum suggested time frame:** 3 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 3.1

**Standard Risk Measure:** Risk Band 5, Medium – High



## Australian Shares

The Australian Shares option seeks high returns in the long term through an exposure to market risk. It is intended to be suitable for members who are willing to take on above-average risk with an investment horizon of at least 10 years.

### Strategic Asset Allocation %

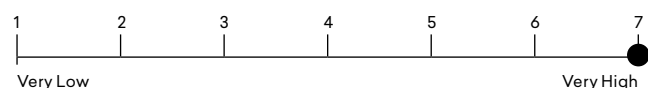
● Australian Shares	100
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**Objective:** To moderately out-perform (before tax and fees) the returns of the S&P ASX300 Accumulation Index including franking credits.

**Minimum suggested time frame:** 10 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 6.7

**Standard Risk Measure:** Risk Band 7, Very High



## International Shares

The International Shares option seeks high returns in the long term through an exposure to global market risk. It is intended to be suitable for members who are willing to take on above average risk with an investment horizon of at least 10 years.

### Strategic Asset Allocation %

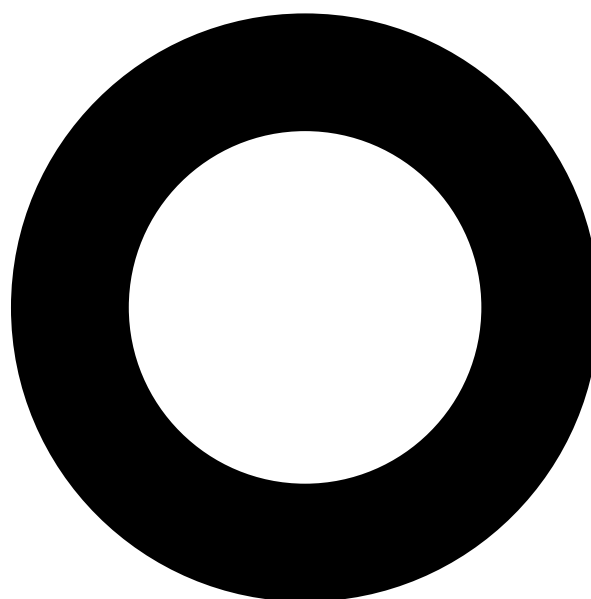
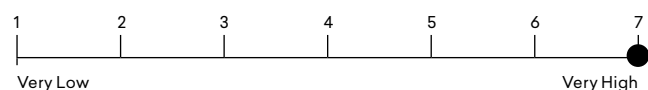
● International Shares	100
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**Objective:** To moderately out-perform a weighted average of the hedged (into AUD) and unhedged (in AUD) MSCI All Countries World (ex-Australia) Index (before fees and taxes) in Australian dollar.

**Minimum suggested time frame:** 10 years

**Summary risk level** (Estimated number of negative annual returns over any 20 year period): 5.9

**Standard Risk Measure:** Risk Band 7, Very High



# Fees and costs

In this section, we'll look at the fees and costs that may affect your MTAA Super account.

## Consumer Advisory Warning

### 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 (reduce it from, say, \$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.\*

*\* MTAA Super fees are not negotiable. All of our members pay the same low fees.*

### To find out more

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

## Fees and costs

The table on page 39 shows the main fees and other costs you may be charged and can be used to compare costs between different superannuation products. These fees and costs may be deducted from your pension account, from the returns on your investments or from the Fund's assets as a whole. Other fees, such as activity fees and advice fees for personal advice, may also be charged, but these will depend on the nature of the activity or advice chosen by you.

Entry fees and exit fees cannot be charged.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

### Changes to our fees

While we work hard to keep costs down, we reserve the right to change the fees we charge. If we increase any fees which are charged to your account, we will notify you at least 30 days' before any increase in fees takes effect.

Type of fee	Amount	How and when paid
<b>Investment fee*<sup>1</sup></b>		Deducted from investment returns before unit prices are determined and directly applied to your account.
Conservative option	0.38%	
Income-Focussed option	0.57%	
Balanced option	0.58%	
Growth option	0.58%	
Cash option	0.07%	
Diversified Fixed Interest option	0.27%	
Australian Shares option	0.34%	
International Shares option	0.64%	
<b>Administration fee*</b>	\$1.50 per week <sup>2</sup> plus 0.10% p.a. of your account balance up to a total administration fee of \$528.00 per annum.	Deducted monthly from your account or proportionally on joining the Fund or on withdrawal of your investment from the Fund. <sup>3</sup>  The Fund pays its administration costs from an administration reserve. <sup>4</sup>  Where applicable, the Fund claims a tax deduction for administration costs each year. The amount of the deduction is also paid into an administration reserve.
<b>Buy-sell spread</b>	<b>Buy      Sell</b>	Applied to daily unit prices to cover the cost of buying and selling units. <sup>5</sup>
Conservative option	0.03%    0.03%	
Income-Focussed option	0.04%    0.04%	
Balanced option	0.06%    0.06%	
Growth option	0.06%    0.06%	
Cash option	0.00%    0.00%	
Diversified Fixed Interest option	0.02%    0.02%	
Australian Shares option	0.05%    0.05%	
International Shares option	0.03%    0.03%	
<b>Switching fee</b>	Nil	N/A
<b>Advice fees<sup>6</sup></b>	Nil	N/A
<b>Other fees and costs</b>	See 'Additional explanation of fees and costs' section	
<b>Indirect cost ratio*</b>	Nil	N/A

\* If your account balance is less than \$6,000 as at 30 June each 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.

1. The investment fees are calculated looking back at 30 June each year and are therefore estimates. The actual investment fees for the current financial year may vary with large investment acquisitions, divestments and/or changes in portfolio managers. Investment fees are disclosed gross of income tax. Any benefit of an income tax deduction relating to these fees will be applied to members as part of the unit price for that option.

2. The flat rate component of the administration fee (\$1.50 per week) is calculated each Friday and deducted on the last Friday of each month. In a financial year where there are 53 Fridays, this results in a deduction of \$79.50 and a total administration fee of up to \$529.50 for any member who is in the Fund for the full year.

3. When you join or you withdraw your investment from the Fund part way through a month, you will only be charged for the days you were a member in that month. For example, if you were a member for 10 days you would be charged (the total administration fee) x 10/number of days in the month.

4. The actual administration costs will vary from year to year.

5. Buy-sell spreads are applied when transactions are processed to your account through the purchase or sale of units.

6. MTAA Super does not charge any advice fees. You will only be charged an advice fee if you agree to receive financial advice from Industry Fund Services (IFS). The initial consultation with an IFS adviser is at no additional cost to you. An advice fee will be discussed and agreed with you before any advice is provided.



## Additional explanation of fees and costs

The total Investment fee for each of MTAA Super's investment options is made up of:

- Base investment costs
- Performance-related fees, and
- Transactional and operational costs.

Investment option	Base investment costs	Performance-related fees	Transactional and operational costs	Total investment fee
Conservative	0.27%	0.05%	0.06%	0.38%
Income-Focussed	0.40%	0.05%	0.12%	0.57%
Balanced	0.36%	0.08%	0.14%	0.58%
Growth	0.36%	0.08%	0.14%	0.58%
Cash	0.07%	0.00%	0.00%	0.07%
Diversified Fixed Interest	0.22%	0.00%	0.05%	0.27%
Australian Shares	0.21%	0.00%	0.13%	0.34%
International Shares	0.30%	0.20%	0.14%	0.64%

Base investment costs, Performance-related fees and Transactional and operational costs are estimated as at 30 June each year based on the previous 12 months and can change from year to year. The fees and costs for each investment option shown here are estimates based on the Fund financial statements for the financial years ended 30 June 2019 and are gross of income tax.

### Base investment costs

These are the base costs of managing the Fund's investments. These costs include:

- amounts paid to investment managers (whether directly or indirectly) excluding performance fees and other fund operating costs
- custody costs
- investment consulting expenses
- investment staff costs, and
- other miscellaneous investment related costs such as legal, accounting, tax and director fees incurred in managing investments.

### Performance-related fees

MTAA Super pays performance-related fees to some investment managers when the relevant manager produces investment returns that exceed agreed targets. Any performance-related fees are included in the estimated investment fees shown in the table on page 39 and deducted from MTAA Super's investment returns before unit prices are determined.

The estimated performance-related fees for the 2018/19 financial year ranged from 0.00% to 0.20%, depending on the investment option. Past performance-related fees are not a reliable indicator of future performance-related fees. Performance-related fees will vary from year to year depending on the returns that investment managers achieve and the extent to which investments that are subject to performance-related fees form part of a particular investment strategy.

### Transactional and operational costs

Each investment option incurs transactional and operational costs. These typically include items such as:

- brokerage
- buy-sell spreads
- settlement and clearing costs, and
- selling costs or stamp duty on asset transactions including the sale or purchase of property, infrastructure investments and/or private equity investments.

Transactional and operational costs form part of the Investment Fee for each investment option.

The Trustee applies a buy-sell spread in its unit pricing to recover in part the transaction costs incurred in relation to the sale and purchase of the assets of the Fund incurred during the year. The buy-sell spreads for each investment option are determined by estimating the purchase and disposal costs and expected holding period for each asset in the portfolio. Individual asset spreads are weighted to asset class and investment option level. Spreads are reviewed on a regular basis.

Transactional and operational costs vary from year to year particularly with the sale or purchase of large property, infrastructure and/or private equity investments, or with transition of assets between asset managers. The following table provides an indicative range of possible transactional and operational costs by investment option.

Investment Option	Range
Conservative	0.00% - 0.16%
Income-Focussed	0.00% - 0.24%
Balanced	0.00% - 0.28%
Growth	0.00% - 0.28%
Cash	0.00% - 0.02%
Diversified Fixed Interest	0.00% - 0.15%
Australian Shares	0.00% - 0.20%
International Shares	0.00% - 0.20%

## Other costs that aren't included in the investment fee

The table below shows the borrowing and property operating costs which are not included in investment fees:

Investment option	Property operating costs	Borrowing costs
Conservative	0.21%	0.13%
Income-Focussed	0.29%	0.18%
Balanced	0.34%	0.21%
Growth	0.31%	0.19%
Cash	0.00%	0.00%
Australian Shares	0.00%	0.00%
International Shares	0.00%	0.00%
Diversified Fixed Interest	0.00%	0.00%

Borrowing and property operating costs are estimated as at 30 June each year based on the previous 12 months and can change from year to year. These costs do not form part of the investment fee. They are deducted from the revenues of the relevant investment/s prior to distribution of any earnings to the Fund. There were one-off transactions that occurred in financial year ended 30 June 2019 which impacted borrowing and property costs.

Operating costs for direct property, infrastructure and private equity assets (such as rates, cleaning, repairs and maintenance) which are recovered from revenues prior to the distribution of earnings from the investment are excluded from the Investment fee.

### Property operating costs

The Fund incurs expenses for the ongoing management of property assets within its portfolio. This type of expenditure includes expense items such as rates, cleaning and repairs and maintenance which are recovered from revenues such as rent, prior to the distribution of any earnings from the investment. These property operating costs do not form part of the Investment Fee for each investment option.

Costs will vary by investment option depending upon the option's actual asset allocation to the property asset class.

### What is an interposed vehicle?

An interposed vehicle is an investment vehicle through which the Fund may directly or indirectly invest to obtain access to an underlying product or asset.

### Borrowing costs

MTAA Super invests in interposed vehicles which may borrow to purchase underlying assets. Borrowings are most frequently used by the Fund for its investments through interposed vehicles in unlisted property.

The costs associated with any borrowings are recovered from the revenues of the particular investment prior to the distribution of any earnings from the investment and do not form part of the Investment Fee for each investment option.

To the extent that borrowing costs are incurred in relation to specific investments, they represent an additional indirect cost to members in achieving the growth and earnings attributed to those investments.

The estimated borrowing costs borne by each of the Fund's investment options will be dependent upon the proportion of interposed vehicles which utilise borrowing within each asset class and the actual asset allocation of each investment option. Borrowing costs will therefore vary across investment options.

## Other fees and costs

### Family Law fees

If your relationship breaks down, super can be treated as part of a family law property settlement.

There are two fees you may be charged as the result of a Family Law split – one for account information, and the other for splitting your super account.

If you have any questions or concerns relating to your super arising from a family law matter, please refer to the *Family Law and Super Fact Sheet* available at [mtaasuper.com.au/member-factsheets](https://mtaasuper.com.au/member-factsheets) or call us on **1300 362 415**.

Type of fee or cost	Amount	How and when paid
Fee to request information	\$80	Payable by the person making the request at the time of the request
Fee to facilitate payment split	\$80	Generally divided between both parties: half is deducted from the member's MTAA Super account and half is deducted from the amount allocated to the spouse. If 100% of the member's account balance is paid to the spouse, the entire payment split fee will be deducted from the amount to be transferred.

### Example of annual fees and costs for Balanced option

This table shows how the fees and costs in the Balanced option can affect your super investment over one year. You should use this example to compare this product with other super products.

Example – Balanced option		Balance of \$50,000
Investment fees	0.58%	For every \$50,000 you have in the Balanced option you will be charged \$290 each year
<b>PLUS</b> Administration fees	\$128.00 <sup>1</sup>	<b>And</b> , you will be charged \$128.00 in administration fee ((\$1.50 a week regardless of your balance) plus \$50 (0.10% p.a. of your account balance)) <sup>2</sup>
<b>PLUS</b> Indirect costs for the Balanced option	Nil	<b>And</b> , indirect costs of \$0 will be deducted from your investment
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$418.00</b> for Balanced option <sup>3</sup> .

1. Administration fees are deducted directly from the member's account balance and estimates are based on 52 weeks.

2. The flat rate component of the administration fee (\$1.50 per week) is calculated each Friday and deducted on the last Friday of each month. In a financial year where there are 53 Fridays, this results in a deduction of \$79.50 and a total administration fee of \$154.50. In a financial year where there are 52 Fridays, the cost of the product will be \$419.50. Additional fees may apply.

3. If you leave MTAA Super, you may be charged a **buy-sell spread** which also applies whenever you make a contribution, exit, rollover or investment switch. The **buy-sell spread** for exiting is **0.06%** (this will equal **\$30** for every \$50,000 you withdraw).

## Fee definitions

The definitions below apply to the fees and costs disclosed in the table on page 39. Not all of these will necessarily apply to your MTAA Super account.

### Activity fees

A fee is an activity fee if:

- the fee relates to costs incurred by the Trustee that are directly related to a Trustee activity which:
  - is engaged in at the request, or with the consent, of a member, or
  - relates to a member and is required by law.
- 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.

*The only activity fees charged by MTAA Super are family law fees.*

### Administration fees

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

- borrowing costs, and
- indirect costs that are not paid out of the fund that the Trustee has elected in writing will be treated as indirect costs and not fees incurred by the Trustee of the fund or in an interposed vehicle or derivative financial product, and
- 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.

*MTAA Super charges an administration fee of \$1.50 per week plus 0.10% p.a. of your account balance up to a total administration fee of \$528.00 per annum. The flat rate component of the administration fee (\$1.50 per week) is calculated each Friday and deducted on the last Friday of each month. In a financial year where there are 53 Fridays, this results in a deduction of \$79.50 and a total administration fee of up to \$529.50 for any member who is in the Fund for the full year.*

### Advice fees

A fee is an advice fee if:

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

*MTAA Super does not charge an advice fee. You will be charged an advice fee if you agree to receive financial advice from Industry Fund Services (IFS). The initial consultation with IFS is at no additional cost to you. An advice fee will be discussed and agreed with you before any advice is provided.*

### Buy-sell spreads

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

*MTAA Super applies a buy-sell spread to daily unit prices to cover the cost of buying and selling units.*

### 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.

*No exit fee is applied by MTAA Super.*

### Indirect cost ratio

The indirect cost ratio (ICR) for an investment option is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the super fund attributed to the investment option. A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

*The ICR for each of MTAA Super's investment options is nil because MTAA Super includes all indirect investment costs in its Investment fees.*

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

*No switching fee is applied by MTAA Super.*

### Investment fees

Investment fees relate to the investment of the assets of a super fund and include:

- fees in payment of the exercise of care and expertise in the investment of those assets (including performance fees), and
- costs that relate to the investment of assets of the fund
- borrowing costs, and
- indirect costs that are not paid out of the super fund that the Trustee has elected in writing will be treated as indirect costs and not fees, incurred by the Trustee of the fund or in an interposed vehicle or derivative financial product, and
- costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

*MTAA Super's Investment fees are deducted before unit prices are determined, and net investment returns are then applied directly to your account.*

### 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 fund from one class of beneficial interest in the fund to another.

# How your pension is taxed

This section provides general information about tax and pensions. Tax laws are complex and can change so you should get professional tax advice before you choose a pension product.

Generally when you open a pension account, you will not pay tax on rollovers (unless the amount includes an untaxed element).

You may pay tax if you use money from outside the super system to open your pension.

## Tax on investment earnings

Any investment earnings on your *MTAA Super Pension* account are tax free.

Any investment earnings on your *MTAA Super TTR Pension* account are concessional tax at a rate of 15% in the pre-retirement phase, and tax-free in the retirement phase.

## Tax on benefits

If you're age 60 or over you can withdraw your super tax free.

If you are under age 60, the tax you pay will depend on:

- your age at the time of withdrawal
- the tax components of your benefit
- whether we have your TFN
- whether you are an Australian resident
- the circumstances under which your benefit is withdrawn (for example, concessions apply if you are disabled), and
- whether your benefit is paid as a lump sum or an income stream.

We calculate the tax payable and deduct it from your benefit before it is paid. The table below is a summary and assumes that you have provided your TFN to us.

## Tax payable on the taxed element of your lump sum benefit

Age and status	Component and tax treatment
Age 60 or over	Tax free.
Preservation age (generally age 55 to age 59)	Tax-free component <sup>1</sup> is tax-free. Taxable component <sup>2</sup> : <ul style="list-style-type: none"> <li>• The first \$210,000<sup>3</sup> is tax free.</li> <li>• The amount above \$210,000 is taxed at 15% plus the applicable levies.</li> </ul>
Less than preservation age	Tax-free component <sup>1</sup> is tax free. Taxable component <sup>2</sup> is taxed at 20% plus the applicable levies.

1. The tax-free component consists of amounts such as the accumulation of non-concessional contributions, pre-1983 components and invalidity components. If you would like more information about these components, call us on **1300 362 415**.

2. The taxable component consists of the balance after subtracting the tax-free component. It generally comprises amounts such as the accumulation of concessional contributions and the post-1983 component. If you would like more information about these components, call us on **1300 362 415**.

3. The \$210,000 benefit limit is indexed in line with Average Weekly Ordinary Time Earnings (AWOTE) each year in \$5,000 increments. This limit applies to all benefits received from any complying super fund.

If your benefit includes an untaxed element (such as insurance proceeds), a higher rate of tax may be applicable.

## Tax on pension payments

Your pension has a taxable component and a tax-free component.

If you are age 60 or over:	If you are under age 60:
No tax is payable on pension payments and you don't need to include your pension income in your tax return.	Each pension payment will be split between the taxable and tax-free components, based on the proportion at the time you opened your pension account.

Pension payments drawn from the tax-free component of your super are tax free, regardless of your age.

Once you have reached your preservation age (outlined in the table on page 8) your pension payments from the taxable component will be taxed at your marginal rate, plus applicable levies. You will receive a 15% tax offset when you lodge your tax return.

If you haven't yet reached your preservation age, the taxable component of your pension payment will be taxed at your marginal tax rate, plus applicable levies. No tax offset is available. If we do not have your Tax File Number, you will pay the highest marginal tax rate on your taxable component, plus the applicable levies.

The full amount of the pension payments received should be included in your tax return.

## Tax on excess transfer balance

If the value of the retirement income streams you have exceeds your Transfer Balance Cap, you will be required to reduce the balances and pay the excess transfer balance tax on your notional (assumed) earnings (based on the general interest charge) determined by the ATO. The excess transfer balance tax is payable for the number of days you have held an amount in the retirement phase in excess of the Transfer Balance Cap. The tax is applied at a rate of 15% the first time you exceed the cap and 30% for the second and subsequent breaches.

## Tax on lump sum withdrawals

Any lump-sum withdrawals will be split into the taxable and tax-free components. The tax-free component is always tax free. The tax on the taxable component depends on your age.

If you are 60 or over, you don't pay tax on lump sum withdrawals. If you are under 60, the tax on the taxable component depends on whether you have reached your preservation age.

If you have reached your preservation age:	If haven't reached your preservation age:
The first \$210,000 of the taxable component is tax free. Amounts withdrawn above \$210,000 will be taxed at 15%, plus applicable levies.	The entire taxable component will be taxed at 20%, plus the applicable levies.

If your taxable component of a lump sum withdrawal has either an untaxed element or we do not have your Tax File Number, then higher tax will apply.

### **Changes to super and tax laws**

Laws that affect super and tax change often and can affect your pension investment. For the most current information at any time, visit [mtaasuper.com.au](http://mtaasuper.com.au) or call us on **1300 362 415**.



## Tax on death benefits

The tax payable on your death benefit will vary according to whether your beneficiaries are dependent on you at the time of your death.

A different definition of 'dependant' applies for tax purposes: a child over 18 is not a dependant unless they are financially dependent on you or have an interdependency

relationship with you.

This means the adult child will be taxed as a non-dependant. See pages 18 to 19 for more details.

The table below shows the tax treatment of death benefits for dependants and non-dependants.

Dependants	Non-dependants
<p>If you have a reversionary beneficiary and you are:</p> <ul style="list-style-type: none"> <li>age 60 or older when you die, your pension payments to your dependant are tax free.</li> <li>under age 60 when you die your, pension payments may be taxed until your dependent turns 60.</li> </ul> <p>Lump sum death benefits are tax free for dependants, regardless of age.</p>	<p>Payments to non-dependants must be made as a lump sum and a non-dependant (for tax purposes) will pay tax on any lump-sum death benefit they receive.</p>

## Social security benefits

Centrelink applies two tests when it assesses if you are eligible to receive the Age Pension: an assets test and an income test.

For the assets test, 100% of the amount of money you use to start your *MTAA Super Pension* or an *MTAA Super TTR Pension* is assessable.

New account-based pensions have new deeming rules for income test purposes from 1 January 2015, which assume your financial assets earn a certain amount of income, regardless how much they actually earn.

.....

We have only provided general information about social security laws in this section. For more information, contact Centrelink. We also recommend you seek financial advice to find out how social security laws apply in your personal circumstances.

.....

# Financial Services Guide

## About this guide

The purpose of this Financial Services Guide (FSG) is to provide you with important information about the financial services offered by Motor Trades Association of Australia Superannuation Fund Pty Ltd (the **Trustee**) and its representatives. The FSG is designed to assist you in deciding whether to use our services and contains information about our services, your rights as a client, our complaints system and how we and our representatives are paid.

If you need more information or help understanding anything in this FSG, please ask us.

## Who is the Trustee?

Motor Trades Association of Australia Superannuation Fund Pty Ltd ABN 14 008 650 628 is the corporate trustee of the MTAA Superannuation Fund (ABN 74 559 365 913) (**MTAA Super**) and holds an Australian Financial Services Licence (AFSL 238718). The Trustee is responsible for the management and operation of MTAA Super.

## Product Disclosure Statement

If advice provided to you relates to the acquisition of a particular financial product, you should obtain and read the Product Disclosure Statement (**PDS**) relating to that product before making any decision about the product.

Our PDS sets out the main features of MTAA Super, including the costs and risks associated with investing in MTAA Super. The MTAA Super PDS will generally be provided to you before you join MTAA Super.

## Things you should know before you seek advice

### What financial services can you provide?

The Trustee is authorised under its Australian Financial Services Licence (**AFSL**) to issue, apply for, acquire, vary or dispose of superannuation products (membership of MTAA Super) and to provide financial product advice on superannuation and basic deposit products.

Our representatives are authorised to provide general financial product advice about the following superannuation and basic deposit products:

- MTAA Super (including MTAA Super Pensions);
- AUSfund (Australia's Unclaimed Super Fund); and
- Members Equity Bank Limited.

### Who will be responsible for the financial services provided to me?

The Trustee will be responsible for the financial services it provides to you, including any general financial product advice provided by our representatives.

### How will I pay for the service?

The cost of providing general financial product advice is included in the fees charged for membership of MTAA Super. The MTAA Super PDS provides details of the fees charged for membership of the Fund.

Neither the Trustee nor its representatives charge any additional fees or receive any commissions for the general advice provided.

### How are your representatives paid?

Our representatives are employees of a company which is wholly owned by the Trustee and are paid a salary as employees. None of our representatives (or their employer) receives commissions, fees or bonuses for the services provided to you.

**Are there any relationships or associations that might influence the advice I receive?**

The Trustee is a part owner of Industry Super Holdings Pty Ltd and Members Equity Bank Limited.

Our representatives may be members of MTAA Super.

Other than these, there are no relationships or associations that could reasonably be expected to influence how we provide our financial services to you.

**Do you pay for referrals?**

No. We do not pay remuneration, commission or any other benefits to anyone for referring you to us.

**What insurance cover do you have?**

The Trustee has professional indemnity insurance which covers the conduct of its representatives, including those who no longer work for the Trustee but who did at the time of the relevant conduct.

This insurance cover satisfies the requirements of section 912B of the *Corporations Act 2001*.

**When you receive advice****Will you give me advice that is suitable to my personal objectives, needs and financial circumstances?**

No. The Trustee and its representatives provide general advice which does not take account of your particular financial needs or objectives. You should consider the appropriateness of any such advice in light of your personal circumstances.

If you require advice beyond the scope of general advice, we can refer you to other advice services available to MTAA Super members.

**What should I do if I have a complaint?**

We care about our members and are committed to handling complaints promptly, fairly and in the strictest confidence.

If you have a complaint:

Call: **1300 362 415**

Email: **[contact@mtaasuper.com.au](mailto:contact@mtaasuper.com.au)**

Or write to:

**The Complaints Officer**

MTAA Super  
Locked Bag 5134  
Parramatta NSW 2124

We will investigate your complaint and provide you with a written response within 90 days.

If your complaint has not been resolved to your satisfaction, or your complaint has not been resolved within 90 days, then you may take your complaint to the Australian Financial Complaints Authority.

## **Australian Financial Complaints Authority (AFCA)**

AFCA is an external dispute resolution scheme which provides fair and independent financial services complaint resolution that is free to consumers.

Contact AFCA as follows:

Website: **[www.afca.org.au](http://www.afca.org.au)**

Email: **[info@afca.org.au](mailto:info@afca.org.au)**

Telephone: **1800 931 678** (free call)

In writing to:

**Australian Financial Complaints Authority**

GPO Box 3

Melbourne VIC 3001

## **Our contact details**

Motor Trades Association of Australia Superannuation Fund Pty. Limited

**MTAA Super**

PO Box 6273

Kingston ACT 2604

Telephone: **02 6273 4333**

## **Important information**

This Financial Services Guide dated 1 July 2019 was prepared by Motor Trades Association of Australia Superannuation Fund Pty. Limited (ABN 14 008 650 628, AFSL 238 718), Trustee of the MTAA Superannuation Fund (ABN 74 559 365 913 USI MTA0100AU). Motor Trades Association of Australia Superannuation Fund Pty. Limited has authorised the distribution of this Financial Services Guide by its representatives.

# Other important information

## Your privacy is important to us

Protecting your personal information has always been important to us and is required by law. The Commonwealth Privacy Act requires us to handle your personal information in accordance with a set of guidelines, known as the Australian Privacy Principles. Please view our full Privacy Policy online at [mtaasuper.com.au/privacy](https://mtaasuper.com.au/privacy) which sets out our full obligations regarding the handling of your personal information.

## An important note about your Tax File Number (TFN)

MTAA Super is authorised to collect, use and disclose your tax file number.

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

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

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

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# Pension Application

Please call us on **1300 362 415**  
if you require any assistance.

Please complete this form using CAPITAL LETTERS.

## Section A

### Member details

MTAA Super member number (if known)

Given name/s

Family name

Date of birth

Mr Mrs Ms Miss Other

Street address

Suburb

State

Postcode

Telephone (business hours)

Mobile

Email

## Section B

### Tax details

Tax File Number

I have read the section on Tax File Numbers on page 51 of the *Pension Handbook* and understand that I have the option of supplying my TFN and the consequences if I do not supply my TFN. I further understand that the Trustee will use my TFN only for the correct purposes, as stated in the Handbook.

#### Claiming a tax deduction for contributions

If you have made a contribution to your MTAA Super account which you wish to claim as a tax deduction, you must provide MTAA Super with your notice of intent to claim a tax deduction and have received acknowledgment of the receipt of your notice before you commence a pension. Otherwise, you may not be able to claim a tax deduction for your contribution. The *Notice of intent to claim or vary a deduction for personal super contributions form* is available at [mtaasuper.com.au/member-forms](http://mtaasuper.com.au/member-forms) or by calling us on **1300 362 415**.

If you have any questions about tax deductible contributions, call us on **1300 362 415**.

Do you wish to claim a tax deduction for contributions made into your existing MTAA Super account?

☐

No

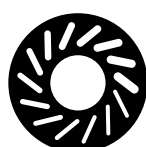
☐

Yes, and the claim form is attached

☐

Yes, and the claim form was lodged with MTAA Super on approximately

Date





## Section B

### Tax details (continued)

#### For people under 60

Are you claiming a tax free threshold? Yes ☐ No ☐

Are you claiming a tax offset? Yes ☐ No ☐

#### For people 60 and over

If you are aged 60 or over, you do not need to complete the ATO Tax File Number Declaration form on page 73.

## Section C

### Transition to Retirement Pension

Do you want to commence this pension under the Transition to Retirement rules?

☐ Yes ☐ No

## Section D

### Level of pension payment

a) The gross amount I would like to receive per payment is (please select one):

- ☐ The minimum amount allowed under Federal Government rules or
- ☐ The maximum amount allowed under Federal Government rules for Transition to Retirement Pension only or
- ☐ Other amount \$

b) Frequency payments:

☐ Yearly ☐ Half-yearly ☐ Quarterly ☐ Monthly ☐ Fortnightly

For yearly, half-yearly or quarterly payments, indicate the month you would like your first pension payment made:

Month:

## Section E

### Beneficiary details

Please select **ONE** of the following options in regards to payment of your pension upon your death. Please refer to page 18 for more information.

**Option 1** – Reversionary beneficiary (with optional nomination should your nominated reversionary beneficiary predecease you)

**Option 2** – Preferred beneficiary

**Option 3** – Binding death nomination.

Please complete one option only

☐ **Option 1 – Reversionary beneficiary**

Name

Date of birth

Relationship

If my reversionary beneficiary predeceases me, I would like the nominated beneficiaries on the following page to receive a lump sum equal to my remaining account balance upon my death (referred to as non-reversionary beneficiaries). I understand that this nomination is not binding but will be taken into account on my death. These nominations are optional only and therefore do not have to be completed.

## Section E

### Beneficiary details (continued)

Name 1  % of benefit .  
Date of birth   
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependant  
Contact number

Name 2  % of benefit .  
Date of birth   
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependant  
Contact number

Name 3  % of benefit .  
Date of birth   
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependant  
Contact number

**OR**

☐ I wish to nominate my Legal Personal Representative % .  
TOTAL % (must equal 100%) .

☐ **Option 2 – Preferred beneficiary**

I understand that this nomination is not binding but will be taken into account on my death.

Name 1  % of benefit .  
Date of birth   
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependant  
Contact number

Name 2  % of benefit .  
Date of birth   
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependant  
Contact number

Name 3  % of benefit .  
Date of birth   
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependant  
Contact number

**OR**

☐ I wish to nominate my Legal Personal Representative % .  
TOTAL % (must equal 100%) .

☐ **Option 3 – Binding death nomination**

(if you tick this option, complete the *Binding Death Benefit Nomination* form on page 61).

## Section F

### Bank account details

Provide details of the bank account you want your pension paid in to.

**Name of bank/building society/credit union**

**Account name\***

**BSB**

**Account number**

\*Bank account name must include the name of the pensioner. No responsibility is accepted by MTAA Super if incorrect bank details are supplied.

## Section G

### Amount to be transferred to commence the pension

Please select either one or both of the following options regarding the transfer of funds to commence your pension.

☐

**Option 1 – From my existing MTAA Super account**

**MTAA Super member number**

Transfer entire balance

☐

**Yes**

☐

**No**

**OR**

Transfer partial balance \$

**OR**

Leave a minimum amount (\$1,000) in my MTAA Super account

☐

**Yes**

☐

**No**

☐

**Option 2 – From other fund:** (Please complete a *Rollover* form for each fund that money is being rolled from).

**1. Name of the fund**

**Amount**

**2. Name of the fund**

**Amount**

**3. Name of the fund**

**Amount**

**4. Name of the fund**

**Amount**

**WARNING – You should ensure that any transfers you make do not result in you exceeding your Transfer Balance Cap (see page 14 for more information).**

## Section H

### Investment choice

Please select which situation applies to you and read the accompanying instructions.

☐ **I am an existing MTAA Super member applying for a new MTAA Super pension**

When your MTAA Super pension account is opened, MTAA Super will apply the same investment option/s in which your existing account is currently invested. No buy-sell spread will apply when your existing account is transferred to a new pension account as your investment options will not change at this time.

If you would like to make an investment switch to another investment option/s and/or nominate the investment options from which your pension payments will be drawn, please complete this Section and/or Section I (below).

☐ **I am new to MTAA Super**

You are required to complete this Section to indicate how your pension is to be invested and Section I (below) to indicate how your pension payments will be drawn.

Please invest my account balance in the following investment options:

Investment option	Proportion (%)
Conservative	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Income-Focussed	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Balanced	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Growth	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Cash	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Diversified Fixed Interest	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Australian Shares	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
International Shares	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Total proportions must add up to 100%.	<b>TOTAL</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

## Section I

### Pension payment allocation

Please indicate how you would like to draw down your pension payments (select ONE).

**If no selection is made, the default option is the 'Pro-rata method'.**

☐ **Proportional method**

You can specify the proportion to be withdrawn from each of the investment options you selected in Section H.

Investment option	Proportion (%)
Conservative	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Income-Focussed	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Balanced	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Growth	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Cash	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Diversified Fixed Interest	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Australian Shares	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
International Shares	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
Total proportions must add up to 100%.	<b>TOTAL</b> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

## Section I

### Pension payment allocation (continued)

☐

#### Priority method

If you have selected more than one investment option in section H, you can specify the order of investment options from which your pension payments are drawn down. Number options from 1–8 for ALL corresponding options nominated in Section H.

Conservative

☐

Income-Focussed

☐

Balanced

☐

Growth

☐

Cash

☐

Diversified Fixed Interest

☐

Australian Shares

☐

International Shares

☐☐

#### Pro-rata method (default)

You can elect to have the pension payments withdrawn from each investment option that you selected in Section H, in proportion to the balance in each investment option at the time of withdrawal.

## Section J

### Adviser details

☐

By ticking this box I authorise my adviser to access full details of my MTAA Super Pension. I give them authority to obtain these details on my behalf. The purpose of this authority is to enable my adviser to obtain relevant information and/or to monitor my account on my behalf. This authority continues for 12 months from the date signed on this application form or until revoked earlier in writing by me. I have read and understood the Privacy Statement on page 51 and the manner in which MTAA Super proposes to comply with the requirements of the *Privacy Act*.

Adviser Stamp

Adviser Name

Adviser Company

Phone

## Section K

### Proof of Identity

You must complete this section so your requested pension payments can be paid to you from your MTAA Super Pension account. You will also need to complete this section if you wish to rollover your benefits from the MTAA Super Pension to a self-managed superannuation fund (SMSF).

#### Consent to use electronic verification

☐ I authorise MTAA Super to use the personal information provided below to verify my identity using reliable and independent electronic data sources. I understand that MTAA Super uses a third party for this purpose.

**Important:** Make sure the details you provide are accurate. If your personal details provided in Section A of this form do not match your electronic identification details, we will not be able to verify your identity. This will delay processing your request.

#### You must provide details of at least two of the following documents:

##### Medicare Card

Full name as shown on your Medicare card, including initials:

Card number

Valid to

I am person number  on this card

##### Australian Driver's Licence

First name as shown on your licence:

Family name as shown on your licence:

Australian Driver's Licence number

Expiry date

State

##### Australian Passport

Given Name/s (including middle Name) as shown on your passport:

Family name as shown on your passport:

Australian passport number

Expiry date

State

Place of birth as shown on your passport:

Country of birth (not shown on passport):

Family name at birth (not shown on passport):

If you do not have at least two of these documents or prefer to provide certified copies of your identification documents, visit [mtaasuper.com.au/proof-of-identity](https://mtaasuper.com.au/proof-of-identity) or call 1300 362 415 for more information.

## Section L

### Acknowledgement and signature

I hereby:

- Apply to the Trustee of MTAA Super to take out a pension from the Fund under the terms and conditions in the Trust Deed by which the Fund was established and acknowledge that the Trust Deed prevails if there is an inconsistency with this Product Disclosure Statement.
- Acknowledge receiving and have read and understood the Product Disclosure Statement.
- Acknowledge that the Trustee cannot provide me with advice about my benefits, investments and taxation implications that takes into account my personal circumstances and that I should speak to an appropriately qualified adviser if I require such advice.
- Acknowledge that the Trustee does not guarantee my investment in MTAA Super.
- Acknowledge that the Trustee may be required under taxation and superannuation legislation to deduct additional tax from my benefits and in doing so, may make any adjustment to my account it considers necessary or appropriate.
- Acknowledge having read and understood the privacy information in the *Pension Handbook* and the *Privacy Policy* available at [mtaasuper.com.au/privacy](https://mtaasuper.com.au/privacy) or otherwise provided, and consent to personal information being collected and used in accordance with these terms.
- Acknowledge that, where I am transferring amounts from other funds, I have contacted the funds in order to initiate the transfer of the benefits to MTAA Super.
- Acknowledge that the MTAA Super Trustee is obliged to comply with the law and any notice given to it by a regulatory authority in relation to commutation of my interest in the Fund.
- Acknowledge that prior to withdrawing or transferring any personal contributions to my Pension account, I must submit a notice of intent to claim a tax deduction.  
**MTAA Super is unable to accept a notice after a payment or transfer has been completed.**
- Declare that I have read and carefully considered all the questions and answers that are provided and confirm that these are true and correct.
- Declare that I am an Australian resident for tax purposes.

☐

I do not wish to receive marketing material from MTAA Super.

☐

I do not wish to be notified of any future workshops on retirement products from MTAA Super.

#### Member signature

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

Return the completed, signed and dated application to:

**MTAA Super**  
**Locked Bag 5134**  
**Parramatta NSW 2124**

This application is part of the MTAA Super *Product Disclosure Statement* in the *Pension Handbook* issued **9 August 2019**.

**Email** [contact@mtaasuper.com.au](mailto:contact@mtaasuper.com.au)  
**Postal address** Locked Bag 5134, Parramatta NSW 2124

**Trustee** Motor Trades Association of Australia Superannuation Fund Pty. Limited  
ABN 14 008 650 628 AFSL 238 718  
**Fund** MTAA Superannuation Fund ABN 74 559 365 913

**mtaasuper.com.au**  
**1300 362 415**



# Binding Death Benefit Nomination

Please call us on **1300 362 415**  
if you require any assistance.

Please complete this form using **CAPITAL LETTERS**

Complete this form if you want to make, change or cancel a binding death benefit nomination for your MTAA Super account. Please read the Important Information section on page 64 before completing the form.

## Section A

### Member details

MTAA Super member number (if known)

Given name/s

Family name

Date of birth

Mr

Mrs

Ms

Miss

Other

Street address

Suburb

State

Postcode

Telephone (business hours)

Mobile

Email

This nomination applies to my (select ONE):

☐

Super account

☐

Pension account

☐

Super and pension account

I want to:

☐

Make a new binding nomination

☐

Change an existing binding nomination

☐

Cancel an existing binding nomination

## Section B

### Beneficiary details

For this nomination to be valid, the person (or persons) you nominate must be your spouse, child, a financial dependant, or an interdependent at the time of your death. Alternatively, if you want your benefit to be paid to your estate, you can nominate your Legal Personal Representative. If you nominate more than one beneficiary the total for all beneficiaries must equal 100%.

Complete this section if you are nominating a spouse, child, financial dependant or a person in an interdependent relationship with you.

See page 19 for information on who is a dependant.

Section B

Beneficiary details  
(continued)

Name 1  % of benefit .  
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependent  
Contact number

Name 2  % of benefit .  
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependent  
Contact number

Name 3  % of benefit .  
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependent  
Contact number

Name 4  % of benefit .  
☐ Spouse ☐ Child ☐ Financial dependant ☐ Interdependent  
Contact number

OR

☐ I wish to nominate my Legal Personal Representative % .

TOTAL % (must equal 100%) .

## Section C

### Member declaration

I understand the following:

- My beneficiary (or beneficiaries) must be my spouse, my child, a financial dependant, an interdependant or my legal personal representative at the time of my death.
- My beneficiary (or beneficiaries) and I will be bound by the provisions of MTAA Super's Trust Deed relating to binding death benefit nominations.
- This binding nomination is only valid for three years from the date it was first signed and dated (provided it is subsequently accepted by MTAA Super) or any confirmation or amendment of it.
- I may at any time cancel or change a binding nomination notice in accordance with MTAA Super's procedures.
- If, at the time of death, a notice is invalid or has not been accepted by the Trustee, the death benefit will be determined by the Trustee at its discretion.
- This declaration must be signed by me in the presence of two witnesses who are not nominated as beneficiaries on this form and are over 18.
- I have read the notes on the reverse of this form setting out the terms upon which this nomination is made, and I understand that these terms are consistent with MTAA Super's Trust Deed and that I may request a copy of the Deed.
- I acknowledge having read and understood the privacy information in the *Member Product Disclosure Statement* and the *Privacy Policy* available at **mtaasuper.com.au/privacy** or otherwise provided, and consent to personal information being collected and used in accordance with these terms.

**Member signature**

**Date**

Send your completed form to:

**MTAA Super  
Locked Bag 5134  
Parramatta NSW 2124**

Electronic copies not accepted.

## Section D

### Witness declaration

I declare that:

- I am over the age of 18 years
- I am not a beneficiary nominated on this form, and
- the member signed this binding nomination in my presence.

**Signature of witness 1**

**Date**

**Print name**

**Date of birth**

**Signature of witness 2**

**Date**

**Print name**

**Date of birth**

**Note: witnesses must sign this form on the same date as the member.**

## Important information

### What is a binding nomination?

When you make a Binding Death Benefit Nomination, you are telling the Trustee of MTAA Super exactly where you would like your super to go if you die. It is called a 'binding' nomination because the Trustee must, by law, pay your benefit to the beneficiary (or beneficiaries) you have nominated (provided your nomination is valid). If you do not make a binding nomination, the Trustee decides how to pay your death benefit.

### Who can be nominated?

The person or persons you nominate must be one or more of:

- your spouse (including de-facto spouse);
- your children (any age);
- a person in an interdependency relationship with you (i.e. persons who live together, where one or both provides for the financial, domestic and personal support of the other);
- any person who is financially dependent on you at the time of your death
- your legal personal representative, which means the executor or administrator of your estate.

Note: at the time of your death, a nominated beneficiary must be alive and fall within one or more of the categories listed above.

### Tax implications

Your nomination may have taxation implications. Tax applies to death benefits paid to non-dependants (as defined in the tax laws). A non-dependant for tax purposes includes a child aged 18 or more (unless financially dependent or in an interdependency relationship with you). For more information about tax applicable to death benefits see the *Pension Handbook*.

### What is a valid binding nomination?

To be valid, a binding nomination must:

- be made in writing using the form on the previous page
- clearly show the name of the person and their relationship to you, showing that they are allowed to be nominated in a binding nomination (as outlined above)
- include the percentage of the benefit to be paid to each nominated beneficiary, with the total adding to 100%
- be signed and dated by you in the presence of two witnesses, both of whom are over the age of 18 years and are not beneficiaries named in the form
- be received and accepted by MTAA Super.

### How long is a binding nomination valid?

A binding nomination is valid for three years from the day it is signed and dated (provided it is accepted by MTAA Super), so long as you have not cancelled it or changed it. If you have changed it the changes will be valid for three years from the day they are signed.

If your nomination is valid at the time of your death and the proportion of the benefit to be paid to nominated beneficiaries is certain and readily ascertainable from the nomination, we must pay the benefit in accordance with your nomination.

It is important that you update your nomination if your circumstances change. For example, if you had a child after your last nomination was made and the nomination has not expired or been changed to include that child, the child would not receive any part of the benefit.

### Can my nomination become invalid?

Your nomination becomes invalid if:

- any nominated beneficiary has predeceased you
- a nominated beneficiary ceases to meet the criteria of a person able to be a nominated beneficiary
- three years have passed since the nomination was made
- the distribution of your benefit is subject to a court order

### How do I make a new binding nomination?

To make a new binding nomination:

- fill out your details in Section A and tick the box marked 'Make'
- fill out the details of the person or persons you want to have as your nominated beneficiary or beneficiaries in Section B
- sign and date Section C (witnessed by two people)
- have your witnesses sign and date Section D
- send the form to MTAA Super

### How do I change an existing binding nomination?

To change an existing binding nomination:

- fill out your details in Section A and tick the box marked 'Change'
- fill out the details of the person or persons you want to have as your nominated beneficiary or beneficiaries in Section B
- sign and date Section C (witnessed by two people)
- have your witnesses sign and date Section D
- send the form to MTAA Super

Once accepted, this will replace your previous nomination. Your new nomination will last for three years from the day it is signed and dated (provided it is subsequently sent to MTAA Super), or until you change or cancel it.

### How do I cancel an existing binding nomination?

To cancel a new binding nomination:

- fill out your details in Section A and tick the box marked 'Cancel'
- write 'Cancel previous nomination' in the space provided for the names of any beneficiaries in Section B
- sign and date Section C (witnessed by two people)
- have your witnesses sign and date Section D
- send the form to MTAA Super

**Note:** if you cancel a binding nomination, your death benefit will be distributed at the Trustee's discretion. Generally, this is to your dependant(s) or your legal personal representative.

### What happens if my nomination becomes invalid?

If at the time you die your nomination is invalid or you have cancelled it, the Trustee will pay the benefit as if you had never made a binding nomination. The Trustee then decides who is to receive your benefit after considering all potential beneficiaries in accordance with the Trust Deed and superannuation legislation.

### Keeping you informed

We will write to you to confirm your new, changed or cancelled binding nomination. The details of any binding nomination will also appear on your annual statement. Before your nomination expires we will write to you let you know it needs updating. The *Binding Death Benefit Nomination* form is available at [mtaasuper.com.au/member-forms](http://mtaasuper.com.au/member-forms)

### Privacy

With the *Binding Death Benefit Nomination form*, MTAA Super collects only information that is essential for the administration of your nomination. MTAA Super will not use the information about you, your nominated beneficiaries, or your witnesses for any other purpose or pass it to any other organisation without your express permission unless required by law. You should consider consulting your legal adviser before making, changing, or cancelling a binding death benefit nomination.

Email [contact@mtaasuper.com.au](mailto:contact@mtaasuper.com.au)

Postal address Locked Bag 5134, Parramatta NSW 2124

Trustee Motor Trades Association of Australia Superannuation Fund Pty. Limited  
ABN 14 008 650 628 AFSL 238 718

Fund MTAA Superannuation Fund ABN 74 559 365 913

**mtaasuper.com.au**

**1300 362 415**

# Rollover your super into MTAA Super

Please call us on **1300 362 415**  
if you require any assistance.

Please complete this form using **CAPITAL LETTERS**

Use this form to transfer (rollover) benefits from another super fund into your MTAA Super account. You can transfer the whole balance or a partial balance.

If you have more than one super account to transfer, call us on **1300 362 415** or download more forms at **mtaasuper.com.au/member-forms**. Each transfer request must have your original signature.

**To complete this form:**

- read the *Important Information* section on the last page of this form
- follow the instructions shown with a ①
- fill out all mandatory fields marked with a (\*)

**When the form is complete:**

- sign the authorisation in Section E
- send the original form to either your **FROM** (transferring) fund or to MTAA Super (your **TO** (receiving) fund)

## Section A

### Personal details

\*Given name/s

\*Family name

\*Date of birth

Mr Mrs Ms Miss Other

\*Street address

\*Suburb

\*State

\*Postcode

Telephone (business hours)

Mobile

Email

\* Gender

☐

Male

☐

Female

TFN

Under the *Superannuation Industry (Supervision) Act 1993*, you do not have to disclose your TFN. However, there may be tax consequences if you do not. See 'What happens if I do not quote my TFN?'

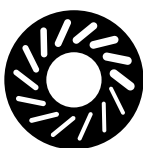
**Previous address: If the address held by your FROM fund is different to your current address, give details below.**

\*Address

\*Suburb

\*State

\*Postcode



### Section B

Fund details –  
**FROM**  
(Transferring fund)

\*Fund name

\*Fund address

\*Suburb

\*State

\*Postcode

Fund telephone

\*Membership or account number

Australian Business Number (ABN)

Unique Superannuation identifier (USI)

ⓘ If you have multiple account numbers with this fund, you must complete a separate form for each account being transferred.

### Section C

Fund details –  
**TO**  
(Receiving fund)

Fund name

Fund address

Suburb

State

Postcode

Fund telephone

Member or account number

Australian Business Number (ABN)

Unique Superannuation identifier (USI)

ⓘ You must check with your TO fund to ensure they can accept this transfer

### Section D

Rollover amount

☐

I request a whole balance transfer of super benefits between funds.

OR

☐

I request a partial balance transfer of super benefits between funds.

The amount to transfer is \$

## Authorisation

- I declare I have fully read this form and the information completed is true and correct.
- I am aware I may ask my superannuation provider for information about my benefit entitlements, including any fees or charges that may apply, or any other information about the effect this transfer may have on my benefits, and have obtained or do not require any further information.
- I acknowledge that by leaving my current fund, I may lose any insurance entitlements I have.
- I consent to my TFN being disclosed for the purposes of consolidating my account.
- I acknowledge having read and understood the privacy information in the *Member Product Disclosure Statement* and the **Privacy Policy** available at **mtaasuper.com.au/privacy** or otherwise provided, and consent to personal information being collected and used in accordance with these terms.
- I discharge the superannuation provider of my **FROM** fund of all further liability in respect of the benefits paid and transferred to my **TO** fund.
- I request and consent to the transfer of superannuation as described above and authorise the superannuation provider of each fund to give effect to this transfer.
- I acknowledge that, if I intend to claim a tax deduction for personal contributions, I must submit a notice of intent to claim a tax deduction before requesting to withdraw or transfer some or all of my account balance. **MTAA Super is unable to accept a notice after a payment or transfer has been completed.**
- I acknowledge that the superannuation provider of my **FROM** fund may ask me to provide further information that it may reasonably require in order to process my request, such as proof of my identity

\*Date

D

D

M

M

Y

Y

Y

Y

**MTAA Super  
Locked Bag 5134  
Parramatta NSW 2124**

## Important information

### ① This form cannot be used to:

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

### ① Things to consider when transferring super

Transferring benefits out of your **FROM** fund may close that account. Before closing any super account, it's important to consider:

- a possible reduction in benefit if you leave before retirement
- any loss of other valuable benefits, such as insurance.

You should also make sure your insurance arrangements with MTAA Super are adequate before filling out this form.

For more information read the *Consolidating Your Super* fact sheet at [mtaasuper.com.au/fact-sheets](https://mtaasuper.com.au/fact-sheets)

### ① What happens to my future employer contributions?

Using this form will not change the fund to which your employer pays your contributions. If you want to change your super fund, you need to fill out a *Standard Choice* form. Your employer can provide you with a copy.

To make MTAA Super your fund of choice, fill out a *Notification to Employer: Choice of Fund* form available at [mtaasuper.com.au/forms](https://mtaasuper.com.au/forms) and hand it to your employer.

### ① What happens if I do not quote my Tax File Number (TFN)?

You do not have to give us your TFN. If you don't, your contributions and any benefit payments will be taxed at a higher rate. You also won't be able to make any personal non-concessional (after-tax) contributions.

Choosing to quote your TFN makes it easier to keep track of your super in the future.

Under the *Superannuation Industry (Supervision) Act 1993*, we can collect your TFN and use it for lawful purposes. These purposes may change in the future. If we transfer your super to another fund, will give that fund your TFN unless you ask us not to in writing.

### ① Have you changed your name or are you signing on behalf of another person?

If you have changed your name or are signing on behalf of the applicant, you will need to provide a certified linking document. A linking document is a document that proves a relationship exists between two (or more) names.

The following table has information about suitable linking documents.

Purpose	Suitable linking documents
Change of name	Marriage certificate, deed poll or change of name certificate from the Births, Deaths and Marriages Registration Office
Signed on behalf of the applicant	Guardianship papers or Power of Attorney

Email [contact@mtaasuper.com.au](mailto:contact@mtaasuper.com.au)  
Postal address Locked Bag 5134, Parramatta NSW 2124

Trustee Motor Trades Association of Australia Superannuation Fund Pty. Limited  
ABN 14 008 650 628 AFSL 238 718  
Fund MTAA Superannuation Fund ABN 74 559 365 913

[mtaasuper.com.au](https://mtaasuper.com.au)  
1300 362 415



Please call us on **1300 362 415**  
if you require any assistance.

**Note:** this form is for pension accounts only. If you would like to make an investment switch for your super account, please refer to the *Member Product Disclosure Statement*.

TOTAL					
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## Ongoing pension payment details

## Proportional method

## Investment option

## International Shares

**TOTAL**

## International Shares

You can elect to have the pension payments withdrawn from each investment option that you selected in Section A, in proportion to the balance in each investment option at the time of withdrawal.

## Section C

# Member declaration

- I understand that MTAA Super has advised me to obtain professional financial advice and that the MTAA Super *Pension Handbook*, which I have read and understood, is a general guide and does not constitute investment advice.
- I acknowledge having read and understood the privacy information in the *Pension Handbook* and the *Privacy Policy* available at [mtaasuper.com.au/privacy](https://mtaasuper.com.au/privacy) or otherwise provided, and consent to personal information being collected and used in accordance with these terms.
- I understand that the Trustee is not responsible for, or able to influence, the investment performance of any of the appointed managers.
- I advise that neither the Trustee, nor MTAA Super has influenced my investment choice selection.
- I acknowledge that the Trustee expressly disclaims all and any liability for any investment decisions taken by me.
- I acknowledge that the Trustee can change its investment strategies, managers or underlying investments at any time.
- I understand that the total proportions of the options I have chosen must add up to 100%.
- I understand that all conditions, including fees are subject to variation from time to time at the discretion of the MTAA Super Trustee.
- I understand that switching applications for my existing account balance received before 11:59pm Sydney time, will be effective two business days after the request is received, using the most recent unit price/s available. A business day is any day that is not a weekend or NSW public holiday.
- I understand that if I do not complete Section A, my existing account balance will be invested in the default option or as otherwise nominated by me previously.

### Member signature

Date

D	D	M	M	Y	Y	Y	Y
---	---	---	---	---	---	---	---

**This application has no effect until it is completed, signed, dated and lodged with MTAA Super.**

**Return the completed, signed and dated application to:**

**MTAA Super  
Locked Bag 5134  
Parramatta NSW 2124**

**Email** [contact@mtaasuper.com.au](mailto:contact@mtaasuper.com.au)  
**Postal address** Locked Bag 5134, Parramatta NSW 2124

**Trustee** Motor Trades Association of Australia Superannuation Fund Pty. Limited  
ABN 14 008 650 628 AFSL 238 718  
**Fund** MTAA Superannuation Fund ABN 74 559 365 913

**mtaasuper.com.au**  
**1300 362 415**





## Tax file number declaration

This declaration is NOT an application for a tax file number.

■ Use a black or blue pen and print clearly in BLOCK LETTERS.

■ Print X in the appropriate boxes.

■ Read all the instructions including the privacy statement before you complete this declaration.

ato.gov.au

### Section A: To be completed by the PAYEE

1 What is your tax file number (TFN)?

For more information, see question 1 on page 2 of the instructions.

OR I have made a separate application/enquiry to the ATO for a new or existing TFN. ☐

OR I am claiming an exemption because I am under 18 years of age and do not earn enough to pay tax. ☐

OR I am claiming an exemption because I am in receipt of a pension, benefit or allowance. ☐

2 What is your name?

Title: Mr ☐ Mrs ☐ Miss ☐ Ms ☐

Surname or family name

First given name

Other given names

3 What is your home address in Australia?

Suburb/town/locality

State/territory

Postcode

4 If you have changed your name since you last dealt with the ATO, provide your previous family name.

5 What is your date of birth?

Day   / Month   / Year

6 On what basis are you paid? (select only one)

Full-time employment ☐ Part-time employment ☐ Labour hire ☐ Superannuation or annuity income stream ☒ Casual employment ☐

7 Are you: (select only one)

An Australian resident for tax purposes ☐ A foreign resident for tax purposes ☐ OR A working holiday maker ☐

8 Do you want to claim the tax-free threshold from this payer?

Only claim the tax-free threshold from one payer at a time, unless your total income from all sources for the financial year will be less than the tax-free threshold.

Yes ☐ No ☐ Answer no here if you are a foreign resident or working holiday maker, except if you are a foreign resident in receipt of an Australian Government pension or allowance.

9 (a) Do you have a Higher Education Loan Program (HELP), Student Start-up Loan (SSL) or Trade Support Loan (TSL) debt?

Yes ☐ Your payer will withhold additional amounts to cover any compulsory repayment that may be raised on your notice of assessment. No ☐

(b) Do you have a Financial Supplement debt?

Yes ☐ Your payer will withhold additional amounts to cover any compulsory repayment that may be raised on your notice of assessment. No ☐

DECLARATION by payee: I declare that the information I have given is true and correct.

Signature

You MUST SIGN here

Date  
Day   / Month   / Year

There are penalties for deliberately making a false or misleading statement.

Once section A is completed and signed, give it to your payer to complete section B.

### Section B: To be completed by the PAYER (if you are not lodging online)

1 What is your Australian business number (ABN) or withholding payer number?

Branch number (if applicable)

7 4 5 5 9 3 6 5 9 1 3

2 If you don't have an ABN or withholding payer number, have you applied for one?

Yes ☐ No ☐

3 What is your legal name or registered business name (or your individual name if not in business)?

M T A A S U P E R A N N U A T I O N

F U N D

4 What is your business address?

L O C K E D B A G 5 1 3 4

Suburb/town/locality

P A R R A M A T T A

State/territory

N S W

Postcode

2 1 2 4

5 What is your primary e-mail address?

6 Who is your contact person?

Business phone number 1 3 0 0 3 6 2 4 1 5

7 If you no longer make payments to this payee, print X in this box. ☐

DECLARATION by payer: I declare that the information I have given is true and correct.

Signature of payer

Date  
Day   / Month   / Year

There are penalties for deliberately making a false or misleading statement.

Return the completed original ATO copy to:  
Australian Taxation Office  
PO Box 9004  
PENRITH NSW 2740

IMPORTANT  
See next page for:  
■ payer obligations  
■ lodging online.



30920917

Sensitive (when completed)

**Privacy Act 1988 – storage and disposal of TFN information.** Under the TFN guidelines in the Privacy Act, you must use secure methods when storing and disposing of TFN information.

**Retaining declarations** – Under tax laws, if a payee submits a new *Tax file number declaration* or leaves your employment, you must still keep this declaration for the current and next financial year.

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1300 362 415  
contact@mtaasuper.com.au  
**mtaasuper.com.au**

Locked Bag 5134  
Parramatta NSW 2124

Trustee: Motor Trades Association of  
Australia Superannuation Fund Pty. Limited  
ABN 14 008 650 628 | AFSL 238 718

MTAA Superannuation Fund  
ABN 74 559 365 913 | USI MTA0002AU

