

# How to Join

## Pension membership

legalsuper has four pension options for you to choose from. Below you'll find the relevant Product Disclosure Statement (PDS) and application forms for each. You should read the PDS before completing the application form, and if you need any assistance at all, please contact us on **1800 060 312**.

### What you need to know



#### Transition to Retirement

Product Disclosure Statement (PDS)  
This document contains a summary of the important information that you should know about legalsuper's Transition to Retirement Product.



#### Pension

Product Disclosure Statement (PDS)  
This document contains a summary of the important information that you should know about legalsuper's Pension Product.

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**To apply** – download form and print



#### Transition to Retirement application form



#### Pension application form

### Want to know more?



#### Guaranteed Income Account (Fixed Term)

Product Disclosure Statement (PDS)  
This document contains a summary of the important information that you should know about legalsuper's Guaranteed Income Account (Fixed Term) Product.



#### Guaranteed Income Account (Lifetime)

Product Disclosure Statement (PDS)  
This document contains a summary of the important information that you should know about legalsuper's Guaranteed Income Account (Lifetime) Product.

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**To apply** – download form and print



#### Fixed Term Guaranteed Income form



#### Lifetime Guaranteed Income form



# Pension Product Disclosure Statement



Issued 1 July 2024

This legalsuper Pension Product Disclosure Statement is issued by Legal Super Pty Ltd, Level 9, 627 Chapel Street, South Yarra, 3141 (ABN 37 004 455 789, AFSL 246315) as the Trustee for legalsuper ABN 60 346 078 879.

**LEGALSUPER PENSION  
PRODUCT DISCLOSURE STATEMENT**

Issued by Legal Super Pty Ltd  
Level 9, 627 Chapel Street, South Yarra, 3141  
ABN 37 004 455 789, AFSL 246315, L0002585  
legalsuper ABN 60 346 078 879 (the Fund)

**Fund Contact Details**

Phone: 1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday)  
Email: [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)  
[legalsuper.com.au](http://legalsuper.com.au)

Date of preparation: 1 July 2024

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# About this document

The information contained in this legalsuper *Pension Product Disclosure Statement (Pension PDS)* is correct at the date of preparation being 1 July 2024. This *Pension PDS* updates and replaces any previous *Pension PDS* issued by legalsuper in its entirety. A copy of this *Pension PDS* is available from us on request at any time without charge. You should also review the Target Market Determination (TMD) available at [legalsuper.com.au](https://legalsuper.com.au) to determine if this product is right for you.

Information contained in this *Pension PDS* may change from time to time and may be updated on our website at [legalsuper.com.au](https://legalsuper.com.au) or by information updates, except for that information which could be materially adverse. Paper copies of any updated material will also be available without charge upon request to the Trustee by telephone on **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday), or by writing to the Trustee at the address shown on the back cover of this *Pension PDS*.

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

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

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

The Trustee does not guarantee the performance of legalsuper, the repayment of capital or any particular rate of return. The advice given in this *Pension PDS* is of a general nature only and is not intended to take the place of personal advice from a licensed financial adviser. Before making any decisions on the basis of the information in this *Pension PDS*, we recommend that you obtain independent advice from a licensed financial adviser that takes into account your personal circumstances. We have not taken into account your personal investment objectives, financial situation or particular needs in preparing and issuing this *Pension PDS*. Past performance is not a guide to future performance.

This *Pension PDS* does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. The distribution of this *Pension PDS* in jurisdictions outside Australia may be restricted by law. Any persons outside Australia who come into possession of this *Pension PDS* should seek advice on and observe any restrictions that apply. A failure to comply with such restrictions may constitute a violation of applicable securities law. The offer constituted by this *Pension PDS* if received in electronic form is available only to persons in Australia. Please note that legalsuper does not accept application forms for a pension product electronically. We require an original signature on a hard copy of any application form.

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

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

# Chief Executive's welcome



You know law. We know super.

As the leading provider of specialist superannuation services to the legal profession, we have served its unique needs for more than 30 years, delivering customised high-performing superannuation solutions for Australia's legal community. Our members trust us to act in their best financial interests and in doing so, we manage their super with the same level of knowledge they bring to their work in law. This commitment is the bedrock of our partnership and drives everything we do.

## Top performing fund that delivers for members

We design and manage our portfolios to be resilient in a wide range of market scenarios across a full business cycle. Our smaller size and agility enable us to take advantage of investment opportunities generally not available to larger funds, whilst providing important downside protection against volatility, and delivering competitive risk-adjusted returns against our peers. We believe this approach provides superior investment outcomes for our members.

## Personal support to help you achieve your retirement goals

Our experienced team of superannuation specialists is available to assist members explore all available options and aspects of superannuation through in-person, over-the-phone or online meetings. legalsuper's skilled Client Service Managers have an average of 20 years' experience in the financial services industry and are committed to providing efficient, professional services to meet the highest standards.

## Part of your community

We have a long and proud history of supporting Australia's law societies and institutes, law student associations and other legal-related institutions across the country, investing in training programs and career development activities.

We also support a national program of Mental Health First Aid (MHFA) training, specifically designed for the legal profession, and enabling non-health professionals to assist a person experiencing mental health problems through education, practical tools and strategies, until appropriate professional assistance is provided.

## Awards

We are proud to have received the following industry rating awards:

- SuperRatings – Winner *Super Review and SuperRatings Best Default Insurance Offering* at the 2024 Super Fund of the Year Awards
- Rainmaker triple A Rating for "*legalsuper Pension and Personal*"
- SuperRatings Gold for our "*MySuper Balanced, Personal Super, Employer Sponsored Super and Pension*" products.

## We're here to help

If you would like to meet with a member of our team for more in-depth and personalised information and support, call us on 1800 060 312 or book a meeting directly with one of our Client Service Managers at [legalsuper.com.au/bookmeeting](https://legalsuper.com.au/bookmeeting).

We look forward to welcoming you to legalsuper,

Luke Symons  
Chief Executive Officer

# About legalsuper

legalsuper is the superannuation fund for the Australian legal community. It is a profit-for-member superannuation fund.

Legal Super Pty Ltd is the Trustee of legalsuper. It is responsible for managing legalsuper in the best financial interests of its members. The shareholders of Legal Super Pty Ltd are, in equal part, the Law Institute of Victoria and Law Society of New South Wales. No dividends are paid to these shareholders.

Employed and self-employed members (and their spouses) can join legalsuper. As legalsuper is a public offer fund, those outside the legal community can also join legalsuper.

Members who retire can remain members of legalsuper or choose to transfer their accumulated balance into a pension account from which a regular income is paid to them.

Two pension options are available:

- a legalsuper Pension; and
- a legalsuper Transition to Retirement Pension.

Members aged over 60 can also access guaranteed income accounts (annuities) which are supported by a policy issued by Challenger Life Company Limited. These accounts provide members a regular income either for life or a fixed term. Further information can be found in the legalsuper **Guaranteed Income Account Product Disclosure Statement**. You can obtain a copy at [legalsuper.com.au](http://legalsuper.com.au) or by contacting us on **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday).

Superannuation is complex. It is also subject to ongoing change. Our website – [legalsuper.com.au](http://legalsuper.com.au) – includes information about superannuation and pensions as well as interactive calculators and fact sheets to help you engage with your savings. Our Client Service Managers are available to meet with you one-on-one. If you wish to arrange a complimentary workplace seminar or one-on-one meeting with a Client Service Manager, call or email us.



If you have questions, please call **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday) or email [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au).



Members can log-on via our website – [legalsuper.com.au](http://legalsuper.com.au) – to review or update their account.

The balance of this *Pension PDS* sets out more information about legalsuper and its products and services.

## Risks of legalsuper

The main risks of investing in legalsuper are:

- **Investment risks.** Generally, the higher an investment's potential return, the greater the risk associated with that investment. Historically, investment in shares has provided the highest average returns, but has also demonstrated the greatest volatility in the short term. Over the longer term, lower-risk investments, such as cash or Fixed Interest, generally provide lower returns, but are less volatile than shares. Further information about investment risks are set out on page 12.
- **Changes in laws.** You need to be aware that superannuation and taxation laws change often, and this can impact on your investment in legalsuper. Changes can also occur to the taxation of pensions, which may affect the value of your investment.
- **Outsourcing risk.** legalsuper outsources a number of services such as administration and insurance. There is a risk that the companies to which we have outsourced may not perform in accordance with the agreements we have signed. This may lead to delays in actioning any member requests such as processing contributions, withdrawals, investment instructions, or insurance claims.
- **System risk.** There is a risk that the value or access to member accounts could be affected by disruption to systems. An example would be if there was an interruption or fault in computer or telecommunications systems. Such interruption may be caused by breakdown, system overload, virus attack, unauthorised access, denial of service, or other malicious attack.

There are also some risks particular to pensions:

- A legalsuper pension may not be the most appropriate product for your needs.
- The investment returns on your pension account may vary, and may not keep pace with inflation.
- The pension you choose may not provide adequate income to meet your needs or may not provide income for as long as you need it.

# The main features of legalsuper pensions

## There are two legalsuper pension products which are summarised below.

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

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

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

Please note that a Transfer Balance Cap (\$1.9 million in 2024/2025) applies to the amount of super that can be transferred into the retirement phase.

This means that a maximum of up to \$1.9 million can be invested in a legalsuper Pension.

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

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

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

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

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

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

If you take your superannuation benefit in the form of a pension rather than as a lump sum, you receive income at regular intervals of your choice, while your remaining capital remains invested in legalsuper. We recommend that you seek independent financial advice before making any decisions. Past performance is not a guide to future performance.

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

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

If you are transferring monies from another fund, you may also need to complete a legalsuper *Rollover request to transfer whole balance of superannuation into legalsuper* form, to consolidate your other superannuation into your legalsuper superannuation account. Your legalsuper superannuation account can be converted to your legalsuper pension account once all transfers are received. Before consolidating, check the impact (if any) on benefits that your other super fund has, any fees and taxes that may apply if you leave your other fund and that your details match.

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

You must also supply the certified ID as detailed on page 52.

### What confirmation will you receive?

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

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

### What regular reporting will you receive?

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



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

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

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

## What are the taxation benefits of superannuation pensions?

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

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

See page 41 for further details.

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

You have access to 11 investment options. You can choose more than one investment option as well as the proportion of your pension account balance to which each investment choice is to apply.

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

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

## What initial investment amount do you need?

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

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

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

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

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

## How and when do you receive income?

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

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

Please note that yearly payments are not available in July.

### 2024/2025 Pension Payment File Run Date Schedule

Month	Fortnightly Files	End of Month	Month	Fortnightly Files	End of Month
Jul	11th, 25th	26th	Jan	9th, 23rd	24th
Aug	8th, 22nd	27th	Feb	6th, 20th	27th
Sept	5th, 19th	26th	Mar	6th, 20th	27th
Oct	3rd, 17th, 31st	25th	Apr	3rd, 17th	24th
Nov	14th, 28th	27th	May	1st, 15th, 29th	27th
Dec	12th, 24th	27th	Jun	12th, 26th	27th

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

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

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

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

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

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

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

If you have an existing Direct Investment Option (DIO) balance you may be able to transfer that option from your superannuation account to your new pension account. Please refer to page 32 of this *Pension PDS* for further detail.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## How long will your investment last?

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

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

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

### Please note:

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

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

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

### legalsuper Pension

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

### legalsuper Transition to Retirement Pension

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

See page 40 of this *Pension PDS* for a table showing your preservation age.

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

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

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

## How much are you paid?



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

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

### legalsuper Pension and Transition to Retirement Pension

Age	Minimum percentage (%) to receive as income	Minimum amount (\$) to receive as income per \$100,000
Under 65	4%	\$4,000
65 – 74	5%	\$5,000
75 – 79	6%	\$6,000
80 – 84	7%	\$7,000
85 – 89	9%	\$9,000
90 – 94	11%	\$11,000
95 or older	14%	\$14,000

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

To work out your minimum limits, see the legalsuper Pension and Transition to Retirement Pension table above.

If you do not make a choice, we will pay you the minimum once a year in June for that financial year. If a pension is commenced prior to 1 June in a year, the minimum amount is pro-rated and rounded by the number of days between date of commencement and the following 30 June.

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

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

## Can you make lump sum withdrawals?

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

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

You can withdraw lump sums online via MemberAccess, restricted to one withdrawal per day with a minimum withdrawal amount of \$1,000 and a maximum of \$25,000 per day.

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

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

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

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

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

## How can I nominate a beneficiary?

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

- A reversionary beneficiary who *may* continue to receive your pension after your death; or

- A lump sum beneficiary who will receive the value of your account after your death.

Further details about how these options work, the restrictions that apply and the taxation of death benefits is contained on pages 42 – 44.

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

### legalsuper Pension

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

### legalsuper Transition to Retirement Pension

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

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

We will separately record the tax-free component and taxable component which make up your Transition to Retirement Pension. See the 'Glossary' on pages 49 – 51 for further details on tax-free and taxable components.

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

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

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

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

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

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

## legalsuper pension products at a glance

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

# Unitisation

**Please note:** This section does not apply to the Direct Investment Option (DIO). Refer to pages 24 – 32 for further details on the DIO.

## How does my investment work?

Contributions are applied to purchase units in one or more of 10 Investment Choice options excluding DIO, which are then used to purchase assets such as shares, property, bonds and cash for that option.

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

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

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

The eleventh investment option is the DIO. See pages 24 – 32 for details of how this option works.

## What is a unit worth?

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

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

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

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

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

## How does legalsuper value my investment?

legalsuper always values your investments using the sell price.

## When are unit prices available?

Unit prices are updated on each National Business Day.

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

## Can prices be delayed?

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

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

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

# Investment choice

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

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

## Understanding asset classes

### Australian Shares

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

### Overseas Shares

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

### Property

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

### Infrastructure

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

### Private Markets

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

### Credit

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

### Fixed Interest

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

### Cash

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

## Labour, environmental, social and ethical standards

No investment option invests directly into the shares of companies whose main activity is the production of tobacco products, companies involved in the manufacture of controversial weapons, and companies with more than 10% of revenue derived from the mining of thermal coal.

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

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

A summary of the labour standards and environmental, social and ethical standards taken into account by Pandal Institutional Limited ABN 17 126 390 627, the investment manager for the Balanced Socially Responsible option, is set out on pages 20 – 23.

The investment structure of legalsuper is generally based on the appointment of sector specialist investment managers. This means that the Trustee chooses individual investment managers for their expertise in managing specific asset classes.

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

All of the investment options in legalsuper except for the Cash, Balanced Socially Responsible, and Balanced Index options are managed by multiple investment managers. The Cash, Balanced Socially Responsible, and Balanced Index options are invested with a single investment manager.

## Investment risks

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

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

## Standard Risk Measure

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

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

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

The most significant investment risks include those that relate to:

- **Liquidity risk** – some investments such as property and private equity are relatively illiquid. They may not readily be converted to cash. legalsuper limits exposures to illiquid investments to manage this risk.

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

## Investment managers

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

The level of risk will depend in part on your choice of investment options. legalsuper provides a number of investment options with a mix of investments designed to provide particular risk and return characteristics. For more information about the risk profiles of each of legalsuper's investment options, see pages 16 – 23 of this Document

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

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

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

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

<b>Australian Share managers</b>	<b>Diversified Fixed Interest managers</b>
Touchstone Asset Management	T. Rowe Price
Alliance Bernstein	Macquarie Investment Management
Wavestone Capital	<b>Property managers</b>
Spheria Asset Management	Dexus Fund Management
Acorn Capital	GPT Group
<b>Overseas Share managers</b>	Goodman Funds Management
WCM Investment Management	Lend Lease Investment Management
Sanders Capital	Lighthouse Infrastructure Management
State Street Global Advisors	Barwon Investment Partners
Aikya Investment Management	<b>Diversified managers</b>
<b>Infrastructure managers</b>	Pendal Group
ClearBridge Investments	State Street Global Advisors
Ancala Partners	<b>Cash managers</b>
IFM Investors	IFM Investors
Morrison	Pendal Group
<b>Private Markets managers</b>	<b>Currency and derivatives overlay manager</b>
Partners Group AG	Mesirow Financial Investment Management
Siguler Guff & Company	
IFM Investors	
Artesian Venture Partners	
Scale Investors	
<b>Credit managers</b>	
Community Capital PM	
Ninety One	
Intermediate Capital Group	
BlueBay Asset Management	

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

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



# Your investment options

Pension members can choose to invest in one or a combination of 11 different investment options, including the Direct Investment Option.

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

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

## Your pension investment options

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

### Investment Choice options

- Cash
- Conservative
- Conservative Balanced
- Balanced Index
- Balanced
- Growth
- High Growth
- Australian Shares
- Overseas Shares
- Balanced Socially Responsible

### Direct Investment Option (DIO)

Once your legalsuper pension balance is invested in your selection of Investment Choice options you may wish to consider transferring some money to the DIO. Members in the DIO select and manage their own securities and Term Deposits. Pages 24 – 32 explain how this option works.

### Making a choice

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

### Your initial investment choice

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

If you have chosen to invest in options for your pension that you do not currently hold in your accumulation account, then once a pension account is created and the transfer of assets from your accumulation account has been completed, we will process a switch to the investment option(s) you have selected – a buy-sell spread may apply.

## Changing your investment choice

### Switching – existing balance

You may decide to change your current investment selection by 'switching' – or transferring – some or all of your balance to another option(s) of your choice. To do this you must submit an investment instruction to switch some or all of your existing balance into a different investment option(s).

You can submit an investment instruction online using MemberAccess or you may submit a written instruction by completing a *Pension change details* form.

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

Please note different rules apply for investments held in the DIO. Please see pages 24 – 32 for further details.

### Investment option switching cycle

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

The following table confirms this switching cycle:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Investment Choice options

## 1. Cash

### Return objective:

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

### Risk profile:

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

**Risk level:** Very low.

### Investor profile:

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

Asset class	Asset Allocation %	Permitted range %
Cash	100	100

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

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

## 2. Conservative

### Return objective:

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

### Risk profile:

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

**Risk level:** Low to Medium.

### Investor profile:

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

Asset class	Asset Allocation %	Permitted range %
Australian Shares	12.0	5 – 25
Overseas Shares	12.0	0 – 20
Infrastructure	10.0	0 – 20
Property	8.0	0 – 20
Fixed Interest	20.0	10 – 40
Credit	9.0	0 – 20
Cash	29.0	0 – 50

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

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

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

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

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### 3. Conservative Balanced

#### Return objective:

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

#### Risk profile:

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

**Risk level:** Medium.

#### Investor profile:

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

Asset class	Asset Allocation %	Permitted range %
Australian Shares	19.0	10 – 45
Overseas Shares	19.0	10 – 30
Infrastructure	10.0	0 – 20
Property	10.0	0 – 20
Fixed Interest	16.0	10 – 50
Credit	9.0	0 – 20
Cash	17.0	0 – 30

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

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

### 4. Balanced Index

#### Return objective:

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

#### Risk profile:

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

**Risk level:** High.

#### Investor profile:

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

#### Investment strategy:

The Balanced Index option currently invests in the State Street Passive Balanced Trust. This is a multi-manager fund operated by State Street Global Advisors.

Asset class	Asset Allocation %	Permitted range %
Australian Shares	35.0	10 – 45
Overseas Shares	25.0	10 – 45
Property	10.0	0 – 20
Fixed Interest	25.0	0 – 50
Cash	5.0	0 – 20

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

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

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

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# Investment Choice options (contd.)

## 5. Balanced

### Return objective:

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

### Risk profile:

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

**Risk level:** Medium to High.

### Investor profile:

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

Asset class	Asset Allocation %	Permitted range %
Australian Shares	26.5	10 – 40
Overseas Shares	26.5	10 – 40
Infrastructure	9.0	0 – 20
Private Markets	7.0	0 – 20
Property	10.0	0 – 25
Fixed Interest	9.0	0 – 20
Credit	7.0	0 – 20
Cash	5.0	0 – 20

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

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

## 6. Growth

### Return objective:

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

### Risk profile:

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

**Risk level:** High.

### Investor profile:

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

Asset class	Asset Allocation %	Permitted range %
Australian Shares	32.5	10 – 50
Overseas Shares	32.5	20 – 50
Infrastructure	6.0	0 – 20
Private Markets	8.0	0 – 20
Property	10.0	0 – 20
Fixed Interest	5.0	0 – 20
Credit	3.0	0 – 20
Cash	3.0	0 – 20

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

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

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

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## 7. High Growth

### Return objective:

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

### Risk profile:

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

**Risk level:** High.

### Investor profile:

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

Asset class	Asset Allocation %	Permitted range %
Australian Shares	38.0	20 – 50
Overseas Shares	38.0	20 – 50
Infrastructure	4.0	0 – 20
Private Markets	10.0	0 – 20
Property	7.0	0 – 20
Cash	3.0	0 – 20

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

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

## 8. Australian Shares

### Return objective:

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

### Risk profile:

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

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

**Risk level:** Very High.

### Investor profile:

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

Asset class	Asset Allocation %	Permitted range %
Australian Shares	97.0	0 – 100
Cash	3.0	0 – 20

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

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# Investment Choice options (contd.)

## 9. Overseas Shares

### Return objective:

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

### Risk profile:

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

**Risk level:** High.

### Investor profile:

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

Asset class	Asset Allocation %	Permitted range %
International Shares	97.0	0 – 100
Cash	3.0	0 – 20

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

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

## 10. Balanced Socially Responsible

### Return objective:

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

### Risk profile:

Offers greater emphasis on shares and property to achieve higher returns, but includes some lower-risk assets to moderate short-term risks. Investments are made with a focus on managing sustainability and environmental, social, and governance (ESG) risks via exposure to companies and issuers that demonstrate leading environmental, social and corporate governance and ethical practices while avoiding exposure to companies and issuers with activities that are considered to negatively impact the environment or society. Further information about what ESG factors and exclusionary screens are applied when making investment decisions can be found below in the 'Investment Strategy' section.

This option is likely to produce a negative return in 4 to 6 years in every 20 years.

**Risk level:** High.

### Investor profile:

The Balanced Socially responsible option currently invests in the Pental Sustainable Balanced Fund (SB Fund). The SB Fund is an actively-managed diversified portfolio that invests in Australian and international shares, Australian and international property securities, Australian and international fixed interest, cash and alternative investments.

Sustainable and ethical investment practices are incorporated into the Australian and international shares, Australian and international fixed interest and Alternative investments components of the SB Fund to avoid exposure to companies and issuers with activities or practices Pental considers to negatively impact the environment or society (refer to the 'Investment Strategy' section below for more information about how sustainable and ethical investment practices are incorporated into investment decisions). Exclusionary screens are not applied to property, government securities, cash or derivatives.

The use of equity index futures and other derivatives may result in the fund having indirect exposure to the excluded companies and/or issuers from time to time. The SB Fund has a higher weighting towards growth assets than defensive assets.

Investing in the SB Fund offers investors a range of benefits:

- access to a professionally managed diversified portfolio with the potential for long-term capital growth and income;
- exposure to companies and issuers that demonstrate leading environmental, social and corporate governance and ethical practices while avoiding exposure to companies and issuers with activities that Pental considers to negatively impact the environment or society. Further information about what ESG factors and exclusionary screens are applied when making investment decisions can be found below in the 'Investment Strategy' section; and
- access to the investment expertise of Pental and other leading global investment managers.

The SB Fund is likely to suit investors looking for moderate to high returns over the medium to long-term, but who are prepared to accept fluctuations in investment performance over shorter periods.

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

### Investment strategy:

The Balanced Socially responsible option currently invests in the Pental Sustainable Balanced Fund (SB Fund).

In managing the Pental SB Fund's Australian and international shares, Australian and international fixed interest and alternative investments components, exclusionary screens are applied to manage the Fund's

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exposure to companies and issuers with activities that Pental considers to negatively impact the environment or society. In addition to exclusionary screens, Pental draws on internal and external research which assesses companies and issuers on their sustainability performance (managing exposure to ESG risks and opportunities). Sustainability performance is an ESG factor integrated into our investment process.

Pental seeks exposure to securities and industries that demonstrate leading ESG and ethical practices and exclude companies not meeting the investable criteria. The sustainable and ethical criteria employed includes factors such as:

- environmental issues,
- social practices,
- corporate governance, and
- ethical practices.

Pental actively engages with the management of the companies and issuers they invest in to manage risk, effect change and realise potential value over the long term.

Pental's sustainable assessment process considers the extent to which a company or issuer manages its environmental, social, and corporate governance (ESG) issues. Specifically, the assessment may consider issues such as:

#### **Environmental management**

- Products or services that provide positive environmental impacts such as renewable energy generation, water use efficiency and sustainable agriculture;
- Management of environmental impacts through the implementation of best practice environmental techniques, technologies and product design; and
- Environmental performance against a range of indicators including, for example, greenhouse gas emissions, energy and water use and environmental incidents.

#### **Social practices**

- Equal opportunity, anti-discrimination and industrial relations policies and practices
- Provision of regular and appropriate training, including on whistleblower policies and procedures; workplace health and safety performance, including instances of fatalities and serious incidents as well as promotion of wellbeing
- Employee benefits and entitlements, such as those supporting employee engagement, diversity and inclusion
- Human capital management performance, including the company's ability to attract and retain talent and to prepare a future-ready workforce
- Products or services that provide positive social impacts such as improved health & community well-being, disease prevention, and education

- Fair management of contractors, franchisees and suppliers including oversight of supply chain and human rights risks
- Workplace health and safety performance against indicators such as fatalities and lost time injury frequency rate

#### **Corporate governance and business conduct**

- Business ethics and conduct
- Provision of regular and appropriate training
- Whistleblower policies and procedures
- Compliance with the law and other standards
- Product safety and consumer protection
- Engagement practices with employees, shareholders and key community stakeholders

For fixed interest securities issued by Government related entities covered by Pental's sustainability research database Pental does assess the related sustainability characteristics mentioned above, and typically prefer issuers with higher sustainability ratings.

#### **Exclusionary Screens<sup>1</sup>**

##### **Exclusionary Screens – Australian Shares**

The SB Fund's Australian shares investments will not invest in companies which:

##### **Fossil Fuels**

- Directly extract or explore for fossil fuels (specifically, coal, oil and gas); or
- Derive 10% or more of their gross revenue from fossil fuel-based power generation, or from fossil fuel refinement or distribution (coal, oil and gas)\*; or
- Derive 10% or more of their gross revenue from the provision of supplies or services which relate specifically to fossil fuel extraction or exploration (coal, oil and gas)\*.

##### **Uranium**

- Derive 10% or more of their gross revenue from directly mining uranium for the purpose of nuclear power generation.

##### **Logging**

- Derive 10% or more of their gross revenue from unsustainable forestry or forest products, including non-Forest Stewardship Council certified forest products or non-Roundtable on Sustainable Palm Oil certified palm oil production.

##### **Gambling**

- Directly manufacture, own or operate gambling facilities, gaming services or other forms of wagering; or
- Derive 10% or more of their gross revenue from the indirect provision of gambling (for example, through telecommunications platforms).



# Investment Choice options (contd.)

## Pornography

- Produce pornography; or
- Derive 10% or more of their gross revenue from the distribution or retailing of pornography.

## Weapons

- Manufacture or distribute controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, incendiary weapons, and white phosphorous weapons); or supply of goods or services specifically related to controversial weapons; or
- Manufacture non-controversial weapons or armaments (including civilian firearms or military equipment); or
- Derive 10% or more of their gross revenue from the distribution or retailing of non-controversial weapons or armaments (including civilian firearms or military equipment); or supply of goods and services specifically related to non-controversial weapons or armaments.

## Alcohol

- Produce alcoholic beverages; or
- Derive 10% or more of their gross revenue from the distribution or retailing of alcoholic beverages.

## Tobacco

- Produce tobacco (including e-cigarettes and inhalers); or
- Derive 10% or more of their gross revenue from the distribution of tobacco (including e-cigarettes and inhalers); or
- Supply of goods or services specifically related to the tobacco industry (for example, packaging or promotion).

## Animal testing

- Directly undertake animal testing for cosmetic products; or
- Directly undertake live animal export.

## Predatory lending

- Directly provide products or services with lending practices that are unfair or deceptive to ordinary borrowers, including small amount short term loans at higher than commercial rates of interest (for example, payday loans, pawn loans or the use of aggressive sales tactics).

## Breaches and misconduct

- Have been found to have significant breaches of social or environmental norms or regulations, or are subject to serious and substantiated allegations of unethical conduct, which Pandal considers have not been remedied or adequately addressed.

\* Companies with a climate transition plan may be exempted from this exclusion, provided that they have in place a Paris Agreement aligned transition plan and produce climate-related financial disclosures annually, which in both cases Pandal considers credible.

## Exclusionary Screens – International Shares

The SB Fund's international shares investments will not invest in companies which directly:

- Extract or explore for fossil fuels (specifically, coal, oil and natural gas); or
- Produce tobacco (including e-cigarettes and inhalers); or
- Manufacture controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments).

The SB Fund's international shares investments will also not invest in companies which derive 10% or more of their gross revenue directly from:

- Fossil fuel-based power generation, or fossil fuel distribution or refinement (coal, oil and natural gas)\*;
- The production of alcoholic beverages;
- Manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering;
- Manufacture of non-controversial weapons or armaments;
- Manufacture or distribution of pornography; and
- Uranium mining for the purpose of nuclear power generation.

\* Companies with a climate transition plan may be exempted from this exclusion, provided that they have in place a Paris Agreement aligned transition plan and produce climate-related financial disclosures annually, which in both cases we consider credible.

## Exclusionary Screens – Australian Fixed Interest

The SB Fund's Australian fixed interest investments will not invest in issuers directly involved in either of the following activities:

- Produce tobacco (including e-cigarettes and inhalers); or
- Controversial weapons manufacture (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments).

The SB Fund's fixed interest investments will also not invest in issuers directly involved in any of the following activities, where such activities account for 5% or more of an issuer's gross revenue:

- Exploration, extraction or refinement of fossil fuels (specifically coal, oil and gas); or
- The production of alcohol; or
- Manufacture or provision of gambling facilities; or
- Manufacture of non-controversial weapons or armaments; or
- Manufacture or distribution of pornography; or
- Direct mining of uranium for the purpose of weapons manufacturing.

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### Exclusionary Screens – International Fixed Interest

The SB Fund's International fixed interest investments will not invest in issuers directly involved in either of the following activities:

- Produce tobacco (including e-cigarettes and inhalers); or
- Controversial weapons manufacture (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments).

The SB Fund's International fixed interest investments will also not invest in issuers directly involved in any of the following activities, where such activities account for 10% or more of an issuer's gross revenue:

- The production of alcohol; or
- Manufacture or provision of gambling facilities; or
- Manufacture of non-controversial weapons or armaments; or
- Manufacture or distribution of pornography; or
- Direct mining of uranium for the purpose of weapons manufacturing; or
- Extraction of thermal coal and oil sands production.

### Exclusionary Screens – Alternative Investments

The SB Fund's alternative investments will not invest in companies or issuers which directly:

- Produce tobacco (including e-cigarettes and inhalers); or
- Manufacture controversial weapons (including cluster munitions, landmines, biological or chemical weapons, nuclear weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments).

The SB Fund's alternative investments will also not invest in companies or issuers which derive 10% or more of their gross revenue directly from:

- The production of alcoholic beverages; or
- Manufacture, ownership or operation of gambling facilities, gaming services or other forms of wagering; or
- Manufacture of non-controversial weapons or armaments; or
- Manufacture or distribution of pornography; or
- Direct mining of uranium for the purpose of nuclear power generation; or
- Extraction of thermal coal and oil sands production.

<sup>1</sup>All reasonable care has been taken to implement the SB Fund's exclusionary screens. Pandal draws on internal and supplementary external research, believed to be accurate, to determine whether a company is subject to the exclusionary screens. As the nature and conduct of businesses may change over time, and publicly available financial or other information is not always comprehensive or up to date, Pandal do not guarantee that the SB Fund will meet all of these criteria at all times.

### Other considerations

The criteria applied to the SB Fund's investments (described in the sections above) may exclude some industry sectors, companies or issuers from the SB Fund's 'investable universe'. For this reason the SB Fund's performance may vary when compared to other funds that do not apply sustainable or ethical criteria in their investment process. This risk should be considered when deciding whether to invest in the SB Fund.

Asset class	Asset Allocation %	Permitted range %
Australian shares	27.0	10 – 40
Overseas shares	34.0	10 – 50
Property	4.0	0 – 20
Fixed Interest	17.0	0 – 50
Cash	4.0	0 – 20
Alternatives assets	14.0	0 – 20

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

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# Direct Investment Option

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

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

Members have the flexibility to invest in:

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

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

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

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

Diversification reduces your risk as your investments are not solely dependent on the performance of any one of these components. Refer to the 'Risks' section on page 27.

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

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

## Eligibility for the DIO

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

- be a legalsuper Employer-sponsored member or Personal member and/or a legalsuper Pension member (please note that legalsuper Transition to Retirement Pension members are unable to access the DIO);
- provide your Tax File Number (TFN);
- register for legalsuper MemberAccess;
- provide us with your email address; and
- meet the balance minimums below.

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

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

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

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

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

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

## How the DIO works

The Trustee oversees the provision and operation of the DIO platform by FNZ (Australia), who works in conjunction with the custodian, Northern Trust and the administrator, Link.

In relation to the role of FNZ (Australia), it provides the online platform. UBS is the broker participant. This means they are the authorised ASX market participant acting for legalsuper to facilitate the execution and clearing of share transactions via the DIO platform. The assets of the DIO platform are held by the custodian.

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

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

As a legalsuper member, the DIO forms part of the fund's investment options. The DIO is available via an investment platform accessed through the fund's online member portal called 'MemberAccess'. Simply login to MemberAccess at legalsuper.com.au and click on the Investments tab to get started.

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

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

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

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

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

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

## What is a DIO Cash account?

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

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

A minimum balance of \$250 must be maintained and any interest earned in the DIO Cash account is calculated daily and paid monthly in arrears on or around the first National Business Day of the following month.

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

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

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

## Share trading – order types

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

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

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

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

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



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

# Direct Investment Option (contd.)

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

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

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

## Trading – Settlement timeframes

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

## Trading restrictions

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

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

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

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

## Dividend Reinvestment Plan

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

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

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

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

Your DRP preferences may be changed at any time. Once a dividend has been announced, you will have until midnight

on the day before the 'ex-dividend date' (known as 'ex-date') to make your final DRP preference selection.

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

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

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

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

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

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

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

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

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

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

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

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

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

## Term Deposits

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

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

## Term Deposit interest rates

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

## Term Deposit investment limits

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

## Term Deposit reinvestment options

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

The reinvestment options are:

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

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

## Breaking a Term Deposit prior to maturity

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

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

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

## Risks

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

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

## Direct Investment Option (contd.)

- The probability of a negative return depending on the invested timeframe and exposure to securities and fluctuating investments selected by the member in their investment portfolio.

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

### Maintaining your DIO Cash account

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

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

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

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

### Moving between legalsuper investment options and the DIO

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

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

For superannuation accounts, when you choose to sell and transfer some or all of your DIO holdings back into your

other legalsuper investment option(s), the transfer will be allocated to your legalsuper investment option(s) proportionately across your future contributions selection.

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

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

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

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

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

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

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

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

### Closing your DIO account

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

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

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

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

If you wish to trade in the future, you can change your package to 'Full Access', transfer funds into the DIO Cash

account and commence trading again upon the receipt of funds into your DIO Cash account.

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

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

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

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

### **Illiquid investment declaration**

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

### **Illiquid investment consent**

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

### **Investment/redemption instructions**

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

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

requirement as detailed in the 'Eligibility for the DIO' section.

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

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

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

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

### **Other liquidity restrictions**

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

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

#### **Important Note**



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



# Direct Investment Option (contd.)

- You will not be able to close your DIO until all the investments that you have made are sold or have matured.

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

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

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

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

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

## Corporate actions

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

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

These types of actions can be mandatory or voluntary.

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

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

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

You will need to ensure that you have enough funds in your DIO Cash account to carry out your instructions; if you do not have enough funds in your DIO Cash account, no

further action will be taken and you will not be able to participate in any offer. Your election must be made before the cut off date of the corporate action.

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

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

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

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

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

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

### Note – legalsuper Pension members only



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

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

## What are the tax implications?

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

### Dividend income

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

For members who participate in a DRP, any tax will be deducted from your transaction account when any applicable shares are allotted to your portfolio. If you do not

nominate for DRP, then a cash credit will be made to your DIO Cash account.

### Capital Gains Tax (CGT)

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

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

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

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

### Franking credits

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

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

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

### True-Up calculation

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

## Brokerage

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

From 1 July 2022, the brokerage fees will be:

Trade Amount	Brokerage (excl. GST)
\$0 – \$10,000	\$15.00
More than \$10,000 (The maximum amount that can be invested per security trade purchase is \$250,000)	0.15% of total trade value

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

For example, a \$9,000 trade would incur a brokerage fee of \$15.00 (excl. GST). If you placed a \$45,000 trade, your total brokerage would be calculated as:

- $\$45,000 \times 0.15\% = \$67.50$  (excl. GST)

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

No brokerage applies to securities purchased through a DRP.

## Keeping track of your investments

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

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

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

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

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

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

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

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

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

## Direct Investment Option (contd.)

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

You may need a PDF Reader installed on your computer to read the reports. To download Adobe Reader, visit [get.adobe.com/reader](http://get.adobe.com/reader)

### Fees

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

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

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

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

Details of 'Fees and costs' are contained on pages 33 – 39.

### Transfer of your DIO to a new legalsuper account

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

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

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

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

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

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

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

### Need help?



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

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



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

# Fees and costs

legalsuper works hard to keep fees and costs low. Our sole purpose is to maximise the retirement savings of our members. We do not pay commission to agents, and return all profits to members.

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

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

Taxes and other costs are set out in another part of this Document.

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

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

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

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

## Did you know?



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

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

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

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

Ask the fund or your financial adviser.

## To find out more

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

\* The above wording is required by legislation. legalsuper's fees and costs are not negotiable.

## Fees and costs summary

Legalsuper Pension		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
Administration fees and costs	\$67.60 pa (\$1.30 per week) plus 0.29% pa of your account balance	For all investment options the Administration fees and costs are deducted from your account on a monthly basis through the sale of units. For all investment options other than the Direct Investment Option the 0.29% pa is not deducted directly or separately from your account. It is deducted proportionately from the assets of each investment option and is reflected in the calculations of the daily unit prices of each option. The fee is based on your average account balance during the year. The Trustee may expense a reserving margin over member accounts for purposes of funding capital requirements relating to the administration or operation of the Fund. The reserving margin (if any) will be deducted from the underlying asset value of your account and will be reflected in the daily unit pricing for the applicable investment option.
	plus 0.02% pa of your account balance paid from Fund reserves	The 0.02% pa is not deducted from your account; it is paid from fund reserves and these costs do not impact performance. This is an estimated amount for the year ending 30 June 2024.
	For Direct Investment Option members: \$0 per month (Free Access), \$20 per month (Full Access) <sup>2</sup>	To access the DIO, \$20 is deducted each month (\$240 per annum) from your DIO Cash account. Please note the \$20 monthly DIO account fee (also known as 'Portfolio Administration Fee [PAF]') is payable regardless of whether or not you transact from your DIO Cash account holdings and is calculated daily and deducted on the first National Business Day of the month. For the Direct Investment Option an Indirect fee (also known as a 'DIO Asset fee') is deducted directly from your non-DIO account through the sale of units from your non-DIO account on a monthly basis. <sup>3</sup>
Investment fees and costs <sup>6</sup>	A percentage of each investment option's assets per year, depending on the Investment option, ranging from an estimated: 0.07% – 0.61% pa	For all investment options other than the Direct Investment Option these amounts are not deducted directly or separately from your account. They are deducted proportionately from the assets of each investment option and are reflected in the calculations of the daily unit prices of each option. These fees are an estimate as they have been calculated using fees of current underlying investment managers and include an estimated level of variable expenses. For the Direct Investment Option – investment transaction fees such as brokerage apply and are charged directly to your DIO Cash account.
Transaction costs <sup>4</sup>	A percentage of each option's assets per year, depending on the Investment option, ranging from an estimated 0.00% – 0.18% pa	Accrues (usually) daily and is not deducted directly or separately from your account, rather it is deducted from the underlying asset value of the member's account via the unit pricing process.
<b>Member activity related fees and costs</b>		
Buy-sell spread	A percentage of the member transaction amounts, depending on the investment option. Currently, the buy-sell spread is within a range of 0.00% – 0.42%.	This fee will apply when you contribute to the fund (buy units), withdraw from the fund (sell units), or change your investment options (sell and buy units) and is reflected in the unit price when units are bought and sold in the relevant options. Therefore it is not deducted directly from your account or from your investment returns. Buy-sell spreads reflect the cost of buying or selling assets and these vary from time to time. Current buy-sell spreads are available at <a href="https://legalsuper.com.au">legalsuper.com.au</a> No <i>buy-sell spread</i> is applicable to the Direct Investment Option.
Switching fee	Nil	Not Applicable.
Other fees and costs <sup>5</sup>	Various, depending on the personal advice you obtain.	General advice fees are collected as part of the <i>Administration fees and costs</i> set out above. Personal advice is charged as an <i>Activity fee</i> . <sup>5</sup> An investment option that invests in property may incur associated property operating costs and borrowing costs, which are an additional cost but are not an additional charge as they are reflected in the unit price for the relevant investment option.

1. If your account balance is less than \$6,000 at the end of the Fund's income year, certain administration and investment fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded to you. This is known as the "Administration fees and costs refund".
2. The PAF and DIO Asset Fee relate only to gaining full access to the DIO and administration costs respectively, and do not include fees and costs relating to investing in the products made available under the DIO..
3. This fee is deducted on the last Friday of the month based on your DIO balance at the time of processing the fee. The DIO balance used may be the balance at the close of the previous National Business Day.
4. Transaction costs are an estimate of the operating and transaction costs associated with maintaining an investment portfolio. It is calculated based on available information from underlying managers, taking into account the Fund's experience for the year ending 31 March 2024. This is legalsuper's best estimate of future transaction and operating costs but is subject to change from time to time.
5. Please refer to "Advice fees" in Table 1 in the section 'Additional explanation of fees and costs' (page 35) for details of other fees and costs
6. Investment fees and costs includes an estimated amount of between 0.00% and 0.06% for performance fees, depending on the investment options you are invested in (see Table 4 page 37). The calculation basis for this amount is set out under "Performance fees" on page 37.

## Example of annual fees and costs

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

EXAMPLE – Balanced option		Balance of \$50,000
Administration fees and costs	\$67.60 pa (\$1.30 per week) <b>PLUS</b> 0.29% pa of your account balance <b>PLUS</b> 0.02% paid from Fund reserves.	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment <b>\$145</b> in administration fees and costs, plus <b>\$67.60</b> regardless of your account balance, plus <b>\$10</b> paid from Fund reserves. <sup>1</sup>
<b>PLUS</b> Investment fees and costs	0.61% <sup>3</sup> pa of your account balance	And <sup>2</sup> , you will be charged or have deducted from your investment <b>\$303.04</b> in investment fees and costs.
<b>PLUS</b> Transaction costs	0.16% <sup>3</sup> pa of your account balance	And <sup>2</sup> , you will be charged or have deducted from your investment <b>\$81.70</b> in transaction costs.
<b>Equals</b> Cost of product		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of <b>\$607.34*</b> for the superannuation product.

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

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

- Administration fees and costs are comprised of:
  - A flat fee of \$67.60 (regardless of your account balance); and
  - Plus a % based fee, which is \$145 for every \$50,000 you have in the account balance. A portion of the administration fees and costs are not deducted from your account balance and are paid from the Fund's reserves, that being 0.02% pa, which for a \$50,000 balance is \$10 pa that is not deducted from your account. This is an estimated amount for the year ending 30 June 2024.
- For every \$50,000 you have in the account balance, Investment fees and costs and Transaction costs will apply.
- Where costs have been expressed as a percentage of your account balance, the costs have been rounded down to two decimal places. In the case of the cost of product on a balance of \$50,000, the cost of product reflects these costs as a percentage of your account balance rounded up to 5 decimal places.

## Cost of product for one year

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

The cost of product information assumes a balance of \$50,000 at the beginning of the year, which is invested in a single investment option. (Additional fees such as a buy-sell

spread may apply: refer to the Fees and costs summary for the relevant superannuation product or investment option.)

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

Investment options	Cost of product
Cash	\$257.88
Conservative	\$497.45
Conservative Balanced	\$526.89
Balanced Index	\$307.29
Balanced	\$607.34
Growth	\$601.91
High Growth	\$586.04
Australian Shares	\$562.69
Overseas Shares	\$467.76
Balanced Socially Responsible	\$569.05

## Additional explanation of fees and costs

Table 1: Explanation of other fees and costs

Fee	Explanation
Activity fees	A fee is an activity fee if: (a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: (i) that is engaged in at the request, or with the consent, of a member; or (ii) that relates to a member and is required by law; and (b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee or an advice fee. legalsuper enables you to pay an adviser an agreed fee from your superannuation account. Only fees that relate to advice given to you about your superannuation investment may be paid from your account. legalsuper reserves the right to reject an application and request further information.
Advice fees	A fee is an advice fee if: (a) the fee relates directly to costs (other than intra-fund advice costs) incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by: (i) a trustee of the entity; or (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee or an activity fee.
Benefit of tax deductions for fees and costs	The Fund is not entitled to claim a deduction for fees and costs referable to pension products in the retirement phase, as no tax is applicable to these products. As a result, there are no benefits for tax deductions for fees and costs that can be passed on to you unless you have an accumulation account alongside a TTR pension account.

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

## Investment fees and costs

Investment fees and costs includes investment expenses relating to the investment management of legalsuper's assets, such as base and performance related fees paid to investment managers and advisers, management fees charged in investment vehicles, asset consulting fees, bank fees, custodian fees and internal legalsuper costs related to the management of the Fund's assets. For further information about performance fees, refer to Table 4 on page 37.

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

Investment fees and costs in respect of all investment options are an estimate based on the fees and costs incurred over the year ended 31 March 2024. These estimates reflect actual amounts for the year ended 31 March 2024 where available as well as some estimated components.

The actual amount of investment fees and costs that you will incur in the current and subsequent financial year(s) depends on the investment option(s) you are invested in

and actual investment fees and costs incurred by legalsuper from year to year in relation to the option(s).

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

Table 2: Estimated\* investment fees and costs

Investment options	Investment fees and costs (% pa) <sup>#</sup>
Cash	0.07
Conservative	0.42
Conservative Balanced	0.47
Balanced Index	0.17
Balanced	0.61
Growth	0.61
High Growth	0.60
Australian Shares	0.58
Overseas Shares	0.42
Balanced Socially Responsible	0.51

\* Due to rounding, individual components may not equal the Total cost of product'

# For further information about performance fees, refer to Table 4 on page 37.

## Transaction costs

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

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

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

Transaction costs in respect of all investment options are an estimate based on the explicit transaction costs incurred by the Fund and underlying investment vehicles over the year ended 31 March 2024. These estimates are based on information provided by our investment managers and custodian and reflect actual amounts for the year ended 31 March 2024 where available and some estimated components.

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

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

Table 3: Estimated\* transaction costs

Investment options	Transaction cost (% pa)
Cash	0.00
Conservative	0.13
Conservative Balanced	0.14
<b>Balanced</b> Index	0.00
Balanced	0.16
Growth	0.15
High Growth	0.13
Australian Shares	0.10
Overseas Shares	0.07
Balanced Socially Responsible	0.18

\* Due to rounding, individual components may not equal the 'Total cost of product'

### Other Direct Investment Option (DIO) fees

**Brokerage:** if you purchase or sell shares in your DIO account, brokerage applies from 1 July 2023 as listed in the table below:\*

Trade Amount	Brokerage
\$0 – 10,000	\$15.00
More than \$10,000 (The maximum amount that can be invested per security trade purchase is \$250,000)	0.15% of total trade value

\* Costs in the table exclude GST.

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

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

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

### Performance fees

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

Performance fees are included in the Investment fees and costs set out in Table 2 (page 36), where applicable.

In summary, Government regulations require that we disclose performance fees calculated on the basis of accrued performance fees averaged over the five financial years ended 31 March 2024 or since inception, except in certain circumstances (essentially, where an average over 5 years is not available).

We have estimated performance fees for all investment options based on information provided by our investment managers for the five years to 31 March 2024 or since inception. These estimated performance fees are shown in Table 4.

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

Table 4: Estimated Performance fees

Investment options	Performance fees (% pa)
Cash	0.00
Conservative	0.01
Conservative Balanced	0.02
Balanced Index	0.00
Balanced	0.06
Growth	0.06
High Growth	0.05
Australian Shares	0.00
Overseas Shares	0.00
Balanced Socially Responsible	0.00

### Buy-sell spreads

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

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



Table 5: Buy and sell spreads

Currently the buy sell spread range is 0.00% to 0.42%.

Investment options	Buy-sell spread (%)
Cash	0.05
Conservative	0.25
Conservative Balanced	0.31
Balanced Index	0.17
Balanced	0.36
Growth	0.37
High Growth	0.37
Australian Shares	0.40
Overseas Shares	0.32
Balanced Socially Responsible	0.42
Direct Investment Option	Not applicable, no buy-sell spread is applicable to the Direct Investment option.

## Administration fees and costs

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

- A flat dollar fee of \$1.30 per week (\$67.60p.a.);
- An asset-based fee of 0.29% of your account balance; and
- An asset-based fee of 0.02% pa paid from fund reserves and not charged to your account.

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

## Member benefit – Administration fees and costs rebate

If your average account balance\* at the end of a financial year exceeds the administration fees and costs rebate threshold during the entire financial year, and you do not also receive the "Administration fees and costs refund" (see footnote<sup>1</sup> on the Fees and costs summary table on page 34) for any of your legalsuper accounts, legalsuper will cap ("fee cap") the total combined amount of administration fees (including the DIO Asset fee and DIO account fee (if applicable)) so that you are only charged administration fees up to the average account balance. This is known as the "Administration fees and costs rebate".

The Administration fees and costs rebate threshold for the financial year 1 July 2023 - 30 June 2024 is \$525,917.82.<sup>1</sup>

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

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

## Administration fees and costs rebate

### Fee aggregation

Fee aggregation links all your accounts for the purpose of calculating the capped administration fees. legalsuper will identify your accounts where the name and date of birth are identical. For example, a member may have a superannuation account and a pension account. This can mean a reduction in the administration fee (including the DIO Asset fee and DIO account fee (if applicable)) payable by you where your combined account balances exceed the Administration fees and costs rebate threshold noted in the preceding section.

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

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

## Defined Fees

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

### Activity fees

A fee is an activity fee if:

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

### **Administration fees and costs**

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

- (a) Relate to the administration or operation of the entity; and
- (b) Are not otherwise charged as an investment fee and cost, a buy-sell spread, a switching fee, an activity fee or an advice fee.

### **Advice fees**

A fee is an advice fee if:

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

### **Buy-sell spreads**

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

### **Exit fees**

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

legalsuper does not charge any exit fees.

### **Investment fees and costs**

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

- (a) Fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- (b) Costs incurred by the trustee of the entity that:
  - (i) Relate to the investment of assets of the entity; and,
  - (ii) Are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee or an advice fee.

### **Switching fees**

A switching fee is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

legalsuper does not charge any switching fees.

### **Transaction costs**

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

# Accessing your super

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

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

### Preserved benefits

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

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

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

\* See Conditions of release – additional information below.

### Conditions of release – additional information

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

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

To satisfy the terminal illness condition of release, two registered medical practitioners are required to have certified, jointly or separately, that you suffer from an

illness, or have incurred an injury, that in their opinion is likely to result in your death within 24 months of the date of certification.

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

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

### Restricted non-preserved benefits

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

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

### Unrestricted non-preserved benefits

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

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

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

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

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

# Taxation and Social Security information

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

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

No tax is payable when you roll over money from another superannuation fund to legalsuper, unless the amount includes an untaxed element (for example, a benefit from certain public sector funds). We are required to deduct tax of 15% from any untaxed element and this is done on receipt of the untaxed benefit.

## Is there tax on your pension payments?

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

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

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

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

The tax payable on pension payments is as follows:

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

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

## 15% tax offset

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

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

## Is there tax on your investment earnings?

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

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

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

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

If you withdraw a lump sum, the withdrawal amount will be taxed as a superannuation lump sum and tax will be deducted from the lump sum accordingly.

The 'Taxation of lump sum benefits' section below details the tax payable on superannuation lump sums.

## Taxation of lump sum benefits

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

	Assessable Amount	Maximum tax rate (excluding Medicare levy)
<b>60 and over</b> • Tax free and Taxable (taxed) component	Nil	Nil
<b>Under 60</b> • Tax free component	Nil	Nil
<b>Under 60</b> • Taxable component (element taxed)	100%	Lower of your marginal tax rate or 20%

\* The data in this table has been based on an individual with a preservation age of 60.

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

## What is the tax treatment of death benefits?

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

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

Lump Sum	
Death Benefits Dependants	Tax-free.
Death Benefits Non-Dependants*	The tax-free component is tax-free. The taxable component (what remains after deduction of the tax free component) is divided into an element taxed in the Fund and an element untaxed in the Fund. The element taxed in the Fund is taxed at 15% (plus Medicare levy). The element untaxed in the Fund is taxed at 30% (plus Medicare levy).

Pension	
If deceased was under age 60, but recipient is aged 60 or over	Tax-free, except that the element untaxed in the Fund is assessed at marginal rates, with a 10% tax offset.
If deceased was under age 60, and so was the recipient	The tax-free component is tax-free. The element taxed in the Fund is assessed at marginal rates, with a 15% tax offset. The element untaxed in the Fund is assessed at marginal rates, and no tax offset applies. Once the pension recipient turns 60, the pension becomes tax-free, except that the element untaxed in the Fund is assessed at marginal rates, with a 10% tax offset.

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

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

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

### Assets test

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

### Income test

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

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

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

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

# Death benefit nominations – choosing a beneficiary

The treatment of death benefits is a complex and sensitive area, so you need to consider how your wishes can be best implemented. We recommend that you obtain advice on the most effective way to plan your estate.

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

You can choose:

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

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

The differences between the two options are outlined below.

## Option 1: Nominate a reversionary beneficiary

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

- your spouse;
- a person with whom you had an interdependency relationship;
- your financial dependant; or
- your child who is:
  - less than 18 years of age; or
  - 18 years old but less than 25 and financially dependent on you; or
  - over 18 years of age, and suffering a disability that meets the definition in subsection 8(1) of the *Disability Services Act 1986*.

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

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

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

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

## Option 2: Nominate a preferred beneficiary/ies

You may nominate one or more of your dependants (as defined in superannuation law) or your legal personal representative as the recipient of your legalsuper pension account in the event of your death. legalsuper will take your nomination into consideration.

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

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

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

Please note that a death benefit nomination only applies to the particular legalsuper account that you specify that nomination for and the most recent valid nomination will apply only to that particular account.

The most recent valid non-binding nomination will replace any previous non-binding nomination for that particular account, whilst the most recent valid binding nomination will replace any previous binding or non-binding nomination for that particular account.

### A. Non-binding nominations

As a member of legalsuper, you have the option to nominate one or more of your dependants, or your legal personal representative, as the person or persons to whom you would like your pension benefits to be paid in the event of your death. If you nominate more than one beneficiary, you should specify the proportion of your benefit that you wish each to have. This kind of nomination is not binding on the Trustee. However, your nomination will be taken into account when the Trustee determines to whom your death benefit will be paid.

## B. Binding nominations

All members of legalsuper can make a binding nomination when selecting one or more beneficiaries. If you make a binding nomination, we must pay your death benefit in accordance with your nomination, provided the nomination complies with legal requirements, such as the following:

- Each nominated beneficiary must either be a dependant (as defined in superannuation law) or your legal personal representative at the time of your death.
- A binding nomination is only valid for three years from the date you sign it or any confirmation or amendment of it. If your circumstances change, or those of any of your beneficiary/ies change, we strongly recommend that you review your nomination and change it if required. This is your responsibility.
- Your nomination must be signed and dated by you in the presence of two adult witnesses, neither of whom is a nominated beneficiary/ies.
- legalsuper does not accept binding nominations made under any form of Power of Attorney.

You may revoke or change a binding nomination notice in accordance with legalsuper's procedures at any time.

If your binding nomination does not comply with these requirements, your death benefit will be paid by the Trustee in its discretion to or for the benefit of one or more of your dependants or your legal personal representative in such proportions as the Trustee determines. If you wish your benefit to pass in accordance with your Will, or if you do not wish to nominate a dependant, or you have no dependant to nominate, you may nominate your legal personal representative. Your nomination should be carefully considered and updated regularly, or whenever your personal circumstances change.

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

A Transfer Balance Cap (\$1.9 million in 2024/2025) applies to the amount of super that can be transferred into the retirement phase. All super you transfer to start a pension (including the legalsuper Pension and the legalsuper Transition to Retirement Pension in the 'retirement phase') or annuity will count towards your Transfer Balance Cap.

In addition, the Transfer Balance Cap also includes the value of other pensions or annuities you may start to receive for some other reason, including where your spouse has died and you are receiving, or start to receive, a pension from their superannuation.

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

# Retirement Bonus

The Retirement Bonus is a bonus payment that you could be eligible to receive when you transfer or move your investment balance from a legalsuper Superannuation account (accumulation phase) to a legalsuper Pension account (retirement phase).

The Retirement Bonus represents a tax saving. During the accumulation phase of a superannuation account, legalsuper sets aside money on your behalf to pay for any capital gains tax liability when assets you are invested in are sold for a profit. When your balance is transferred to a Pension account, no capital gains tax is payable on your investment assets as the Pension account is tax free. legalsuper is therefore able to pass this tax saving on to you in the form of the Retirement Bonus payment if you meet the eligibility requirements.

You will be eligible for the Retirement Bonus payment if:

- When you open a Pension account, you have held a legalsuper Superannuation and/or a legalsuper Transition to Retirement account for at least 12 months prior to transferring to a Pension account.
- You are invested in any of the investment option/s offered by legalsuper except Cash. The Cash investment option is not eligible as it does not attract capital gains tax and therefore no saving is applicable to be passed on to you.
- You are not in the Transition to Retirement phase. These accounts are not eligible as they are not tax-free accounts.
- You have not previously received a Retirement Bonus. If you have received the Bonus payment, then closed and re-opened a second Pension account, you will not receive another payment.

## How and when will you receive the Retirement Bonus?

The Retirement Bonus will be paid to you the same day that you open a Pension account. You do not need to apply for the Bonus; it will be calculated and paid to you automatically.

The Retirement Bonus amount will be listed in your account online as well as in any periodical member statements you receive after your account is opened.

## How much Retirement Bonus will you receive?

The Retirement Bonus is based on your individual circumstances, so every eligible member will receive a different amount. Several factors are used to calculate the payment to you and include:

- Your account balance over the 12-month period preceding your account opening date.
- The investment option/s you were invested in during that period.
- Any investment option switches you made during that period and the amount/s involved.
- legalsuper's tax position during this time.

You can obtain a quote for the Retirement Bonus amount applicable to you at any time using the functionality available in MemberAccess. However, the quote is only applicable at the time it is performed: the actual payment made to you made differ from the quote.

## What other information should you be aware of?

Details of other important considerations to note about the Retirement Bonus are provided below.

**Transfer Balance cap:** Your Retirement Bonus will count toward the transfer balance cap of \$1.9 million applicable from 1 July 2024. A number of conditions apply to Transfer Balance caps which are specified by the ATO; please refer to page 5 for further details.

**Contributions tax:** Contributions tax is not payable on the Retirement Bonus amount.

**Investment options:** The Retirement Bonus will be different for each investment option based on the returns for each option and may not be payable for any investment option that is in a negative position, i.e. records a loss.

**Zero Retirement Bonus:** Under certain market conditions, legalsuper may reduce the Retirement Bonus to zero. See notes below.

## Terms and conditions applicable to the Retirement Bonus

- Under extreme market volatility conditions, legalsuper has the right to stop payment of the Retirement Bonus to members opening new Pension accounts without providing notice.
- Any future legislative change that may come into effect and impacts the tax treatment or other conditions of the Retirement Bonus may result in payments being stopped by legalsuper.
- The Retirement Bonus calculation components or other terms and conditions may be altered without notice at any time at the discretion of legalsuper, including the eligibility criteria and the payment amount applicable.



# Other important information

There are many ways that legalsuper protects you and your retirement savings. We also provide regular information about your account and the operations of the Fund, so you know how your investment is being managed.

## Cooling-off period

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

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

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

During this time, you can close your legalsuper pension account and have your initial capital investment repaid. If you wish to exercise this right, you must advise the Trustee in writing during the cooling-off period.

You cannot exercise your cooling-off period entitlement after you have exercised any of the other rights of your legalsuper membership, such as receiving an income payment or making an investment switch.

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

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

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

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

## Enquiries and Complaints

We have a dispute resolution procedure in place and the Trustee's procedure for dealing with enquiries and complaints requires all complaints to be properly considered and dealt with within 45 days (except for death benefit distribution complaints where the Trustee can respond within 90 days after the objection period).

If you have an enquiry or complaint, please contact us online, via email, or on **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday) or write to:

Complaints Officer, legalsuper  
Locked Bag 5081  
Parramatta NSW 2124

Please note there are time limits in relation to making certain complaints. Once your complaint has been investigated, you will receive a written reply advising of the Trustee's decision. If you are not satisfied with the Trustee's response to your complaint or you have not received a response within time, you may take your complaint to the Australian Financial Complaints Authority (AFCA). AFCA is an external dispute resolution (EDR) scheme established to deal with complaints from consumers in the financial system.

AFCA may be contacted at:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Telephone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [afca.org.au](http://afca.org.au)

Consumers have a right to access the AFCA scheme without charge.

## Privacy

Privacy laws regulate, amongst other things, the way organisations collect, use, disclose and store personal information. legalsuper is committed to respecting the privacy of your personal information.

legalsuper collects personal information to establish and manage your superannuation account. If you choose not to provide your personal information, we may not be able to process your membership application and administer your account.

The Trustee may disclose your personal information to its service providers and third parties where required by law or in order to administer and manage your superannuation account, e.g. the Australian Taxation Office, Fund administrator and other superannuation funds.

The Trustee may make members aware of products and services that are available to them as Fund members. If you do not wish to receive information of this kind, please contact legalsuper by email at [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au) or telephone **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday).

Your personal information will not be used or disclosed for any other purpose without your consent. You are entitled to request access to the personal information we hold about you and to correct any information that is inaccurate or out of date.

If you would like more information on privacy law requirements or a copy of legalsuper's privacy policy, please contact us on **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday) or visit [legalsuper.com.au](http://legalsuper.com.au) or write to:

legalsuper  
Locked Bag 5081  
Parramatta NSW 2124

## Bankruptcy and superannuation

The *Bankruptcy Act 1996* has a number of provisions that affect superannuation. It now specifies that contributions to a superannuation fund not made in good faith, (i.e. 'excessive contributions') and contributions made with an intention to defeat creditors in a set period before bankruptcy may be returned to creditors.

Additionally, it specifies that, above set limits, a trustee is able to claim pension income received by a bankrupt from a superannuation fund.

## Tax File Numbers (TFN)

Under the *Superannuation Industry (Supervision) Act 1993*, legalsuper is authorised to collect, use and disclose your TFN.

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

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

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

The consequences of not providing your TFN may change in future as a result of legislative changes. If you do tell us your TFN, we will treat it as confidential and use it for legal purposes, such as:

- to calculate tax on any Eligible Termination Payment you may be entitled to;
- to give your TFN to the relevant authority, if we are paying unclaimed money;
- to give your TFN to the Commissioner of Taxation if you receive a benefit; and
- if we transfer your benefits to another superannuation fund or retirement savings account.

These purposes may change in future as a result of legislative changes.

## Electronic communication

If you or your employer has provided your email and/or mobile number, information relating to legalsuper and your legalsuper account will be provided to you electronically via email, MemberAccess, [legalsuper.com.au](https://legalsuper.com.au) or SMS, unless you request otherwise. This includes annual statements, notices (including Significant Event Notices), updates and information about your account.

If we do not hold a valid email address for you we will send communications which we are required to provide under superannuation law to you in the post.

To opt out of electronic communications or to provide a different address (either electronic or postal) simply call, email us or visit MemberAccess at [legalsuper.com.au](https://legalsuper.com.au) where you can choose your communication preferences.

## Confirmation of transactions

Where required by law, all transactions will be confirmed by the Trustee in writing.

## Trust Deed amendments

The Trustee can amend the Trust Deed of legalsuper without your consent if:

- the amendment does not reduce the existing accrued benefits of members or beneficiaries; or
- all relevant consents as required by law or by the Trust Deed are obtained; or
- in the opinion of the Trustee, the principal purpose of the amendment is to improve relief or concessions from taxes or other Government imposts or to better enable legalsuper to comply with any law, subject to superannuation law.

## Have your say

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

## Consent

Each party described in this Document as performing a role in connection with legalsuper has consented to being named in this Document and, where applicable, to the inclusion in this Document of statements, in the form and context in which they are included, that are made by them or said to be based on statements made by them.

## Family Law

Family Law legislation allows for superannuation benefits to be divided between couples upon their separation or divorce.

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

A request for information about a member's benefits can be made by the member, the member's spouse or de facto partner, whether same sex or opposite sex (irrespective of whether the spouse or de facto partner is a member) or a person considering entering into a superannuation agreement with a member. By law, the Trustee is not permitted to tell you if such a request has been made. Currently legalsuper does not charge a fee for family law matters.

## Contact us



The Trustee of legalsuper's contact details are:

Legal Super Pty Ltd  
Level 9, 627 Chapel Street  
South Yarra VIC 3141

Phone: (03) 9602 0100  
Email: [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)

# Glossary

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

## **AFSL**

Australian Financial Services Licence.

## **Asset class/Asset allocation**

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

## **Assets Test**

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

## **ATO**

Australian Taxation Office.

## **Benchmark**

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

## **Capital Gains Tax**

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

## **Cashing restrictions**

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

## **CGT exempt component**

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

## **Child**

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

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

## **Commutation**

The process of converting a pension into a lump sum.

## **Concessional component**

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

## **Concessional contributions**

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

## **Consumer Price Index (CPI)**

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

## **Employer contributions**

The Superannuation Guarantee contributions made by your employer.

## **Inflation rate**

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

## **Interdependency relationship**

Generally, two people are in an interdependency relationship if:

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

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

## **Investment objectives**

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

legalsuper.com.au

### **Investment risk**

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

### **Investment strategy**

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

### **Lost members**

A member is deemed to be lost if:

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

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

### **Medicare Levy**

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

### **National Business Day**

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

### **Non-concessional contributions**

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

### **Post 30 June 1983 component**

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

### **Post 30 June 1994 invalidity component**

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

### **Preservation age**

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

### **Preserved benefits**

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

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

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

### **Restricted non-preserved benefits**

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

### **Reversionary beneficiary of a legalsuper member**

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

### **Spouse**

Includes a person who in the opinion of the Trustee is at the relevant time (being in the case of a deceased person, the date of their death):

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

### **Switching**

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

### **Taxable component**

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

### **Tax deductible contributions**

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

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

### **Tax-free component**

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

### **TFN**

Tax File Number.

### **Transfers in**

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

### **Trustee**

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

### **Trust Deed**

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

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

# Certified proof of identity

You will need to submit one or two forms of acceptable proof of identity with your application form, and provide certified copies of your original documents.

**legalsuper will accept:**

**ONE OF THE FOLLOWING DOCUMENTS ONLY:**

- current driver's licence (both sides) issued under State or Territory law; or
- current passport.

OR

**ONE OF EACH OF THE FOLLOWING:**

- notice issued by Commonwealth, State or Territory Government or local council within the past twelve months that contains your name and residential address;
- a bank statement or utility notice with your current mailing address.

A *certified copy* means a document that has been certified as a true copy of an original document by one of the following persons:

- a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described);
- a judge of a court\*;
- a magistrate;
- a chief executive officer of a Commonwealth court;
- a registrar or deputy registrar of a court\*;
- a Justice of the Peace\*;
- a notary public\*;
- a police officer;

- an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- a permanent employee of the Australian Postal Corporation with two or more years of continuous service who is employed in a office supplying postal services to the public;
- an Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955)\*;
- an officer with two or more continuous years of service with one or more financial institutions; or
- a member of the Institute of Chartered Accountants in Australia and New Zealand, CPA Australia, the Association of Taxation and Management Accountants or the Institute of Public Accountants.

The certification should be dated and include the full name (both in print and signature), telephone number and type of authority (from above list) of the person certifying.

The document bearing the original certifying signature must be received by legalsuper, either by email or post.

**Although they may be qualifying members of the legal profession, members (as well as their family members) cannot certify their own documents.**

\*If you live overseas these people can certify your documents.



Please note that you may be able to use electronic verification to prove your identity. If you want to use electronic verification, please complete Section 9 of the Pension membership application or call **1800 060 312** (Monday to Friday, 8am to 8pm [AEST/AEDT]) for assistance.

# Pension membership application

Before you complete this application form, you must read the legalsuper *Pension Product Disclosure Statement (Pension PDS) and Target Market Determination (TMD)*, which include important information about legalsuper pensions. The legalsuper *Pension PDS, TMD* and all forms that you may require are available free of charge at [legalsuper.com.au](http://legalsuper.com.au) or by calling **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday). Please use **BLOCK letters and black ink** when completing this form and ensure all relevant fields are completed. This form will be invalid if unsigned or undated by the applicant (see section 9). Attach any associated documentation before returning it legalsuper.

**Return this completed form to either:**

**Email:** [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)  
**OR**

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

## 1. Membership status

Are you an existing legalsuper member?

Yes  No

## 2. Pension option

**Pension**  
I declare that:

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

Please note that a maximum investment amount applies.

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

**Transition to Retirement Pension**

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

## 3. Personal details

Mr  Mrs  Ms  Miss  Dr  Justice

Surname

Given Names

Date of birth (dd/mm/yyyy)

Residential Address

Town or Suburb

State

Postcode

Postal Address (if different to Residential Address above)

Town or Suburb

State

Postcode

Tax File Number

Telephone Number

Mobile Number

Email

## Collection of Tax File Numbers (TFN)

Under the Superannuation Industry (Supervision) Act 1993, legalsuper is authorised to collect, use and disclose your TFN.

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

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

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

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

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



#### 4. Investment amount\*

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

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

Membership number:

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

the full balance of the account, less

\$  to keep the account open.

the nominated sum of \$

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

Existing Pension membership number:

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

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

\* Please note that a Transfer Balance Cap (\$1.9 million for 2024/2025 for new pensions) applies to the amount of super that can be transferred into the retirement phase. This means that a maximum of up to \$1.9 million can be invested in a legalsuper Pension or a legalsuper Transition to Retirement Pension in the 'retirement phase' (see page 5 of the *Pension PDS*).

C. Monies from other superannuation funds.

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

Please list each fund name and corresponding member number:

Fund name:

Member number:

<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

#### 5. Investment profile

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

##### IMPORTANT – PLEASE READ

You MUST select only one Investment profile\* option from Option A OR Option B below. Option C only applies if you have an existing Direct Investment Option (DIO).

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

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

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

##### A – Investment Profile – select\* % for each Investment Choice

Cash	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Conservative	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Conservative Balanced	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Balanced Index	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Balanced	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Growth	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
High Growth	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Australian Shares	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Overseas Shares	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
Balanced Socially Responsible	<input type="text"/>	<input type="text"/>	<input type="text"/>	%
<b>Total (must total 100%)</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>%</b>

##### B – Investment Profile – transfer\*

Please use my legalsuper superannuation Investment Profile

##### C – Transfer my existing DIO

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

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

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

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

In making this request, I:

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

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

## 6. Payment options

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

I want to receive my pension payments:

- Fortnightly     Monthly  
 Quarterly (September/December/March/June)  
 Half-yearly – in the months of  and   
 (June and December apply if not specified)  
 Yearly – in the month of  (June applies if not specified)

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

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

Yearly payments are not available in July.

### Regular pension payment

If a pension is commenced prior to 1 June in a year, both **the minimum and maximum amount (TTR account only) will be automatically pro-rated** by the number of days between date of commencement and the following 30 June.

Please tick one box only

- The **minimum amount** per annum required under legislative guidelines  
 A **nominated amount per payment** (subject to minimum/maximum legislative guidelines):  
 \$   
 The **maximum amount – TTR account only** (maximum 10% per annum of your account balance allowed under legislative guidelines)  
 Please select this option if you wish to receive the the full amount allowed. If not ticked, you will receive the pro rata amount as stated above.

### Pension payment drawdown options

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

- Option 1 (default):** Pension payments are paid proportionately across my Investment Profile selection as chosen at section 5.  
 If instead, you choose the following option 2 or 3 you must also complete the table that follows.  
 **Option 2:** Specify a different pension payment drawdown split by completing the table below – I want legalsuper to pay my pension amount in the following split of my Investment Profile selection (section 5).  
 **Option 3:** Specify the order of investment options that you would like your pension payment paid from by completing the table below – I want legalsuper to pay my pension amount in the following order of my Investment Profile selection (section 5).

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

	Option 2: Pension payment split (%)	OR	Option 3: Pension payment order (#)
Cash	<input type="text"/> . <input type="text"/> <input type="text"/> %		<input type="text"/>
Conservative	<input type="text"/> . <input type="text"/> <input type="text"/> %		<input type="text"/>
Conservative Balanced	<input type="text"/> . <input type="text"/> <input type="text"/> %		<input type="text"/>
Balanced Index	<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"/>
Growth	<input type="text"/> . <input type="text"/> <input type="text"/> %		<input type="text"/>
High Growth	<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"/>
Overseas Shares	<input type="text"/> . <input type="text"/> <input type="text"/> %		<input type="text"/>
Balanced Socially Responsible	<input type="text"/> . <input type="text"/> <input type="text"/> %		<input type="text"/>
<b>Total (must total 100%)</b>	<b>100 . 0 0 %</b>		

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

### Payment instructions

Credit the following bank/building society/credit union:

Bank name/financial institution

Address of bank (suburb or town)

Account holder's name



BSB number

Account number

### Note:

- Please provide a copy of your bank statement (not more than 12 months old) so we can verify that the above details you have provided are correct.
- legalsuper can only deposit amounts into an account held in your name or jointly in your name.

## 7. Nomination of beneficiary/ies

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

All members of legalsuper may make a death benefit nomination. The Trustee will consider the most recent valid nomination that you have with legalsuper.

You may elect to make either a Binding or Non-binding nomination of beneficiary/ies to whom your accrued legalsuper entitlements (plus any insurance proceeds) (**Death benefit**) will be paid in the event of your death.

**Please note:** a death benefit nomination only applies to the particular legalsuper account that you specify that nomination for and the most recent valid nomination will apply only to that particular account.

The most recent valid Non-binding nomination will replace any previous Non-binding nomination for that particular account, whilst the most recent valid Binding nomination will replace any previous Binding or Non-binding nomination for that particular account.

A valid Non-binding nomination of preferred beneficiaries is not binding on the Trustee, but will assist the Trustee in exercising its discretion. The Trustee will determine what proportion of your entitlements goes to one or more of your dependants and/or your legal personal representative (estate) on your death. Unless the Trustee decides to pay the benefits to your legal personal representative, your entitlements will not form part of your estate and will therefore not be subject to the terms of your Will.

A valid Binding nomination of beneficiaries will bind the Trustee to pay your entitlements on your death exactly as you specify. Your nomination will only be valid and binding if it is made in accordance with relevant requirements. The requirements include that you sign and date the declaration in section 8 in the presence of two persons over 18 years of age who witnessed you sign and date the declaration, and those witnesses are not included in your nomination. You must submit this form with original signatures to the Trustee. **Please remember:** a Binding nomination is only valid for three years from the date you sign it, confirm or amend it.

The Trustee does not accept any nomination made under any form of Power of Attorney.

You can nominate both individual beneficiaries and a legal personal representative (estate).

### 'Dependant' is defined as:

- (a) the spouse of the person, any child of the person and any person with whom the person has an interdependency relationship at the relevant time (being in the case of a deceased person the date of their death); and
- (b) any other person who in the opinion of the Trustee is at the relevant time (being in the case of a deceased person the date of their death) wholly or partially dependent on the person.

### 'Interdependency' means:

Two persons have an interdependency relationship if:

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

Two people have an interdependency relationship if they have a close personal relationship but do not satisfy the other requirements of an interdependency relationship because either or both of them suffer from physical, intellectual or psychiatric disability.

Please nominate the type of beneficiary option you wish to be implemented in the event of your death. Please select one option.

#### Option 1 – As a reversionary pension to be paid to your nominated dependant\*

Mr  Mrs  Ms  Miss  Dr  Justice  
Surname

Given Names

Date of birth (dd/mm/yyyy)

Relationship

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

#### Option 2 – Lump sum to be paid to your nominated beneficiary/ies (this includes your legal personal representative (estate))

Please select the type of nomination you wish to be implemented in the event of your death:

- My nomination is to be Non-binding
- My nomination is to be Binding

Please provide the names of your preferred beneficiary/ies in the event of your death. You can photocopy this page of the form if you have more than four beneficiary nominations. **Benefit allocations can only be up to 2 decimal places and must add up to 100%. Please complete all parts of this section.**

Surname

1

Given name(s)

Relationship

Spouse  Child  Financial dependant  Interdependent  
Date of birth % of benefits

**OR** Legal personal representative (write their full name below) % of benefits

Surname

2

Given name(s)

Relationship

Spouse  Child  Financial dependant  Interdependent  
Date of birth % of benefits

Surname

3

Given name(s)

Relationship

Spouse  Child  Financial dependant  Interdependent

Date of birth

% of benefits

Surname

4

Given name(s)

Relationship

Spouse  Child  Financial dependant  Interdependent

Date of birth

% of benefits

**Total must equal 100%**

### 8. Declaration

I acknowledge that:

- I have read and understood the information in this form and the relevant legalsuper PDS regarding nominations.
- Each beneficiary I nominated must be either a dependant as defined in this form or my legal personal representative at the time of my death.
- My beneficiary/ies and I will be bound by the provisions of the legalsuper Trust Deed (as amended) relating to nominations.
- If I made a Binding nomination, it is only valid for three years from the date I sign it or any confirmation or amendment of it.
- I accept that should my circumstances change, or those of any of my beneficiary/ies, it is my responsibility to review my nomination and change it if required.
- I may at any time revoke or change my nomination in accordance with legalsuper's procedures.
- If this nomination is invalid, or is a non-binding nomination, or has not been received by the Trustee when I die, the Death benefit will be paid by the Trustee in its discretion to or for the benefit of one or more of my dependants or my legal personal representative in such proportions between them as the Trustee determines.
- This nomination will replace any previous valid Binding or Non-binding nomination held by the Trustee for this particular account I have with legalsuper.
- I agree and understand that my pension superannuation arrangements will be governed by prevailing legislation and the terms and provisions of legalsuper's governing rules as in force from time to time.
- I have read the above information setting out the terms upon which this nomination is made.
- My nomination was not made under any form of Power of Attorney.

Member's signature

Date (dd/mm/yyyy)

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

In witnessing this nomination, I declare that the member signed and dated the nomination above in my presence, I am at least 18 years of age and I am not nominated above as beneficiary or legal personal representative of the member.

#### Witness 1

Surname

Given names

Signature

Date (dd/mm/yyyy)

#### Witness 2

Surname

Given names

Signature

Date (dd/mm/yyyy)

### 9. Proof of identity

You must provide proof of identity with this application. This can be done by submitting certified documents as detailed on page 52 or you may be able to use electronic verification to prove your identity.

If you want to use electronic verification, please complete the information in this section 9 or call **1800 060 312** (8am to 8pm [AEST / AEDT] Monday to Friday) for assistance.

#### Use electronic verification to prove identity

By providing you my Medicare, driver's licence or Australian passport details below, I authorise the use of my personal details (including the information below) for the purpose of electronic data verification using reliable and independent data sources. I understand the Fund uses a third party for this purpose.

**Important:** Make sure the details you provide are accurate. If your personal details provided at the start of this form do not match your electronic identification details, we won't be able to prove your identity which will delay processing your request.

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

##### Document 1: Australian driver's licence

First name as shown on your licence:

Surname as shown on your licence:

Australian driver's licence number:

Card number\*:

Expiry date: (dd/mm/yyyy)

State of issue:

\*Card number location on licences vary from state to state. If you cannot locate yours, please check with your state authority.

**Document 2: Australian passport**

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

Surname as shown on your passport:

Australian passport number:

Place of birth as shown on your passport:

Country of birth (not shown on passport):

Family name at birth (not shown on passport):

**Document 3: Medicare card**

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

Card number:

Valid to: (mm/yyyy)

I am person number  on this card

**10. Declaration**

The personal information that you have provided on this form will be used by legalsuper to establish your account in accordance with your instructions. If you do not complete the sections as detailed on page 1 of this form, the Trustee will not be able to establish your account as you have requested. Information about how legalsuper uses and discloses the personal information that you provide is contained in the Fund's *Privacy Policy*. To access the Fund's policy and your personal details or to make an enquiry about any aspect of your Fund membership, please call legalsuper on **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday), visit legalsuper's website at **legalsuper.com.au** or write to legalsuper Pension at Locked Bag 5081, Parramatta NSW 2124.

I consent to legalsuper (including its service providers) sending me information about products and services that other companies may offer to legalsuper members. (If you do not want legalsuper to send such information to you, simply tick the box below).

No, I do not consent to the provision of this information.

I declare that the information provided by me in this form is correct and complete.

I acknowledge that:

- (i) I have read the legalsuper *Pension PDS*.
- (ii) I declare and agree that I am not a temporary resident.\*
- (iii) legalsuper is not responsible for my choice of investment strategy or my individual investment selection(s), or my pension payment drawdown option or my decisions as to whether or when to sell my investments.
- (iv) legalsuper is not responsible for any delays in implementing my instructions.
- (v) Any super I use to start a legalsuper Pension is subject to the Transfer Balance Cap and I am not exceeding the Transfer Balance Cap in starting a legalsuper Pension.
- (vi) I understand legalsuper will confirm my instructions in writing.

I acknowledge that I should seek independent professional financial advice if I need assistance in understanding my pension options in completing this form.

Member's signature

Date (dd/mm/yyyy)

\*A temporary resident is a holder of a temporary visa under the Migration Act 1958, other than a retirement visa holder (subclass 405 or 410), and is not an Australian citizen, a New Zealand citizen or a permanent resident.

**Applications without proof of identity cannot be accepted. You must submit certified proof of identity documents or use electronic verification to prove your identity. Please see page 52 or Section 9 of this form for further information.**

**Please complete Section 9 of this form or call 1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday) for assistance.**

# Rollover request to transfer whole balance of superannuation into legalsuper

By completing this form, you will initiate a rollover request to transfer the whole balance of your super benefits to legalsuper. This form can not be used to transfer part of the balance of your super benefits. If you have multiple accounts to consolidate, you need to complete a separate form for each account. You can also consolidate your super online by logging in to MemberAccess at [legalsuper.com.au](https://legalsuper.com.au)

This form will not change the fund to which your employer pays your contributions. The Standard choice form must be used by you to change funds. Before you decide to consolidate, make sure you are informed. Check what insurance cover you may lose with the other fund. You may be able to transfer this cover to legalsuper.

Please use **BLOCK LETTERS** and **BLACK INK** when completing this form.

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

## Personal details

Mr  Mrs  Ms  Miss  Other

\*Surname

\*Given Names

Other/Previous Names

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

Tax file number

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

\*Sex  Male  Female

Telephone Number

Mobile Number

\*Residential Address

\*Town or Suburb

\*State

\*Postcode

Previous Address

Town or Suburb

State

Postcode

## Fund details

### FROM (Transferring fund)

\*Fund name

Fund Telephone Number

\*Member or account number

\*Australian business number (ABN)

\*Unique Superannuation identifier

### For SMSFs only

### FROM (Transferring fund)

\*Electronic service address

### TO (Receiving fund)

Fund name

L E G A L S U P E R

Fund Telephone Number

1 8 0 0 0 6 0 3 1 2

\*Member or account number

Australian business number (ABN)

6 0 3 4 6 0 7 8 8 7 9

Unique Superannuation identifier

L I S O 1 0 0 A U

## Authorisation

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

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

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

\*Signature

\*Date (dd/mm/yyyy)

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## IMPORTANT INFORMATION

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

This form can not be used to:

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

## What happens to my future Employer Contributions?

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

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

## Things you need to consider when transferring your superannuation

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

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

Some of the points you may consider are:

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

## What happens if I don't provide my Tax File Number (TFN)?

Under the *Superannuation Industry (Supervision) Act 1993*, legalsuper is authorised to collect, use and disclose your TFN.

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

Declining to quote your TFN to legalsuper is not an offence. However, giving your TFN to your super fund will have the following advantages:

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

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

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

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

legalsuper  
Locked Bag 5081  
Parramatta NSW 2124







 [legalsuper.com.au](https://legalsuper.com.au)     1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday)

 [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)     Locked Bag 5081 Parramatta NSW 2124

Issued by Legal Super Pty Ltd, ABN 37 004 455 789, AFSL 246315, as trustee for legalsuper ABN 60 346 078 879

The information contained in this Pension Product Disclosure Statement (Pension PDS) is about legalsuper. Any advice contained in this Pension PDS is of a general nature and does not take into account your objectives, financial situation or needs. You should consider your own financial position, objectives and requirements before making any financial decisions. Past performance is not a guide to future performance.



# Guaranteed Income Account Product Disclosure Statement



Issued 6 November 2023

This legalsuper Guaranteed Income Account Product Disclosure Statement is issued by Legal Super Pty Ltd, Level 9, 627 William Street, South Yarra VIC 3141 (ABN 37 004 455 789, AFSL 246315) as the Trustee for legalsuper ABN 60 346 078 879.

## **PRODUCT DISCLOSURE STATEMENT**

Issued by Legal Super Pty Ltd  
Level 9, 627 Chapel Street, South Yarra, 3141  
ABN 37 004 455 789, AFSL 246315, L0002585  
legalsuper ABN 60 346 078 879 (the Fund)

### **Fund Contact Details**

Phone: 1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday)  
Email: [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)  
[legalsuper.com.au](http://legalsuper.com.au)

Date of preparation: 6 November 2023

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# About this document

The information contained in this legalsuper *Guaranteed Income Account Product Disclosure Statement (PDS)* is correct at the date of preparation being 30 June 2023. A copy of this legalsuper *Guaranteed Income Account PDS* is available from us on request at any time without charge.

The Lifetime Guaranteed Income and Fixed Term Guaranteed Income products are offered by legalsuper and are collectively referred to in this PDS as Guaranteed Income Accounts. Where the term 'account' is used in this PDS, it refers to an interest in the income products covered by this PDS. However, there is no actual account balance attributable to a member's interest in a Lifetime Guaranteed Income Account or Fixed Term Guaranteed Income Account.

Information contained in this PDS may change from time to time and may be updated on our website at legalsuper.com.au or by information updates, except for that information which could be materially adverse.

Paper copies of any updated material will also be available without charge upon request to the Trustee by telephone on **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday) or by writing to the Trustee at the address shown on the back cover of this PDS.

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

Whilst every effort has been made to ensure that the contents of this PDS are accurate and consistent with the governing rules of the Guaranteed Income Accounts, including legalsuper's Trust Deed, the governing rules of the Guaranteed Income Accounts are the final authority if there are any discrepancies.

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

Please note that the Trustee reserves the right not to accept an application where the Trustee considers that to do so would or might cause a breach of any actual or announced legislative or regulatory restriction relating to Guaranteed Income Accounts, or would or might result in adverse tax consequences for the applicant or legalsuper. Nonetheless the Trustee does not take responsibility for assessing or determining the tax consequences for you of investing in a Guaranteed Income Account. We recommend that you seek the advice of a licensed financial adviser before investing.

The Trustee does not guarantee the performance of legalsuper, the repayment of capital or any particular rate of return. The advice given in this PDS is of a general nature only and is not intended to take the place of personal advice from a licensed financial adviser. Before making any decisions on the basis of the information in this PDS, we recommend that you obtain independent advice from a licensed financial adviser that takes into account your personal circumstances. We have not taken into account your personal investment objectives, financial situation or particular needs. Past performance is not a guide to future performance.

This PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. The distribution of this PDS in jurisdictions outside Australia may be restricted by law. Any persons outside Australia who come into possession of this PDS should seek advice on and observe any restrictions that apply. A failure to comply with such restrictions may constitute a violation of applicable securities law. The offer constituted by this PDS if received in electronic form is available only to persons in Australia. Please note that legalsuper does not accept application forms electronically. We require an original signature on a hard copy of any application form.

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

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

# Important notice

When you invest in a Guaranteed Income Account, your money is invested by the Trustee in a life policy issued to the Trustee by Challenger Life Company Limited (ABN 44 072 486 938) (AFSL 234670) (Challenger Life), a life insurance company regulated under the *Life Insurance Act 1995 (Cth)* (Life Act). Challenger Life is authorised by the Australian Prudential Regulation Authority (APRA) to operate a life insurance business in Australia. The benefits provided by the Guaranteed Income Accounts are supported by the policy issued by Challenger Life, and the Trustee will only pay members their income payments, withdrawal value or residual capital value to the extent that the Trustee receives payment from Challenger Life.

All references to guarantees in relation to benefits provided by the Guaranteed Income Accounts are to the guarantee from Challenger Life pursuant to the life policy issued to the Trustee by Challenger Life. An investment in a Lifetime Guaranteed Income Account is designed to be treated as an 'innovative' superannuation income stream governed under pension rules.

The Trustee, as issuer of the Lifetime Guaranteed Income and Fixed Term Guaranteed Income accounts, relies wholly on Challenger Life to fund your agreed income payments, any withdrawal amount and any residual capital value (if applicable). The Trustee does not guarantee the performance of Guaranteed Income Accounts, the repayment of capital, or the payment of any income. Under no circumstances will the Trustee pay your entitlements under a Guaranteed Income Account if Challenger Life is unable to fund these entitlements.

Challenger Life's ultimate parent company is Challenger Limited (ABN 85 106 842 371). Neither Challenger Limited nor any other company within the Challenger group of companies guarantees the performance of Challenger Life's obligations or assumes any liability in connection with the life policy issued to the Trustee.

For more information on the guarantee, please refer to 'Your guarantee' on page 8.

Information about the Guaranteed Income Accounts is based on information contained in the policy documents issued by Challenger Life. Challenger Life has given, and not withdrawn before the date of this PDS, its written consent for this information to be included in this PDS in the form and context in which it appears. Challenger Life takes no responsibility for any other information contained in this PDS.

# Chief Executive's welcome



You know law. We know super.

As the provider of superannuation services to the legal industry, we've served its unique needs for over thirty years. Since 1989 we have delivered customised high-performing superannuation solutions for the legal community. Members trust us to act in their best financial interests. We manage their super with the same exceptional level of knowledge they bring to their work in law. This commitment is the bedrock of our partnership and drives everything we do.

## Top performing fund that delivers for members

We design and manage our portfolios to be resilient in a wide range of market scenarios across a full business cycle. Our smaller size enables us to take advantage of opportunities generally not available to larger funds, whilst providing greater downside protection to address volatility and deliver competitive risk-adjusted returns against our peers. We believe this approach leads to a better investment outcome for our members.

## Personal support to help members achieve their retirement goals

Our experienced team of superannuation specialists is available to assist in exploring every available option. Whether you prefer in-person, over-the-phone, or online meetings, legalsuper's skilled Client Service Managers have a combined average of 20 years in the financial industry and are committed to making your experience easy and effective.

## Part of your community

We have a long and proud history of supporting member associations within Australia's legal community. We partner with all law societies and other legal-related institutions Australia-wide.

We invest in training programs and career development activities that further the careers of students and lawyers across the country.

We also support Mental Health First Aid (MHFA) training specifically designed for the legal industry. The training enables non-health professionals to assist a person experiencing mental health problems through education, practical tools and strategies until appropriate professional help is received.

## Awards

We're proud to have been awarded several industry rating awards including:

- a AAA rating from Rainmaker for our Employer-Sponsored Super, Personal Super and Pension products.
- SuperRatings Gold rating for our MySuper Balanced, Personal Super and Employer-Sponsored Super and Platinum rating for our Pension product.
- 4 Apple rating from Chant West for our Super and Pension products.
- 5 star Superannuation Quality Rating from The Heron Partnership.
- Money Magazines 2022 award for Best Member Direct Investment Choice for our Direct Investment Option.
- CX Award 2022 for the Best use of data and insights to improve our customer's experience.

## We're here to help

If you would like to meet with a member of our team for more in-depth and personalised support about legalsuper, call us on 1800 060 312 or book a meeting directly with one of our Client Service Managers at [legalsuper.com.au/bookmeeting](https://legalsuper.com.au/bookmeeting).

We look forward to welcoming you to legalsuper,

Luke Symons  
Chief Executive Officer

# About legalsuper

**legalsuper is the superannuation fund for the Australian legal community. It is a profit for member superannuation fund.**

Legal Super Pty Ltd is the trustee of legalsuper. It is responsible for managing legalsuper in the best financial interests of its members. The shareholders of Legal Super Pty Ltd are, in equal part, the Law Institute of Victoria and Law Society of New South Wales. No dividends are paid to these shareholders.

Employed and self-employed members (and their spouses) can join legalsuper. As legalsuper is a public offer fund, those outside the legal community can also join legalsuper.

Members who retire can remain members of legalsuper and can choose to transfer their accumulated balance into a pension account from which a regular income is paid to them.

Two pension options are available:

- a Retirement Pension; and
- a Transition to Retirement Pension.

Members aged over 60 can also access guaranteed income accounts (annuities) which are supported by a policy issued by Challenger Life Company Limited. These accounts provide members a regular income either for life or a fixed term.

Superannuation is complex. It is also subject to ongoing change. Our website – [legalsuper.com.au](http://legalsuper.com.au) – includes information about superannuation and pensions as well as interactive calculators and fact sheets to help you engage with your savings. Our Client Service Managers are available to meet with you one-on-one. If you wish to arrange a complimentary workplace seminar or one-on-one meeting with a Client Service Manager, call or email us.



If you have questions, please call **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday) or email **[mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)**.



Members can log-on via our website – **[legalsuper.com.au](http://legalsuper.com.au)** – to enquire upon (e.g. check your current balance or review recent transactions) and update their account (e.g. change investment option or change address).

The balance of this *Guaranteed Income Account PDS* sets out more information about legalsuper and its products and services.

## Risks of legalsuper

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

- Investment risks. Generally, the higher an investment's potential return, the greater the risk associated with that investment. Historically, investment in shares has provided the highest average returns, but has also demonstrated the greatest volatility in the short term. Over the longer term, lower-risk investments, such as cash or fixed interest, generally provide lower returns, but are less volatile than shares. Further information about risks are set out on page 7.
- Changes in laws. You need to be aware that superannuation and taxation laws change often, and this can impact on your investment in legalsuper. Changes can also occur to the taxation of pensions, which may affect the value of your investment.
- Outsourcing risk. legalsuper outsources a number of services such as administration and insurance. There is a risk that the companies to which we have outsourced may not perform in accordance with the agreements we have signed. This may lead to delays in actioning any member requests such as processing contributions, withdrawals, investment instructions, or insurance claims.
- System risk. There is a risk that the value or access to member benefits could be affected by interruption to legalsuper's administration systems. An example would be if there was an interruption or fault in any part of legalsuper's computer or telecommunications systems. Such interruption may be caused by breakdown, system overload, virus attack, unauthorised access, denial of service, or other malicious attack. The legalsuper website could become congested due to abnormal activity such as if the stock market falls significantly and many investors wish to simultaneously access the website.

There are also some risks particular to pensions:

- A legalsuper pension may not be the most appropriate product for your needs.
- The investment returns on your pension account may not keep pace with inflation.
- The pension you choose may not provide adequate income to meet your needs or may not provide income for as long as you need it.



# Benefits of Guaranteed Income Accounts

The benefits of Guaranteed Income Accounts are set out below. The benefits must be considered along with the risks, which are described on page 7.

## Regular payments

In exchange for an initial capital investment, a Guaranteed Income Account provides regular payments for a fixed term that you select, or for your lifetime.

You can also choose to have regular payments paid to your spouse, known as your 'reversionary', in the event you die before that person. Your reversionary can continue to receive payments:

- until the end of the fixed term, if you have a Fixed Term Guaranteed Income Account, or
- for their lifetime, if you have a Lifetime Guaranteed Income Account.

The initial amount of your regular payments is determined at the time you open a Guaranteed Income Account, and will depend on the initial capital investment, the account options you choose, prevailing interest rates and, if starting a Lifetime Guaranteed Income Account, your life expectancy (and the life expectancy of any reversionary).

The dollar value of your regular payments can change over time if you choose an indexation option or, if you are starting a Lifetime Guaranteed Income Account, a benefit reduction option (under which payments will reduce once made to your reversionary).

## Market and inflation protection

Guaranteed Income Accounts can provide you with the comfort of knowing you will receive regular payments for your chosen fixed term or your lifetime, regardless of how investment markets perform. You will not bear any market risk in relation to how your capital is invested. Challenger Life bears the market risk as it guarantees to make payment, regardless of how investment markets perform. For more information please refer to 'Your guarantee' on page 8.

If you choose indexation, your Guaranteed Income Account can also help protect you from the effects of inflation reducing the purchasing power of your regular payments.

## Longevity protection

A Lifetime Guaranteed Income Account provides you a regular income that lasts for your lifetime. Challenger Life guarantees to make the regular payments while you are alive. If you choose a reversionary and that person survives you, regular payments continue to be made to that person after your death.

## The comfort of access to your money

If you wish, such as if your circumstances change, you have the comfort that you can withdraw early from your Fixed Term Guaranteed Income Account, or early from your Lifetime Guaranteed Income Account during your nominated withdrawal period, and receive a lump sum.

The withdrawal value varies over time and you might (and generally would) receive less money than you invested or less than the amount you might have received had you continued to hold your account until the end of the fixed term or for your lifetime (as applicable).

Important: A Lifetime Guaranteed Income Account ceases to have a withdrawal value after the end of the withdrawal period.

Once you are paid the withdrawal value, your account ceases and no further payments will be made.

For more information on withdrawing from a Guaranteed Income Account, please refer to 'Withdrawals' page 17.

## Competitive rates

The dollar amount of your regular payments is based on competitive rates. The dollar amount will depend on the initial capital investment, prevailing market conditions (such as interest rates at the time you start your account), the account options you choose and, if starting a Lifetime Guaranteed Income Account, your life expectancy (and the life expectancy of any reversionary). Depending on the options you choose, your regular payments will be higher or lower. For more information on account options, please refer to pages 9 – 14.

## Death benefits

You can choose to have regular payments paid to your reversionary in the event you die before that person. If your nominated reversionary dies before you or can't receive the benefits, or you don't elect a reversionary, and you die within the withdrawal period or fixed term, any remaining benefits are payable in accordance with your binding death benefit nomination (if any) or to your dependants or legal personal representative in the proportions determined by the Trustee.

For more information please refer to the 'Your account on death' section on page 19.

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# Risks of Guaranteed Income Accounts

All investments carry some risk. The appropriate level of risk for you will depend on factors such as your age, financial goals, investment timeframe, where other parts of your wealth are invested, and your risk tolerance.

Listed below are the key risks that you should take into account when deciding whether to open a Guaranteed Income Account.

## Withdrawal risk

If applicable, you may only make a full withdrawal, after which your Guaranteed Income Account will be closed.

There is the risk that if you withdraw early from your Fixed Term Guaranteed Income Account, or early from your Lifetime Guaranteed Income Account during your nominated withdrawal period, whether voluntarily or on death, the amount paid is less than what you invested even after taking into account payments you have already received or what you might have received had you continued to hold your account until the end of the fixed term or for your lifetime. Generally you would receive less than the amount you invested even taking into account the regular income you have received.

The withdrawal value will vary over time as the amount payable depends on how long you've held the account and the prevailing rates at the time your account is withdrawn (whether voluntarily or on death).

Important: A Lifetime Guaranteed Income Account ceases to have a withdrawal value after the end of your chosen withdrawal period.

For more information on withdrawing from a Guaranteed Income Account, please refer to 'Withdrawals' page 17.

## Counterparty risk

This is the risk that Challenger Life becomes unable to meet its commitment to the Trustee under the life policy issued to the Trustee by Challenger Life in which your money is invested. The Trustee relies wholly on Challenger Life to fund your agreed income amounts, any withdrawal amount and any residual capital value (if applicable).

However, Challenger Life is subject to detailed legislative and regulatory requirements under the Life Act which are designed to reduce the likelihood of Challenger Life being unable to meet its commitment to the Trustee.

Challenger Life is regulated under the Life Act (which governs the provision of annuities in Australia) and the prudential standards made under it, which prescribe minimum capital and solvency requirements for Challenger Life.

APRA actively supervises Challenger Life's compliance with these requirements which are designed to ensure that Challenger Life is able to meet its obligations to investors, including the Trustee. For example, Challenger Life is required to hold enough capital to withstand a 1 in 200-year shock event.

Even so, unforeseen and/or extreme circumstances that might impact on the ability of Challenger Life to make payments to the Trustee can never be completely ruled out.

The Trustee does not provide any guarantee in respect of Guaranteed Income Accounts. The guarantee is provided by Challenger Life under the life policy issued to the Trustee. Under no circumstances will the Trustee pay your entitlements under a Guaranteed Income Account if Challenger Life is unable to fund these entitlements.

For more information, see 'Your guarantee' on page 8.

## Inflation risk

This is the risk that the real value of your regular payments may reduce over time as a result of inflation.

To help manage this risk, you can choose from indexation options under which your regular payments will be adjusted.

Even if you choose an indexation option, there is a risk that your own income needs will increase beyond the rate of inflation reflected in movements in the CPI or, if the CPI decreases, that your own income needs will not decrease accordingly.

For more information, see 'Indexation' on pages 12 and 14.

## Regulatory risk

The terms of the Guaranteed Income Account have been established in accordance with current superannuation and taxation legislation and regulatory requirements. There is a risk that such legislation and/or requirements may change in the future and that the tax and social security consequences of you investing in a Guaranteed Income Account may change.

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# Your guarantee

The funds you invest in a Guaranteed Income Account are invested by the Trustee in a life policy issued by Challenger Life, a life insurance company within the Challenger group of companies.

All references to guarantees in relation to benefits provided by the Guaranteed Income Accounts are to the guarantee from Challenger Life pursuant to the life policy issued to the Trustee by Challenger Life.

legalsuper, as issuer of the Guaranteed Income Accounts, does not provide any guarantee in respect of the accounts. In order to pay you your entitlements in respect of a Guaranteed Income Account, legalsuper relies wholly on Challenger Life to fund your agreed income amounts, any withdrawal value and any residual capital value (for a Guaranteed Fixed Term Income).

If, for any reason, Challenger Life is unable to pay these amounts to legalsuper, then legalsuper will be unable to pay you your regular income payments, withdrawal value or residual capital value. Under no circumstances will legalsuper pay you any amount under a Guaranteed Income Account if Challenger Life does not fund that amount.

Challenger Life allocates your investment to a fund with money from other Guaranteed Income Account members and investors other than legalsuper who have also bought a life policy issued by Challenger Life. Challenger Life adds to this fund from its own money.

This fund is known as a statutory fund and is regulated under the Life Act.

All payments are made from the statutory fund and Challenger Life is required to keep the fund above a minimum level needed to meet its guarantees to all investors, including legalsuper. If it falls below this level, Challenger Life can be required to top up the fund with its own money.

APRA supervises this requirement and has extensive powers to intervene to ensure that Challenger Life can meet its guarantees even during volatile or adverse movements in the broader financial markets.

If the statutory fund receives additional investment return above the amount necessary to make all guaranteed payments, then Challenger Life can take some surplus income from it as its remuneration for providing benefits under the policy. However, it is only legally permitted to do so after it has made sure that there are sufficient funds to meet the current and future payments for all investors in the statutory fund, which includes legalsuper. You do not share in any surplus generated by the statutory fund.

Challenger Life will invest the statutory fund, subject to investment restrictions in the Life Act. Generally, the fund will be invested in cash, shares, corporate bonds, convertible notes, debt instruments, geared and ungeared property investments, infrastructure investments and other assets.

The investment objectives for the statutory fund include achieving consistent returns on investments, so that the cash flow in from investments matches the cash flow out to investors thereby ensuring that all present and future guaranteed payments can be made to all investors.

The name of Challenger Life's statutory fund that your money will go to when you invest in a Guaranteed Income Account is Challenger Life's Statutory Fund No.2. All references to guarantees refer to payments being guaranteed by Challenger Life pursuant to the life policy issued to the Trustee from the available assets of that statutory fund (which Challenger Life can be required to top up).

Challenger Limited is a signatory to the Principles for Responsible Investment (PRI) and aims to be a responsible investor by considering environmental, social and governance (ESG) factors when investing the assets of the statutory fund. In signing up to PRI, Challenger Limited has committed to extending ESG integration activities across its investments, as it recognises that such factors are important, impacting investment performance over the longer term.

Whilst Challenger Life takes into account ESG considerations when investing the assets of the statutory fund, it does not adhere to any particular set of standards and has no predetermined view as to what constitutes such considerations, or the extent to which they will be taken into account in its investment management practices.

# Choosing a Guaranteed Income Account

Guaranteed Income Accounts offer a number of options, so you can tailor your account to meet your needs. The dollar amount of the regular payments you receive will depend on the options you choose. A summary of the features of the Guaranteed Income Accounts is set out on the next page. Further detail is then contained in the pages as indicated.

**Lifetime Guaranteed Income** Page 11

**Fixed Term Guaranteed Income** Page 13

## Transfer Balance Cap



Please note that a Transfer Balance Cap (currently set as \$1.9 million and indexed periodically in \$100,000 increments in line with CPI) applies to the amount of super that can be transferred into the retirement phase. This means that a maximum of up to \$1.9 million can initially be invested in a legalsuper Guaranteed Income Account.

The maximum you can invest in a legalsuper Guaranteed Income Account will be reduced by the amount you have invested in any other annuity or pension (excluding Transition to Retirement Pensions unless you have reached age 65 or have otherwise met a condition of release such as retirement and have notified the Trustee) with legalsuper or another provider.

If you exceed the Transfer Balance Cap you may be subject to a tax on the earnings on the excess amount.

For Guaranteed Income Accounts it is the purchase price that is reportable to the ATO and credited to a member's Transfer Balance Cap.



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

# Guaranteed Income Account – features at a glance

Once you have selected your options and your Guaranteed Income Account has commenced you are unable to:

- change the options you have selected; and
- add additional amounts to your Guaranteed Income Account.

	Lifetime Guaranteed Income	Fixed Term Guaranteed Income
Type of product	Non-account based pension	Non-account based pension
Who can start an account	Members aged 60 or over who have access to unrestricted non-preserved superannuation money	Members aged 60 or over who have access to unrestricted non-preserved superannuation money
Minimum term	Your lifetime or the lifetime of you and your spouse	1 to 40 years
Minimum investment amount	\$20,000	\$20,000
Payment indexation	<p>You can choose to have your regular payments adjusted:</p> <ul style="list-style-type: none"> <li>• Fully in line with changes in the consumer price index (CPI);</li> <li>• Partially in line with changes in the CPI; or</li> <li>• Not at all</li> </ul>	<p>If your chosen investment term is at least two years and you choose to have all your capital returned to you as part of your regular payments throughout the term, you can choose to have your regular payments adjusted:</p> <ul style="list-style-type: none"> <li>• Fully in line with increases in the consumer price index (CPI);</li> <li>• By a fixed whole percentage rate of up to 5%; or</li> <li>• Not at all</li> </ul>
Payment frequency	You can choose to receive payments monthly, quarterly, half-yearly or yearly	You can choose to receive payments monthly, quarterly, half-yearly or yearly (yearly only available for fixed terms longer than 1 year)
Capital repayment	Capital is repaid to you over the investment term as part of your regular payments	<p>You can choose to have your capital repaid to you:</p> <ul style="list-style-type: none"> <li>• at the end of the investment term; or</li> <li>• as part of your regular payments throughout the investment term; or</li> <li>• as a combination of both</li> </ul>
Voluntary withdrawal	<ul style="list-style-type: none"> <li>• You can withdraw fully within your nominated withdrawal period; and</li> <li>• You cannot make a partial withdrawal</li> </ul>	<ul style="list-style-type: none"> <li>• You can withdraw fully before the end of the investment term; and</li> <li>• You cannot make a partial withdrawal</li> </ul>
On death	<p>If you die and you have elected a reversionary who survives you, regular payments (after any benefit reduction) are payable for the lifetime of the reversionary.</p> <p>If you die before the withdrawal period has ended and you have not elected a reversionary, or your reversionary has died before you, a lump sum death benefit is payable to your dependants and/or your legal personal representatives.</p> <p>If you die after the withdrawal period has ended and you have not nominated a reversionary, or your reversionary has died before you, no death benefit is payable and your account ceases.</p>	<p>If you die and you have elected a reversionary who survives you, regular payments are payable to the reversionary for the remainder of the investment term, together with any residual capital value.</p> <p>If you die and you have not elected a reversionary or your reversionary has died before you, the remaining benefits are payable as a lump sum to your dependants and/or your legal personal representatives.</p>

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# Lifetime Guaranteed Income

**A Lifetime Guaranteed Income Account gives you a regular cash flow for life, regardless of how long you live or how investment markets perform. If you wish, such as if your circumstances change, you can also access your capital for a chosen withdrawal period.**

## Reversionary

If you have a spouse, you can choose to include your spouse as a reversionary pensioner. If you select this option, if you predecease your spouse, a pension will continue to be paid to your spouse until they die. This choice is only available before your pension commences and cannot be changed later. This means that, if you have nominated your spouse as your reversionary, and they survive you, they will receive pension payments after you die for their own lifetime, unless:

- they do not qualify to receive the pension for superannuation law purposes, such as if they had ceased to be your spouse at the time of your death; or
- the Trustee is prevented from making such payments by operation of an order under the *Family Law Act 1975 (Cth)*.

## Benefit reduction

This option is only available if you have elected a reversionary.

With this option, you can choose that regular payments made after your death are paid at a reduced level. If you choose this option, payments made to your reversionary will reduce by 33% as against the payments that you were receiving immediately prior to your death. Your payments do not reduce if your reversionary dies while you are still alive.

If you choose the benefit reduction option, you will generally receive higher regular payments than if you do not choose this option (although the payments will reduce when the benefit reduction applies).

The benefit reduction only applies to regular payments and does not apply to your withdrawal value or death benefit.

Benefit reduction example:

You are receiving regular monthly payments of \$1,000 prior to your death. Following your death, monthly payments to your reversionary will reduce to \$670.

## Payment frequency

You can choose to have your regular payments paid monthly, quarterly, half-yearly or yearly. Your regular payments are made to your nominated bank account at the end of each payment period. If you do not make a selection, the default payment frequency is monthly.

## Withdrawal period

You can choose a withdrawal period up to your life expectancy<sup>1</sup>.

During the withdrawal period:

- you can choose to cancel your entire account early in return for a lump sum payment (see page 17); or
- if you die and you do not have a reversionary, or your reversionary has died before you or cannot receive payments, a lump sum is payable (see page 17).

After the end of the withdrawal period, your account does not have a withdrawal value, you cannot withdraw voluntarily and a lump sum is not payable on death.

You must choose the withdrawal period when you apply for the account and it cannot be changed once your Lifetime Guaranteed Income Account has commenced. The minimum withdrawal period is generally 10 years (although the Trustee will consider a request for a shorter period) and the maximum withdrawal period is your life expectancy (see page 25). If you have nominated a reversionary, your life expectancy determines the maximum withdrawal period you can choose.

If you want to select a shorter withdrawal period than 10 years you should contact legalsuper to discuss further.

The option to withdraw early applies to your entire account and if exercised will result in the closure of your Lifetime Guaranteed Income Account.

1. Calculated in accordance with the Australian Life Tables, rounded down to whole years then multiplied by 365 days. This may be different from what Challenger Life estimate your life expectancy to be.

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## Indexation

You can choose to have your regular payments adjusted annually to reflect movements in the CPI<sup>2</sup>. The adjustment occurs after each anniversary of the start of your Lifetime Guaranteed Income Account. You can choose full indexation or partial indexation and can also choose to have no indexation. If you do not make a choice, the default is partial indexation.

Any change will be applied to the first payment after each anniversary of the start of your account, and the regular payments for the year that follows will be made at the indexed level.

### Partial Indexation

This option enables you to have your regular payments increased annually in line with any increase in the CPI that is greater than 2% and decreased annually in line with any decreases in the CPI.

If the CPI increases but the increase is less than 2%, your regular payments will not change.

If the CPI decreases, the full amount of the decrease will be applied and your regular income payment will decrease.

If the CPI increases by more than 2%, your regular payments will increase by the increase in the CPI, less 2%.

Although your regular payments will not increase during periods of low inflation, and will decrease during periods of deflation, this option will provide some protection in periods of high inflation. Choosing this option will generally mean that you will receive higher initial regular payments, when compared to an account with the full indexation option chosen, and lower initial regular payments than an account with no indexation option chosen. It is not possible to predict how your future payments might compare, as it is not possible to predict changes in the CPI.

## No Indexation

This option fixes the dollar amount of your regular payments. By choosing this option, the regular payments will not change from year to year.

Choosing this option will generally mean that you will receive higher initial regular payments when compared to an account with the full or partial indexation option chosen. However, because the regular payments will not be adjusted, it means that, in periods of inflation, the purchasing power of your regular payments will reduce, and your future regular payments could be less than if you had chosen full or partial indexation.

### Full indexation

This option enables you to have your regular payments indexed annually in line with the CPI. The change will be applied to the first payment after each anniversary of the start of your account, and the regular payments for the year that follows will be made at the indexed level. If the CPI increases, your regular payments will also increase by that proportion.

You should be aware that if the CPI decreases in any particular year, your regular payments will decrease.

## Nominating a beneficiary

You can nominate a beneficiary or beneficiaries to receive any remaining benefits of your Lifetime Guaranteed Income Account if you die. At the time you apply for your account, you can:

- nominate your spouse as your reversionary; or
- make a binding death benefit nomination; or
- make a non-binding death benefit nomination.

For more information, please refer to 'Death benefit nominations – choosing a beneficiary' (page 19).

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2. The CPI is the weighted average of the Eight Capital Cities Index as published by the Australian Statistician, to provide a general measure of price inflation for all Australian households. We reserve the right to adjust the index if there is a change in law which results in a material change to the CPI or its use. The index used to calculate the CPI can be changed at any time. The CPI is only a proxy for inflation and does not exactly match actual price or wage inflation in the economy.

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# Fixed Term Guaranteed Income

A Fixed Term Guaranteed Income Account gives you a regular cash flow for your chosen investment term, regardless of how investment markets perform. You also have the comfort of being able to withdraw early at any time. The option to withdraw early applies to your entire account and if exercised will result in the closure of your Fixed Term Guaranteed Income Account.

## Investment term

You can choose to receive regular payments over a fixed term of 1 to 40 years, inclusive (in whole years), subject to the Government's minimum payment requirements. For an account with no residual capital value (see below), the maximum fixed term must be no greater than the number of whole years until you reach age 100.

## Reversionary

If you have a spouse, you can choose to include your spouse as a reversionary pensioner. If you select this option, if you predecease your spouse, a pension will continue to be paid to your spouse for the remainder of the investment term. This choice is only available before your pension commences and cannot be changed later. This means that, if you have nominated your spouse as your reversionary, and they survive you, they will receive pension payments after you die for the remainder of the investment term, unless:

- they do not qualify to receive the pension for superannuation law purposes, such as if they had ceased to be your spouse at the time of your death; or
- the Trustee is prevented from making such payments by operation of an order under the *Family Law Act 1975 (Cth)*.

## Payment frequency

You can choose to have your regular payments monthly, quarterly, half-yearly or yearly. An account with a term of one year must have payments made monthly, quarterly or half-yearly.

Your regular payments are made to your nominated bank account at the end of each payment period.

If you do not make a selection, the default payment frequency is monthly.

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## Capital repayment

The initial capital you use to start a Fixed Term Guaranteed Income Account can be repaid to you:

- throughout the investment term as part of your regular payments;
- at the end of the investment term; or
- as a combination of both.

When you apply for a Fixed Term Guaranteed Income Account, you choose between 0% and 100% of your initial capital investment that you wish to receive at the end of the term. This is known as the residual capital value (RCV).

If you choose a RCV of 100%, all of your initial capital will be repaid at the end of the term. If you choose a RCV of 0%, all of your initial capital investment will be repaid to you during the investment term (and none at the end). Because of this, an account with a RCV of 0% will give you higher regular payments but no capital at the end of the term, while an account with a RCV of 100% will give you lower regular payments but all your capital returned at the end.

You can choose a combination of both capital repayment methods and your regular payments will adjust accordingly. For example, if you invest \$20,000 and choose to receive 90% of your capital back at the end of the term (a RCV of 90%), you will receive a capital repayment at the end of the term of \$18,000. Throughout the term you will have received the other \$2,000 of your initial capital as part of your regular payments (the precise amount of capital per payment will depend on the investment term and the payment frequency).

Depending on prevailing interest rates, you may be required to choose a RCV that is lower than 100% in order for your payments to meet the Government's minimum payment standards. Please see page 15 for more information.

## Indexation

If you choose to have all of your capital repaid throughout the investment term (a RCV of 0%), and the term is at least two years, you can choose to have your regular payments indexed annually. The increase can either be in line with increases in the CPI<sup>1</sup> or by a fixed percentage between 1% and 5%. The increase will be applied to the first payment after each anniversary of the start of your Fixed Term Guaranteed Income Account and applies to the dollar amount of the regular payments as at the anniversary date.

If you choose to index in line with CPI and the change in the CPI is negative, then your regular payments will not reduce. If there is a negative change in the CPI in a given year, then the next time we calculate indexation the portion of any increase that will apply to your regular payments will be the increase in the CPI since the last time we applied CPI indexation to your regular payments.

If you choose fixed indexation, your regular payments will be increased by your chosen percentage, each year.

If you do not choose indexation, your regular payments will not be adjusted, which means that in periods of inflation, the purchasing power of your regular payments will reduce, and your future regular payments could be less than if you had chosen indexation.

By choosing indexation, your initial regular payments will be lower than if you start an account without indexation.

## Nominating a beneficiary

You can nominate a beneficiary or beneficiaries to receive any remaining benefits of your Fixed Term Guaranteed Income Account if you die. At the time you apply for your account, you can:

- nominate your spouse as your reversionary; or
- make a binding death benefit nomination; or
- make a non-binding death benefit nomination.

For more information, please refer to 'Death benefit nominations – choosing a beneficiary' (page 19).

1. The CPI is the weighted average of the Eight Capital Cities Index as published by the Australian Statistician, to provide a general measure of price inflation for all Australian households. We reserve the right to adjust the index if there is a change in law which results in a material change to the CPI or its use. The index used to calculate the CPI can be changed at any time. The CPI is only a proxy for inflation and does not exactly match actual price or wage inflation in the economy.

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# Starting, managing and making withdrawals from your account

## Starting your account

To start a Guaranteed Income Account, you must be a legalsuper member aged 60 or over and the money used to start the account must be unrestricted non-preserved superannuation money.

All of the monies to be used to purchase a legalsuper Guaranteed Income Account must be held in one or more legalsuper accounts and you must be a legalsuper member.

If you invest in a Fixed Term Guaranteed Income Account, the regular payments you receive from your account must meet the Government's minimum payment standards, set out in the following table.

Age	Minimum annual regular payments (% of the initial capital investment)
Under 65	4%
65 – 74	5%
75 – 79	6%
80 – 84	7%
85 – 89	9%
90 – 94	11%
95 or older	14%

If you invest in a Fixed Term Guaranteed Income Account with no residual capital value, the minimum payment standards must be met in the first year of the account only.

If you invest in a Fixed Term Guaranteed Income Account with a residual capital value, the minimum payment requirements must be met in each year of payment.

The regular payments shown on the quotes your licensed financial adviser provides will meet these minimum payment standards.

Once your Guaranteed Income Account starts, the first payment will be made at the end of the payment frequency period you have chosen. For example, if you choose to be paid monthly, the first payment will be made one month after the account starts. If you choose to be paid annually, the first payment will be made on the first anniversary of the start of the account.

Annual payments are not available for one year Fixed Term Guaranteed Income Accounts.

## Getting advice and obtaining a quote

You should read this PDS and speak with your licensed financial adviser before deciding to start a Guaranteed Income Account. You should also get a quote from your licensed financial adviser setting out the regular payment

amounts, withdrawal period (if any), residual capital value (if applicable) and other terms of your account. The regular payments offered are reviewed and updated regularly to reflect market conditions. Your quote will be valid for 14 days from the date on which it is provided.

Once you are comfortable with the Guaranteed Income Account options you have selected, the terms of the account and the purchase price, you will need to complete the application form provided in the back of this PDS and forward this to legalsuper at the address set out in the form.

## How to start your account

Your account will be started once legalsuper receives and accepts a valid application.

legalsuper must receive all of the documents no later than 6 business days before the date on which your quote expires and you must already hold the purchase price in your legalsuper account(s) in investment options other than the Direct Investment Option.

You must provide:

1. a completed and signed application form;
2. your valid quote;
3. your acceptable proof of identity documents (see the 'Administration instructions' on page 31 for acceptable proof of identity); and
4. your capital investment (see 'How to pay' on this page).

To be valid the quote must match the personal details and the type of Guaranteed Income Account you are applying for on your application form.

Please note that quotes are only valid for 14 days from the date they are produced unless you or any reversionary have a birthday within this 14 day period in which case a new quotation will be required.

The Trustee recommends that once you have obtained a quote and have decided to start a legalsuper Guaranteed Income Account, you complete an application form and send this together with all other documents mentioned above to legalsuper without delay.

Please note that the Trustee reserves the right not to accept an application where the Trustee considers that to do so would or might cause a breach of any actual or announced legislative or regulatory restriction relating to Guaranteed Income Accounts, or would or might result in adverse tax consequences for the applicant or legalsuper. Nonetheless the Trustee does not take responsibility for assessing or determining the tax consequences for you of investing in a Guaranteed Income Account. We recommend that you seek the advice of a licensed financial adviser before investing.

## Customer identification

In accordance with Anti-Money Laundering and Counter Terrorism Financing legislation, legalsuper is required to obtain verification of your identity before your account can be opened. This means that you must provide certified copies of the identification documents. See the 'Administration instructions' on page 31 for acceptable proof of identity.

## How to pay

You can only commence a legalsuper Guaranteed Income Account with money from existing accounts with legalsuper that are not invested in the MySuper Balanced option.

If you have more than one legalsuper membership account you must specify the amount to be used from each membership account and the total must match your purchase price. If required, legalsuper will amalgamate amounts from your separate membership accounts for you.

We recommend you discuss how you will provide the funds to start your Guaranteed Income Account with your licensed financial adviser, or contact legalsuper on 1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday).

## Managing your account

### Welcome letter

When you start your account, you will be sent an account confirmation, which sets out your account details. We will also send you a Centrelink schedule for social security purposes. You should read these documents carefully and contact your licensed financial adviser or legalsuper on 1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday) if you have any questions.

### Continuity Certificates

If you invest in a Lifetime Guaranteed Income Account, prior to the end of the withdrawal period and every six months thereafter, we will send you and any reversionary a form to complete as evidence of survival.

Where you have chosen the benefit reduction option, you will be sent the form to complete every six months after the commencement of the account.

The form must be returned to us within 30 days of being sent. If evidence of survival is not provided to us, we reserve the right to discontinue any regular payments and/or cancel the account.

## When your Fixed Term Guaranteed Income Account matures

The last day of your Fixed Term Guaranteed Income Account is called the maturity date. If you choose not to have any residual capital value, your account will terminate on that date and no further payments will be made.

If you choose to have a residual capital value, we will notify you 30 days prior to your account maturity date. The maturity value will be returned to your legalsuper accumulation account (which we will open for you in the Cash investment option and with no insured benefit if you do not have an open account) and you can then choose to:

- leave the residual capital value in the legalsuper accumulation account;
- start a new Lifetime Guaranteed Income or Fixed Term Guaranteed Income Account with the same or different options;
- roll over some or all of the residual capital value to another superannuation fund account; or
- have some or all of the residual capital value repaid to you as a lump sum by legalsuper.

The Trustee will only pay a residual capital value to the extent that the Trustee receives such payment from Challenger Life.

## Withdrawals

### Lifetime Guaranteed Income

Your account has a withdrawal value during the withdrawal period chosen by you when you open your account. The withdrawal value is payable as a lump sum if during this period you:

- choose to close your account early;
- die without a reversionary;
- die and your reversionary has died before you; or
- die and your reversionary does not qualify to receive the pension for superannuation law purposes, or the Trustee is prevented from making payments to your reversionary by operation of an order under the *Family Law Act 1975 (Cth)*.

If your reversionary is receiving payments, they may also choose to make an early withdrawal during the withdrawal period.

Important: After the end of the withdrawal period, your account does not have a withdrawal value, you cannot withdraw voluntarily and a lump sum is not payable on death.

The option to withdraw early applies to your entire account and will 'if exercised' result in the closure of your Lifetime Guaranteed Income Account.

The Trustee will only pay a withdrawal value to the extent that the Trustee receives such payment from Challenger Life.

### Calculating the withdrawal value

The withdrawal value of your Lifetime Guaranteed Income Account reduces over the withdrawal period. At the start of your account the withdrawal value is equal to the initial investment amount. The withdrawal value then reduces over the withdrawal period generally in a linear manner, until it reaches zero at the end of the withdrawal period.

The calculation of the withdrawal value is dependent on movements in interest rates between the time you open the account and the time the withdrawal is processed. As interest rates change over time, it is only possible to determine the withdrawal value at the time of withdrawal and the withdrawal value may be less than what you invested, even after taking into account payments you have already received.

Please visit [legalsuper.com.au](http://legalsuper.com.au) to see 'Withdrawal value illustrations' provided for illustrative purposes. Actual outcomes will depend on actual changes in the CPI, the length of your chosen withdrawal period, your initial investment and the actual movement in interest rates between the time of your investment and the time of withdrawal.

### Fixed Term Guaranteed Income

A Fixed Term Guaranteed Income Account is designed to be held for the term you choose; however, full early withdrawals are permitted prior to the end of the investment term.

The withdrawal value is payable as a lump sum if during the investment term you:

- choose to close your account early;
- die without a reversionary;
- die and your reversionary has died before you; or
- die and your reversionary does not qualify to receive the pension for superannuation law purposes, or the Trustee is prevented from making payments to your reversionary by operation of an order under the *Family Law Act 1975 (Cth)*.

If your reversionary is receiving payments, they may also choose to make an early withdrawal during the investment term.

The early withdrawal value of your account is the value of future projected payments remaining for the entire chosen investment term, considering indexation, and discounted to reflect that the payments will be made prior to the scheduled payment dates (the 'present value'). The discount rate will vary depending on movements in interest rates between the time you start the account and the time the early withdrawal is requested.

The option to withdraw early applies to your entire account and will if exercised result in the closure of your Fixed Term Guaranteed Income Account.

### Calculating the early withdrawal value

To calculate the withdrawal value, the present value of all the payments (including any residual capital value (RCV)) that you would have received from the date of calculation to the end of the investment term will be calculated. This can involve a significant discount in some circumstances, and may result in the early withdrawal value being less than the amount you invested. The calculation is as follows.

1. The present value of your RCV is calculated, to reflect the fact that the payment will be made earlier than the maturity date.
2. The present value of each of the future regular payments you would have received during the remainder of the investment term is calculated (to reflect their early payment).
3. The amounts of the present value of your RCV and all future payments (as calculated in steps 1 and 2) are added together.

The combined total in step 3 is your early withdrawal value.

The early withdrawal value might, and generally would, be less than what you invested, even after taking into account payments you have already received. The calculation method of the present value is impacted by changing interest rates, which means it is only possible to determine the withdrawal value at the time of withdrawal.

Please visit [legalsuper.com.au](http://legalsuper.com.au) to see 'Withdrawal value illustrations', provided for illustrative purposes. Actual outcomes will depend on actual changes in the CPI, the length of your investment term, your initial investment, the amounts and number of future payments payable under the terms of the account and the actual movement in interest rates between the time of your investment and the time of withdrawal.

### Requesting an early withdrawal value

If you want to withdraw early, contact your licensed financial adviser or contact [legalsuper](http://legalsuper.com.au) on 1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday) for your withdrawal value. On your request, we will send you a letter with your early withdrawal value as at the date of that request, along with an early withdrawal form for you to complete and return to us.

If you choose to proceed with your early withdrawal, a minimum payment amount may first be required to be paid to you. The minimum payment is based on the scheduled payments apportioned for the number of days the account was open. The early withdrawal value we pay will take into account any minimum payment requirement.

The early withdrawal value of your account on the day we make the payment may vary from the early withdrawal value stated in the letter we send you.

# Your account on death

## Payment information

We will not make any part-payment in respect of the period that has elapsed between the last regular payment that was guaranteed to be made and the date of death. We will require the return of any payments made after the date of death that had not been guaranteed to be made under the terms of the account. It is therefore important that we are notified promptly of a death.

## Lifetime Guaranteed Income

You have two beneficiary nomination options when applying for a Lifetime Guaranteed Income Account.

### Option 1 – Reversionary nomination

You may nominate a reversionary when you first commence a Lifetime Guaranteed Income Account. You cannot change this reversionary.

**If you make a reversionary nomination, you cannot also make a binding or non-binding nomination (as shown at Option 2).**

If you die and you have elected a reversionary who survives you and is able to receive payments, your reversionary will receive the regular payments for their lifetime. If you have chosen a benefit reduction option, the regular payments the reversionary receives will be reduced by 33%.

Your reversionary, if they are receiving payments, may also make a death benefit nomination as described below.

If your reversionary is receiving payments, they may also choose to make an early withdrawal during the withdrawal period.

If the reversionary dies after the withdrawal period has ended, no further payments will be made from the date of their death.

If your reversionary nomination pre-deceases you, you should consider updating your beneficiary nomination. In this case only Option 2 is available.

### Option 2 – Binding or Non-binding nomination

A lump sum death benefit is payable if you die before the withdrawal period ends and you have not elected a reversionary or your reversionary has not survived you or is not able to receive payments. A lump sum is payable to your dependants or legal personal representative in the proportions you have determined in a valid binding death benefit nomination. If there is no valid binding death benefit nomination for the account, the withdrawal value is payable to your dependants or legal personal representative in the proportions determined by the Trustee.

You may make a death benefit nomination as detailed in the section 'Nominate a preferred beneficiary/ies' on the next page.

If you die after the withdrawal period has ended, no further payments are payable after the date of death and no death benefit is payable.

## Fixed Term Guaranteed Income

You have two beneficiary nomination options when applying for a Fixed Term Guaranteed Income Account.

### Option 1 – Reversionary nomination

You may nominate a reversionary when you first commence a Fixed Term Guaranteed Income Account. You cannot change this reversionary.

**If you make a reversionary nomination, you cannot also make a binding or non-binding nomination (as shown at Option 2).**

If you die and you have elected a reversionary who survives you and is able to receive payments, the regular payments and any residual capital value are payable to the reversionary.

If your reversionary is receiving payments, they can if they wish elect to make a full withdrawal of the account and receive a lump sum, in which case the withdrawal value will be determined as set out on page 17.

Your reversionary, if they are receiving payments, may also make a death benefit nomination as described on the next page.

### Option 2 – Binding or Non-binding nomination

If you have not elected a reversionary, or your reversionary has not survived you or is not able to receive payments the Fixed Term Guaranteed Income Account ceases on your death and a death benefit is payable. You may make a death benefit nomination as detailed in the section 'Nominate a preferred beneficiary/ies' on this page.

A lump sum is payable to your dependants or legal personal representative in the proportions you have determined in a valid binding death benefit nomination. If there is no valid binding death nomination, the withdrawal value is payable to your dependants or legal personal representative in the proportions determined by the Trustee.

Where the death benefit is payable as a lump sum, there may be a period of time between death and payment of the withdrawal value. Where this occurs, any regular payments that have been suspended since we were notified of your death, will earn interest at the Reserve Bank of Australia official cash rate and form part of the death benefit payable.

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## Death benefit nominations – choosing a beneficiary

The following information applies to both the Fixed Term Guaranteed Income Account and Lifetime Guaranteed Income Account.

The treatment of death benefits is a complex and sensitive area, so you need to consider how your wishes can be best implemented. We recommend that you obtain advice on the most effective way to plan your estate.

### Nominate a preferred beneficiary/ies

You may nominate one or more of your dependants (as defined in superannuation law) or your legal personal representative as the recipient of any amount payable in respect of your Guaranteed Income Account in the event of your death.

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

- A. Non-binding nomination; or
- B. Binding nomination.

You should seek advice from a licensed financial adviser if necessary. If you do not make a binding nomination, the Trustee will, in its absolute discretion, pay the remainder of your Guaranteed Income Account (if any) and all other benefits entitlements with legalsuper upon your death to your dependants and/or your legal personal representative in the proportions determined by the Trustee.

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

Please note that a death benefit nomination only applies to the particular legalsuper account that you specify that nomination for and the most recent valid nomination will apply only to that particular account.

The most recent valid non-binding nomination will replace any previous non-binding nomination for that account, whilst the most recent valid binding nomination will replace any previous binding or non-binding nomination for that account.

### A. Non-binding nominations

You have the option to nominate one or more of your dependants, or your legal personal representative, as the person or persons to whom you would like any amount payable in respect of all of your benefits entitlements with legalsuper to be paid in the event of your death. If you nominate more than one beneficiary, you should specify the proportion of your benefit that you wish each to have. This kind of nomination is not binding on the Trustee. However, your nomination will be taken into account when the Trustee determines who should receive any payment.

### B. Binding nominations

You have the option to make a binding nomination in which you nominate one or more of your dependants, or your legal personal representative, as the person or persons to whom any amount payable in respect all of your benefits entitlements with legalsuper is to be paid in the event of your death. If you make a binding nomination, we must pay any such amount in accordance with your nomination, provided the nomination complies with legal requirements, including the following:

- Each nominated beneficiary must either be a dependant (as defined in superannuation law) or your legal personal representative at the time of your death.
- A binding nomination is only valid for three years from the date you sign it or any confirmation or amendment of it. If your circumstances change, or those of any of your beneficiaries change, we strongly recommend that you review your nomination and change it if required. This is your responsibility.
- Your nomination must be signed and dated by you in the presence of two adult witnesses, neither of whom is a nominated beneficiary.
- legalsuper does not accept any nominations made under any form of Power of Attorney.

You may revoke or change a binding nomination notice in accordance with legalsuper's procedures at any time.

If your binding nomination does not comply with these requirements, any amount payable in respect of your Guaranteed Income Account on your death will be paid by the Trustee in its discretion to or for the benefit of one or more of your dependants or your legal personal representative in such proportions as the Trustee determines.

If you wish your benefit to pass in accordance with your Will, or if you do not wish to nominate a dependant, or you have no dependant to nominate, you may nominate your legal personal representative. Your nomination should be carefully considered and updated regularly, or whenever your personal circumstances change.

## Who is eligible to receive a death benefit in the form of a pension?

Only the following persons can receive a death benefit in the form of a pension:

- your spouse
- a person with whom you had an interdependent relationship
- your financial dependant, or
- your child who is:
  - less than 18 years of age; or
  - 18 years old but less than 25 and financially dependent on you; or
  - suffering a disability that meets the definition in subsection 8(1) of the *Disability Services Act 1986*.

A pension paid to a child can only continue until the child turns 25 (save in the case of a disabled child). At that point, any remaining benefits must be paid out as a lump sum, but this will be free of tax.

Where a death benefit is payable as a lump sum, and the beneficiary is a person who can receive a death benefit in the form of a pension, they can apply to legalsuper to commence a pension rather than receive a lump sum.

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

As mentioned on page 9, a Transfer Balance Cap (currently \$1.9 million) applies to the amount of super that can be transferred into the retirement phase. All super you transfer to start a legalsuper Guaranteed Income Account or other pension or annuity (but excluding a Transition to Retirement Pension) will count towards your Transfer Balance Cap.

In addition, the Transfer Balance Cap also includes the value of other pensions or annuities you may start to receive for some other reason, including where your spouse has died and you are receiving, or start to receive, a pension from their superannuation.

If the Transfer Balance Cap is exceeded because of the receipt of a death benefit pension, it may be necessary to commute some or all of the pension and withdraw this as a lump sum.

# Fees and costs

legalsuper works hard to keep fees and costs low. Our sole purpose is to maximise the retirement savings of our members. We do not pay commission to agents, and return all profits to members.

Taxes and other costs are set out in another part of this Document.

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

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

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

## Did you know?



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

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

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

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

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

## To find out more

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

\* The above wording is required by legislation. legalsuper's fees and costs are not negotiable.



## Lifetime Guaranteed Income

Types of fees and costs	Amount	How and when paid
<b>Ongoing annuals fees and costs</b>		
Administration fees and costs	0.15% p.a. of initial investment amount	Included in the calculation of your regular income payments (not deducted directly from your account or from your regular income payments) The Trustee may expense a reserving margin over member accounts for purposes of funding capital requirements relating to the administration or operation of the Fund. Currently the reserving margin is nil; however the Trustee may determine to apply a reserving margin in the future. The reserving margin (if any) will be included in the calculation of regular income payments.
Investment fees and costs	Nil	Not applicable
Transactions costs	Nil	Not applicable
<b>Member activity related fees and costs</b>		
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Other fees and costs	Refer to 'Additional explanation of fees and costs' for more information on other fees and costs.	

## Fixed Term Guaranteed Income

Types of fees and costs	Amount	How and when paid
<b>Ongoing annuals fees and costs</b>		
Administration fees and costs	RCV100 0.20% p.a. of initial investment amount  RCV0-99 0.20% p.a. of reducing initial investment amount <sup>1</sup>	Included in the calculation of your regular income payments (not deducted directly from your account or from your regular income payments) The Trustee may expense a reserving margin over member accounts for purposes of funding capital requirements relating to the administration or operation of the Fund. Currently the reserving margin is nil; however the Trustee may determine to apply a reserving margin in the future. The reserving margin (if any) will be included in the calculation of regular income payments.
Investment fees and costs	Nil	Not applicable
Transactions costs	Nil	Not applicable
<b>Member activity related fees and costs</b>		
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Other fees and costs	Refer to 'Additional explanation of fees and costs' for more information on other fees and costs.	

1. The initial investment is reduced after each regular income payment by an amount calculated as: initial investment minus any residual capital value, divided by the total number of income payments in the investment term.

There are no indirect charges, borrowing costs, property operating costs or performance fees payable in relation to your Guaranteed Income Account. Costs of providing the account are taken into account when setting the amount of your regular payments, and we also make assumptions about potential investment returns and your longevity (for Lifetime Guaranteed Income). All fees and costs stated are GST inclusive.

**Definitions of the above fees and costs can be found at [legalsuper.com.au/super-retirement/fees-and-costs](https://legalsuper.com.au/super-retirement/fees-and-costs). They can also be found on page 24 of this PDS.**

## Additional explanation of fees and costs

### Member fee capping

Amounts invested in legalsuper Guaranteed Income Accounts and the administration fee are not included in any entitlement to member fee capping.

### Example of annual fees and costs for the Guaranteed Income Accounts

The following table gives an example of how the fees and costs for the Lifetime Guaranteed Income and Fixed Term Guaranteed Income products can affect your superannuation investment over a one-year period. You should use the table to compare this product with other superannuation products.

Lifetime Guaranteed Income investment of \$50,000		
Administration fees and costs	0.15% p.a.	For every \$50,000 you have in the superannuation product, you will be charged from your investment \$75 in administration fees and costs (taken into account when setting the amount of your regular payments and not a direct fee or charge to you)
PLUS Investment fees and costs	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in investment fees and costs
PLUS Transaction costs	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in transactions costs
EQUALS Cost of product		If your balance was \$50,000, at the beginning of the year, then for that year you will be charged fees and costs of \$75 for the superannuation product.

Fixed Term Guaranteed Income (RCV100) investment of \$50,000		
Administration fees and costs	0.20% p.a.	For every \$50,000 you have in the superannuation product, you will be charged from your investment \$100 <sup>2</sup> in administration fees and costs (taken into account when setting the amount of your regular payments and not a direct fee or charge to you)
PLUS Investment fees and costs	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in investment fees and costs
PLUS Transaction costs	Nil	<b>And</b> , you will be charged or have deducted from your investment \$0 in transactions costs
EQUALS Cost of product		If your balance was \$50,000, at the beginning of the year, then for that year you will be charged fees and costs of \$100 for the superannuation product.

1. For Fixed Term Guaranteed Income Accounts with a RCV of 100, the administration fee is based on the initial investment amount. For Fixed Term Guaranteed Income Accounts with a RCV between 0 and 99, the administration fee is based on the reducing initial investment.
2. For Fixed Term Guaranteed Income Accounts with a RCV of 100, the administration fee is based on the initial investment amount. For Fixed Term Guaranteed Income Accounts with a RCV between 0 and 99, the administration fee is based on the reducing initial investment.

## Defined fees<sup>1</sup>

### Activity fees

A fee is an activity fee if:

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

### Administration fees

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

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

### Advice fees

A fee is an advice fee if:

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

### Buy-sell spreads

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

### Exit fees

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

### Indirect cost ratio

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

Note: A dollar based fee deducted directly from a member's account is not included in the indirect cost ratio.

### Investment fees

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

- (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- (b) costs incurred by the trustee of the entity that:
  - (i) relate to the investment of assets of the entity; and
  - (ii) are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee or an advice fee.

### Switching fees

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

1. The wording in this section is required by legislation.

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# Maximum withdrawal periods

## Lifetime Guaranteed Income

The table below shows the maximum withdrawal period you can choose for a Lifetime Guaranteed Income Account, based on your gender and age. These terms are based on life expectancies<sup>1</sup> (rounded down to whole years then multiplied by 365 days). If you have nominated a reversionary (see page 11), your life expectancy determines the maximum withdrawal period you can choose.

The withdrawal period must be chosen at commencement and cannot be changed once your account starts.

Age	Male	Female	Age	Male	Female
60	24	26	81	8	9
61	23	26	82	7	9
62	22	25	83	7	8
63	21	24	84	6	7
64	20	23	85	6	7
65	19	22	86	5	6
66	19	21	87	5	6
67	18	20	88	5	5
68	17	19	89	4	5
69	16	19	90	4	4
70	15	18	91	4	4
71	15	17	92	3	4
72	14	16	93	3	3
73	13	15	94	3	3
74	12	14	95	3	3
75	12	14	96	3	3
76	11	13	97	2	2
77	10	12	98	2	2
78	10	11	99	2	2
79	9	11	100	2	2
80	9	10			

1. Calculated in accordance with Australian Government Actuary life expectancy tables and this may be different from what Challenger Life estimate your life expectancy to be.

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# Taxation

## Is there tax on money you rollover into legalsuper?

No tax is payable when you roll over money from another superannuation fund to legalsuper, unless the amount includes an untaxed element (for example, a benefit from certain public sector funds). We are required to deduct tax of 15% from any untaxed element and this is done on receipt of the untaxed benefit.

## Is there tax on your income payments?

No, you do not pay any tax on your regular income payments.

## Taxation of lump sum benefits

You do not pay tax on lump sum withdrawals (including in respect of any residual capital value).

## What is the tax treatment of death benefits?

The tax payable on death benefits will depend on who receives the payment, the components of the benefit and whether the benefit is paid as a lump sum or a pension.

While superannuation law determines who can receive a death benefit (see page 20), taxation laws determine how those recipients will be taxed. A person determined to be a tax dependant will receive death benefits tax free. For tax purposes, a dependant is:

- your spouse or former spouse;
- your child aged less than 18;
- a person with whom you have an interdependency relationship; or
- a person who is financially dependant on you just before your death.

An interdependency relationship is a close personal relationship between two people who live together where one or both provides for the financial, domestic and personal support of the other (or who would meet these conditions except they are temporarily living apart due to a physical, intellectual, psychiatric or other disability).

Death benefits in respect of the Guaranteed Income Accounts are taxed as follows:

Lump sum	
Tax Dependants	Tax-free
Non-Tax Dependants	The tax-free component is tax-free. The taxable component (what remains after deduction of the tax free component) is divided into an element taxed in the Fund and an element untaxed in the Fund. The element taxed in the Fund is taxed at 15% (plus Medicare levy). The element untaxed in the Fund is taxed at 30% (plus Medicare levy).
Pension	Tax-free

## Transfer Balance Cap



Please note that a Transfer Balance Cap (currently set as \$1.9 million and indexed periodically in \$100,000 increments in line with CPI) applies to the amount of super that can be transferred into the retirement phase. This means that a maximum of up to \$1.9 million can initially be invested in a legalsuper Guaranteed Income Account.

The maximum you can invest in a legalsuper Guaranteed Income Account will be reduced by the amount you have invested in any other annuity or pension (excluding Transition to Retirement Pensions unless you have reached age 65 or have otherwise met a condition of release such as retirement and have notified the Trustee) with legalsuper or another provider.

If you exceed the Transfer Balance Cap you may be subject to a tax on the earnings on the excess amount.

For Guaranteed Income Accounts it is the purchase price that is reportable to the ATO and credited to a member's Transfer Balance Cap.



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

# Social Security

The following information is general information only, and we recommend you obtain advice regarding your individual circumstances. Your local Centrelink or Department of Veterans' Affairs office can help answer any questions you may have. Your financial adviser can also help.

Centrelink and Department of Veterans' Affairs entitlements are determined by two means tests – an assets test and an income test. This general information outlines how your Guaranteed Income Account is assessed under these tests.

## Lifetime Guaranteed Income

The Lifetime Guaranteed Income Account is assessed as follows:

Assets test	Income test
60% of the purchase price until the life expectancy for a 65-year-old male (currently 84 years old) or a minimum of five years. 30% of the purchase price thereafter.	60% of the regular payments received.

Where you are over Age Pension age, the social security treatment of your account under the assets test and income test will be outlined in your quote.

## Fixed Term Guaranteed Income

Where Centrelink considers your Fixed Term Guaranteed Income Account to be a long term income stream, the assessable amount is reduced by a deduction amount that represents the return of your capital. The deduction amount can be calculated by using the following formula:

**Deduction amount = (Initial capital investment amount – RCV) / investment term**

A short term Fixed Term Guaranteed Income Account, which is an account with a term of five years or less and not considered to be a long term income stream, is assessed as follows:

Assets test	Income test
The initial capital investment less 50% of the deduction amount, calculated every six months in arrears (or 100% of the deduction amount every 12 months in arrears where yearly payments are made)	Deeming rules apply. Under these rules, an assumption is made that financial investments earn a certain amount of income, regardless of the income they actually earn.

A long term Fixed Term Guaranteed Income Account, which is an account with a term that is greater than five years or equal to or greater than the legalsuper member's life expectancy, is assessed as follows:

Assets test	Income test
The initial capital investment less 50% of the deduction amount, calculated every six months in arrears (or 100% of the deduction amount every 12 months in arrears where yearly payments are made)	Regular payments received, less the deduction amount.

Where you are over Age Pension age and the term of your account is greater than five years the social security treatment of your account under the assets test and income test will be outlined in your quote.

# Other important information

There are many ways that legalsuper protects you and your retirement savings. We also provide regular information about your account and the operations of the Fund, so you know how your account is being managed.

## Cooling-off period

A 14-day cooling-off period is applicable when you open a Guaranteed Income Account.

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

- The date that you receive confirmation of commencement of your Guaranteed Income Account, or
- Five calendar days after your Guaranteed Income Account commences.

During this time, you can close your Guaranteed Income Account and have your initial capital investment repaid. If you wish to exercise this right, you must advise the Trustee in writing during the cooling-off period.

You cannot exercise your cooling-off period entitlement after you have exercised any of the other rights of your legalsuper membership, such as receiving an income payment.

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

Please note that the value will be returned to your legalsuper accumulation account (which we will open for you in the Cash investment option and with no insured benefit if you do not have an open account).

## Enquiries and Complaints

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

If you have an enquiry or complaint, please contact legalsuper on 1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday), or write to:

Complaints Officer, legalsuper  
Locked Bag 5081  
Parramatta NSW 2124

Once your complaint has been investigated, you will receive a written reply advising of the Trustee's decision. If you are dissatisfied, a complaint about the quality or management of legalsuper should be made to the Trustee as soon as possible after receipt of the Trustee's response to your

enquiry. There are time limits in relation to certain complaints. If you are not satisfied with the Trustee's response or you have not received a response within time, you may take your complaint to the Australian Financial Complaints Authority (AFCA). AFCA is an external dispute resolution (EDR) scheme to deal with complaints from consumers in the financial system.

AFCA may be contacted at:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Telephone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Website: [afca.org.au](http://afca.org.au)

Consumers have a right to access the AFCA scheme without charge.

## Privacy

Privacy laws regulate, amongst other things, the way organisations collect, use, disclose and store personal information. legalsuper is committed to respecting the privacy of your personal information.

legalsuper collects personal information to establish and manage your Guaranteed Income Account. If you choose not to provide your personal information, we may not be able to process your application and administer your account.

The Trustee may disclose your personal information to its service providers and third parties where required by law or in order to administer and manage your Guaranteed Income Account, e.g. the Australian Taxation Office, Fund administrator and other superannuation funds.

The Trustee may make members aware of products and services that are available to them as Fund members. If you do not wish to receive information of this kind, please contact legalsuper by email at [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au) or telephone 1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday).

Your personal information will not be used or disclosed for any other purpose without your consent. You are entitled to request access to the personal information we hold about you and to correct any information that is inaccurate or out of date.

If you would like a copy of legalsuper's privacy policy, please contact us on 1800 060 312 (8am to 8pm [AEST/AEDT] Monday to Friday) or visit legalsuper's website at [legalsuper.com.au](http://legalsuper.com.au) or write to:

legalsuper  
Locked Bag 5081  
Parramatta NSW 2124

## Bankruptcy and superannuation

The *Bankruptcy Act 1996* has a number of provisions that affect superannuation. It now specifies that contributions to a superannuation fund not made in good faith (i.e. 'excessive contributions') and contributions made with an intention to defeat creditors in a set period before bankruptcy may be returned to creditors.

Additionally, it specifies that, above set limits, a trustee in bankruptcy is able to claim income received by a bankrupt from a superannuation fund.

## Tax File Numbers (TFN)

Under the *Superannuation Industry (Supervision) Act 1993*, legalsuper is authorised to collect, use and disclose your TFN.

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

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

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

## Hear from us

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

The consequences of not providing your TFN may change in future as a result of legislative changes. If you do tell us your TFN, we will treat it as confidential and use it for legal purposes, such as:

- to calculate tax on any benefit payment you may be entitled to;

- to give your TFN to the relevant authority, if we are paying unclaimed money;
- to give your TFN to the Commissioner of Taxation if you receive a benefit; and
- if we transfer your benefits to another superannuation fund or retirement savings account.

These purposes may change in future as a result of legislative changes.

## Regular reports on your Guaranteed Income Account

The Trustee will provide members with the following information on an annual basis:

### Member Statement

The Annual Member Statement shows details for your Guaranteed Income Account for the reporting period. It will be issued before 31 December each year.

### Fund information

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

## Electronic communication

If you or your employer has provided your email and/or mobile number, information relating to legalsuper and your legalsuper account will be provided to you electronically via email, MemberAccess, legalsuper.com.au or SMS, unless you request otherwise. This includes annual statements, notices (including Significant Event Notices), updates and information about your account.

If we do not hold a valid email address for you we will send communications which we are required to provide under superannuation law to you in the post.

To opt out of electronic communications or to provide a different address (either electronic or postal) simply call, email or visit MemberAccess at legalsuper.com.au where you can choose your communication preferences.

## Confirmation of transactions

Where required by law, all transactions will be confirmed by the Trustee in writing.



## Trust Deed amendments

The Trustee can amend the Trust Deed of legalsuper without your consent if:

- the amendment does not reduce the existing accrued benefits of members or beneficiaries; or
- all relevant consents as required by law or by the Trust Deed are obtained; or
- in the opinion of the Trustee, the principal purpose of the amendment is to improve relief or concessions from taxes or other Government imposts or to better enable legalsuper to comply with any law, subject to superannuation law.

## Consent

Each party described in this Document as performing a role in connection with legalsuper has consented to being named in this Document and, where applicable, to the inclusion in this Document of statements, in the form and context in which they are included, that are made by them or said to be based on statements made by them.

## Family Law

Family Law legislation allows for superannuation benefits to be divided between couples upon their separation or divorce. By legislation, legalsuper may be precluded from paying your reversionary should you divorce. It is strongly recommended you obtain expert legal advice should separation or possible divorce apply to you.

A request for information about a member's benefits can be made by the member, the member's spouse or de facto partner, whether same sex or opposite sex (irrespective of whether the spouse or de facto partner is a member) or a person considering entering into a superannuation agreement with a member. By law, the Trustee is not permitted to tell you if such a request has been made.

Currently legalsuper does not charge a fee for family law matters.

## Contact us



The Trustee of legalsuper's contact details are:

Legal Super Pty Ltd  
Level 9, 627 Chapel Street  
South Yarra VIC 3141

Phone: (03) 9602 0100  
Email: [mail@legalsuper.com.au](mailto:mail@legalsuper.com.au)

# Administration instructions

## How to apply?

Before you complete the application form you should have read the legalsuper *Guaranteed Income Account PDS*.

- You must have a valid quotation.

If you have received personal advice from a licensed financial adviser you will also have been given a Statement of Advice regarding the appropriateness of a legalsuper Guaranteed Income Account.

If you have not spoken to a licensed financial adviser legalsuper strongly recommends you consider doing so.

To apply:

1. Complete and sign the *Guaranteed Income Account Application* form (complete each section)
2. Attach your valid quotation and certified proof of identity to the application form
3. Post the application form, the valid quotation and your certified identity to:

legalsuper Guaranteed Income Account  
Locked Bag 5081  
Parramatta NSW 2124

You should ensure that legalsuper receives the required documentation at least 6 business days (NSW) before the date of expiry of your quotation.

## Optional

If you wish to either update your existing Nominated Beneficiary/ies or you wish to make a new nomination you can use the *Nomination of beneficiary/ies – pension* form in this PDS and include that with your other documents.

## Certified proof of identity

You will need to submit one or two forms of acceptable proof of identity with your application form. You must provide certified copies of your original documents.

### legalsuper will accept:

#### ONE OF THE FOLLOWING DOCUMENTS ONLY:

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

OR

#### ONE OF EACH OF THE FOLLOWING:

- notice issued by Commonwealth, State or Territory Government or local council within the past twelve months that contains your name and residential address; and
- a bank statement or utility notice with your current mailing address.

A *certified copy* means a document that has been certified as a true copy of an original document by one of the following persons:

- a person who is enrolled on the roll of Supreme Court of a State or Territory, or the High Court of Australia, a legal practitioner (however described);
- a judge of a court;
- a magistrate;
- a chief executive officer of a Commonwealth court;
- a registrar or deputy registrar of a court;
- a Justice of the Peace;
- a notary public (for the purposes of the Statutory Declarations Regulations 2018);
- a police officer;
- an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- a permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in a office supplying postal services to the public;
- an Australian consular officer or an Australian diplomatic officer (within the meaning of the *Consular Fees Act 1955*);
- an officer with 5 or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declarations Regulations 2018); or
- a member of the Institute of Chartered Accountants in Australia and New Zealand, CPA Australia, the Association of Taxation and Management Accountants or the Institute of Public Accountants.

The certification should be dated and include the full name, telephone number and type of authority (from the above list) of the person certifying.

The document bearing the original certifying signature must be received by legalsuper, and therefore CANNOT be faxed or scanned and emailed.

**Although they may be qualifying members of the legal profession, members (as well as their family members) cannot certify their own ID.**



Please note that you may be able to use electronic verification to prove your identity. Please call **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday) for further information.

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# Guaranteed Income Account Application

Return this completed form to either:

Email: mail@legalsuper.com.au

OR

Post: legalsuper

Locked Bag 5081

Parramatta NSW 2124

Phone: 1800 060 312

Before you complete this application form, you must read the legalsuper *Guaranteed Income Account Product Disclosure Statement (PDS)* and *Target Market Determination (TMD)*, which includes important information about legalsuper Guaranteed Income Accounts. The legalsuper PDS, TMD and all forms that you may require are available free of charge at [legalsuper.com.au](http://legalsuper.com.au) or by calling **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday).

Please use **BLOCK letters and black ink** when completing this form and ensure all relevant fields are completed and signed. Attach all required documentation before returning to legalsuper.

**This form will be invalid if unsigned or undated by the applicant (see Sections 1 and 5).**

## 1. Declaration

I declare that I am: (a) aged 60 or over and have ceased an employment arrangement; or (b) over age 65.

Member's signature

Date (dd/mm/yyyy)

## 2. Guaranteed Income Account Type

### Fixed Term Guaranteed Income

Purchase Price \$

Quote ID

### Lifetime Guaranteed Income

Purchase Price \$

Quote ID

### Source of Purchase Price

Please detail which legalsuper membership account and the amount you wish to transfer to the Guaranteed Income Account:

Membership Number

Amount

\$

Membership Number

Amount

\$

Membership Number

Amount

\$

## 3. Guaranteed Income Account member details

Mr  Mrs  Ms  Miss  Dr  Justice

Surname

Given Name(s)



Date of birth (dd/mm/yyyy)

Residential Address



Town or Suburb

State Postcode

Postal Address (if different to Residential Address above)



Town or Suburb

State Postcode

Tax File Number

Telephone Number

Mobile Number

Email



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

## Reversionary Guaranteed Income Account details

Mr
  Mrs
  Ms
  Miss
  Dr
  Justice

Surname

Given Name(s)



Date of birth (dd/mm/yyyy)

There are restrictions on who can receive payments from your Guaranteed Income Account as a reversionary (please refer to the *Guaranteed Income Account PDS* for further information).

### Collection of Tax File Numbers (TFN)

Under the Superannuation Industry (Supervision) Act 1993, legalsuper is authorised to collect, use and disclose your TFN.

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

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

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

## 4. Payment instructions

Payment instructions for regular income payments (and withdrawals, if applicable).

Bank name/financial institution

Address of bank (suburb or town)

Account holder's name



BSB number

Account number



### Note:

- Please provide a copy of your bank statement (not more than 12 months old) so we can verify that the above details you have provided are correct.
- legalsuper can only deposit amounts into an account held in your name or jointly in your name.

## 5. Declaration

The personal information that you have provided on this form will be used by legalsuper to establish your Guaranteed Income Account in accordance with your instructions.

The legalsuper Privacy Policy is available at [legalsuper.com.au](https://legalsuper.com.au)

I consent to legalsuper (including its service providers) sending me information about products and services that other companies may offer to legalsuper members. (If you do not want legalsuper to send such information to you, simply tick the box below).

No, I do not consent to the provision of this information.

I declare that the information provided by me in this form is correct and complete. I acknowledge that:

- my membership of legalsuper is governed by the Trust Deed of legalsuper and I agree to be bound by the rules of that Trust Deed;
- legalsuper strongly recommends I should seek independent professional financial advice from a licensed financial adviser before making this application to purchase a legalsuper Guaranteed Income Account;
- I have received and read a copy of the legalsuper Guaranteed Income Account PDS and TMD, and understand how the Guaranteed Income Account I am applying for operates;
- I understand that my legalsuper Guaranteed Income Account quote is only valid for fourteen (14) days from the day it is produced and that legalsuper must receive this application and the required documents no later than six (6) business days before the date on which the quote expires. If this requirement is not met, I acknowledge that legalsuper may issue the Guaranteed Income Account based on the rates which apply on the date it receives the required documentation;
- I declare and agree that I am not a temporary resident\*;
- the Trustee is not responsible for any delays in implementing my instructions;
- if I invest in a Fixed Term Guaranteed Income Account and have a residual capital value at the maturity date, legalsuper will automatically roll over the residual capital value into an accumulation account within legalsuper. I authorise legalsuper to open an accumulation account for me within the Personal Division of legalsuper for such purposes if I do not already have such an account and to invest the residual capital value in the Cash option (or equivalent) and that the account will not have an insurance component.\*\* I also acknowledge that legalsuper will only pay a residual capital value to the extent that it receives such payment from Challenger; and
- Any super I use to start a legalsuper Guaranteed Income Account is subject to the Transfer Balance Cap and I am not exceeding the Transfer Balance Cap in starting a legalsuper Guaranteed Income Account.

Member's signature

Date (dd/mm/yyyy)

\* A temporary resident is a holder of a temporary visa under the *Migration Act 1958*, other than a retirement visa holder (subclass 405 or 410), and is not an Australian citizen, a New Zealand citizen or a permanent resident.

\*\* Please see [legalsuper.com.au](https://legalsuper.com.au) for more information on the Personal Division and a copy of the legalsuper Superannuation Product Disclosure Statement.

### Licensed Financial Adviser declaration (if applicable)

By signing this section I declare that:

- any proof of identity documents that I have certified are true copies of the original documents which satisfy the legalsuper customer identity verification requirements;
- I have complied with my obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*;
- my client has been provided with a copy of the legalsuper *Guaranteed Income Account PDS* and *TMD* and my Statement of Advice containing a recommendation regarding the choice of a legalsuper Guaranteed Income Account;
- my Statement of Advice includes an explanation of the guarantee provided by Challenger Life to legalsuper, the implications should Challenger Life not make payments to legalsuper and I am satisfied that my client fully understands this explanation;
- I have fully explained to my client the early withdrawal conditions including the workings of the Lifetime Guaranteed Income Account withdrawal period (if any) that apply to them and the financial implications of taking an early withdrawal benefit and I am satisfied that they fully understand those conditions and implications; and
- in the provision of these financial services to my client I have complied with all my legal obligations under the *Corporations Act 2001* and the conditions required by the AFSL (if applicable).

Adviser Name

AFSL Number

ASIC Adviser Number

Signature

Date (dd/mm/yyyy)

**OR**

### No advice required declaration

By signing this declaration, I acknowledge that:

- legalsuper strongly recommends I should obtain advice from an appropriately qualified licensed financial adviser in relation to the legalsuper Guaranteed Income Account;
- I have elected not to obtain such advice;
- legalsuper has provided me with a quotation only and has not provided personal financial advice in relation to this application;
- I have received and read a copy of the legalsuper *Guaranteed Income Account PDS* and *TMD*, and understand how the Guaranteed Income Account I am applying for operates;
- my income payments are subject to the guarantee provided by Challenger Life to legalsuper and that legalsuper will not make any payment to me under my Guaranteed Income Account unless monies are paid to legalsuper by Challenger Life; and
- I understand the early withdrawal conditions including the workings of the Lifetime Guaranteed Income Account withdrawal period (if any) that apply and the financial implications as they will apply to me should I choose to withdraw early.

Member signature

Date (dd/mm/yyyy)

This page has been left intentionally blank.

# Nomination of beneficiary/ies – pension

**Return this completed form to either:**

**Email:** mail@legalsuper.com.au

**OR**

**Post:** legalsuper

Locked Bag 5081

Parramatta NSW 2124

**Phone:** 1800 060 312

**You must complete every section of this form.**

**Your request will be invalid if unsigned and/or undated as set out below.**

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

If you make a mistake on this form please use a new form, as otherwise it may not be accepted by the Trustee. You should obtain and read a copy of the relevant legalsuper Product Disclosure Statement (PDS) before you complete this form, as it contains important information. The legalsuper PDS is available at **legalsuper.com.au** or by calling **1800 060 312** (8am to 8pm [AEST/AEDT] Monday to Friday).

You can make non-binding nominations via MemberAccess at legalsuper.com.au 'Login'.

## 1. My legalsuper member number is

legalsuper membership number

Other legalsuper membership numbers (if any):

## 2. My personal and contact details previously notified to legalsuper

Mr  Mrs  Ms  Miss  Dr  Justice

Surname

Given Names

Date of birth (dd/mm/yyyy)

Postal Address

Town or Suburb

State

Postcode

Telephone Number

Mobile Number

Email

Occupation

Judge  Barrister  Solicitor/Lawyer

Management staff  Administration/Support Staff

Other (please specify)



## 3. Nomination of beneficiary/ies

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

All members of legalsuper may make a death benefit nomination. The Trustee will consider the most recent valid nomination that you have with legalsuper.

You may elect to make either a Binding or Non-binding nomination of beneficiary/ies to whom your accrued legalsuper entitlements (plus any insurance proceeds) (**Death benefit**) will be paid in the event of your death.

**Please note:** a death benefit nomination only applies to the particular legalsuper account that you specify that nomination for and the most recent valid nomination will apply only to that particular account.

The most recent valid Non-binding nomination will replace any previous Non-binding nomination for that particular account, whilst the most recent valid Binding nomination will replace any previous Binding or Non-binding nomination for that particular account.

A valid Non-binding nomination of preferred beneficiaries is not binding on the Trustee, but will assist the Trustee in exercising its discretion. The Trustee will determine what proportion of your entitlements goes to one or more of your dependants and/or your legal personal representative (estate) on your death. Unless the Trustee decides to pay the benefits to your legal personal representative, your entitlements will not form part of your estate and will therefore not be subject to the terms of your Will.

A valid Binding nomination of beneficiaries will bind the Trustee to pay your entitlements on your death exactly as you specify. Your nomination will only be valid and binding if it is made in accordance with relevant requirements. The requirements include that you sign and date the declaration in section 4 in the presence of two persons over 18 years of age who witnessed you sign and date the declaration, and those witnesses are not included in your nomination. You must submit this form with original signatures to the Trustee.

**Please remember:** a Binding nomination is only valid for three years from the date you sign it, confirm or amend it.

The Trustee does not accept any nomination made under any form of Power of Attorney.

You can nominate both individual beneficiaries and a legal personal representative (estate).

### 'Dependant' is defined as:

- (a) the spouse of the person, any child of the person and any person with whom the person has an interdependency relationship at the relevant time (being in the case of a deceased person the date of their death); and
- (b) any other person who in the opinion of the Trustee is at the relevant time (being in the case of a deceased person the date of their death) wholly or partially dependent on the person.

### 'Interdependency' means:

Two persons have an interdependency relationship if:

- (a) they have a close personal relationship;
- (b) they live together;
- (c) one or each of them provides the other with financial support; and



(d) one or each of them provides the other with domestic support and personal care.

Two people have an interdependency relationship if they have a close personal relationship but do not satisfy the other requirements of an interdependency relationship because either or both of them suffer from physical, intellectual or psychiatric disability.

Please nominate the type of beneficiary option you wish to be implemented in the event of your death. Please select one option.

**Option 1 – As a reversionary pension to be paid to your nominated dependant\***

Mr  Mrs  Ms  Miss  Dr  Justice

Surname

Given Names

Date of birth (dd/mm/yyyy)

Relationship

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

**Option 2 – Lump sum to be paid to your nominated beneficiary/ies (this includes your legal personal representative (estate))**

Please provide the names of your preferred beneficiary/ies in the event of your death. You can photocopy this page of the form if you have more than four beneficiary nominations. **Benefit allocations can only be up to 2 decimal places and must add up to 100%. Please complete all parts of this section.**

Surname

1

Given name(s)

Relationship

Spouse  Child  Financial dependant  Interdependent

Date of birth % of benefits

**OR** Legal personal representative (write their full name below) % of benefits

Surname

2

Given name(s)

Relationship

Spouse  Child  Financial dependant  Interdependent

Date of birth % of benefits

Surname

3

Given name(s)

Relationship

Spouse  Child  Financial dependant  Interdependent

Date of birth % of benefits

Surname

4

Given name(s)

Relationship

Spouse  Child  Financial dependant  Interdependent

Date of birth % of benefits

**Total must equal 100%**

#### 4. Declaration

I acknowledge that:

- I have read and understood the information in this form and the relevant legalsuper PDS regarding nominations.
- Each beneficiary I nominated must be either a dependant as defined in this form or my legal personal representative at the time of my death.
- My beneficiary/ies and I will be bound by the provisions of the legalsuper Trust Deed (as amended) relating to nominations.
- If I made a Binding nomination, it is only valid for three years from the date I sign it or any confirmation or amendment of it.
- I accept that should my circumstances change, or those of any of my beneficiary/ies, it is my responsibility to review my nomination and change it if required.
- I may at any time revoke or change my nomination in accordance with legalsuper's procedures.
- If this nomination is invalid, or is a non-binding nomination, or has not been received by the Trustee when I die, the Death benefit will be paid by the Trustee in its discretion to or for the benefit of one or more of my dependants or my legal personal representative in such proportions between them as the Trustee determines.
- This nomination will replace any previous valid Binding or Non-binding nomination held by the Trustee for this particular account I have with legalsuper.
- I agree and understand that my pension superannuation arrangements will be governed by prevailing legislation and the terms and provisions of legalsuper's governing rules as in force from time to time.
- I have read the above information setting out the terms upon which this nomination is made.
- My nomination was not made under any form of Power of Attorney.

Member's signature

Date (dd/mm/yyyy)

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

In witnessing this nomination, I declare that the member signed and dated the nomination above in my presence, I am at least 18 years of age and I am not nominated above as beneficiary or legal personal representative of the member.

**Witness 1**

Surname

Given names

Signature

Date (dd/mm/yyyy)

**Witness 2**

Surname

Given names

Signature

Date (dd/mm/yyyy)

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

legalsuper  
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