Your guide to pensions

Flexi Pension

Product Disclosure Statement issued 1 October 2015
by UniSuper Limited ABN 54 006 027 121

Retired UniSuper members Dale and Ron Patterson enjoy family time with one of their grandchildren.

ABOUT THIS PRODUCT DISCLOSURE STATEMENT

This product disclosure statement (PDS) has been prepared and issued by UniSuper Limited as Trustee of UniSuper. This PDS is for current UniSuper members who are considering a Flexi Pension.

The information provided in this PDS is of a general nature only and does not take into account your personal financial situation or needs. You should therefore consider whether it is appropriate for your circumstances before relying on it. If you would like advice you should obtain financial advice tailored to your personal circumstances before making a decision about this product. Applications from outside Australia may not be accepted.

This PDS describes the important features of membership, including the benefits and risks and how fees, costs and taxes may apply. The information in this PDS will help you make important choices about your pension. If you would like a paper copy free of charge, please order a copy from **unisuper.com.au/pds** or call us on **1800 331 685**.

It is important that you read this PDS in conjunction with UniSuper's *How we invest your money* booklet (which is incorporated by reference in this PDS) and, the *What happens to your inbuilt benefits if you choose Accumulation 2?* booklet if you're applying for a transition to retirement (TTR) pension (which is also incorporated by reference), before making any investment decisions for your Flexi Pension. The material in this booklet may change between the time you read this PDS and the day you acquire the product. The booklet is also available free of charge from our website at **unisuper.com.au/pds**.

To the extent that this PDS contains any information which is inconsistent with the UniSuper Trust Deed and Regulations, (together, the 'Trust Deed'), the Trust Deed will prevail.

Information in this PDS is current as at the date of issue. Information contained in this PDS which is not materially adverse may change from time to time. Updated information is available free of charge from our website or by calling us to obtain a paper copy. You will be given notice of material changes or significant events within timeframes required by law.

UniSuper Management Pty Ltd, Chant West and SuperRatings Pty Limited have consented to their logo and/or statements being included in this PDS, in the form and context in which they have been included, and consent has not been withdrawn as at the date of this PDS.

Check the UniSuper website at **unisuper.com.au/pds** for any updates on non-material changes made to the PDS.

IN THIS PDS

UniSuper is referred to as UniSuper or the Fund, ABN 91 385 943 850.

UniSuper Limited is referred to as UniSuper or the Trustee, ABN 54 006 027 121.

UniSuper Management Pty Ltd is referred to as USM, ABN 91 006 961 799, Australian Financial Services Licence (AFSL) No. 235907.

The Trustee has delegated administration of the Fund to USM, which is wholly owned by UniSuper in its capacity as Trustee of the Fund. USM's AFSL No. 235907 authorises it to deal in financial products and to provide financial product advice to members through UniSuper Advice.

SUPER RATINGS · 7 YR PLATINUM PERFORMANCE 2008–2015 · SUPERRATINGS PLATINUM PENSION 2015 · SUPER OF THE YEAR FINALIST 2015 · INFINITY RECOGNISED 2015

SuperRatings, a superannuation research company, has awarded UniSuper a 7-year Platinum Performance rating for its Flexi Pension product in 2015.

Go to www.superratings.com.au for details of its rating criteria. SuperRatings does not issue, sell, guarantee or underwrite this product.

Chant West · 5 Pension 2015 · Investments Best Fund 2015 Winner

Chant West has awarded UniSuper a 5 Apples rating for its Flexi Pension product in 2015, and 'Investments Best Fund' in its 2015 awards. For further information about the methodology used by Chant West, see www.chantwest.com.au.

Chant West has given its consent to the inclusion in this document of the references to Chant West and the inclusion of the logos and ratings or awards provided by Chant West in the form and context in which they are included.

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Planning your retirement with us

Congratulations. After years of saving and hard work, you're finally ready to retire or start winding back your working hours. Whatever your plans for retirement, you'll need a regular income to help you achieve your goals for the years ahead. Pensions, also known as retirement income streams, can help you make your superannuation money last longer.

We offer three pension options for eligible members:

- Flexi Pension
- Commercial Rate Indexed Pension
- Defined Benefit Indexed Pension.

In this section we compare the features of our pension products to help you decide which pension may best suit your needs.

What is a pension?

A pension is basically a regular income stream. For many, super forms a large part of their retirement income. You can use your super savings to purchase a pension when you retire or are transitioning to retirement.

Super funds may offer two types of pensions: account-based pensions (also known as allocated pensions or market-linked pensions) and lifetime pensions (also known as annuities or indexed pensions).

PDS updates

Remember to check the UniSuper website at **unisuper.com.au/pds** for any updates on non-materially adverse changes made to the PDS.

With an account-based pension (e.g. our Flexi Pension), you can choose the amount of pension you receive each year within minimum and, in some cases maximum, levels set by law. Your super money is progressively drawn down until the account balance runs out.

Lifetime pensions (like our indexed pensions) provide you with the certainty of receiving a regular monthly income indexed to the consumer price index (CPI) for the rest of your life, but without the flexibility to vary your pension payments and investment choice.

Why purchase a pension?

Purchasing a pension from your super fund can help you make your super last longer. It also allows you to keep your money within the superannuation system, so you can continue to enjoy the tax benefits. This means tax-free investment earnings and, if you're aged 60 or older, tax-free pension payments.

The income paid from your pension may also be treated favourably by Centrelink when assessing your Age Pension eligibility, so you may still be entitled to a government benefit while receiving your account-based or indexed pension.

Benefits of being a UniSuper pension member

When you joined UniSuper, you entered a partnership that can continue beyond your working life and into retirement. As a UniSuper member, you have exclusive access to a range of pension options designed to meet the different needs of our members. And by keeping your super with us, you will continue to enjoy the many benefits of UniSuper membership.

Pension options to suit your needs

Whether you want investment choice, flexibility in the level of income you receive each year, the ability to make lump-sum withdrawals, an income for life, or to gradually move into retirement by taking some or all of your benefit while you're still working, we have a pension for you.

Value for money

We're a large profit-to-members fund. This means all our profits go to our members or are reinvested to improve our products and services.

We don't pay commissions to our financial advisers and we don't pay dividends to external shareholders.

Regardless of which pension option you choose, as a UniSuper member, you won't be charged:

- any establishment fees
- any withdrawal fees
- any switching fees for the first investment option switch you make each financial year (for Flexi Pension).

Other fees may apply. Please refer to the 'Fees and other costs' section of the relevant PDS for the fees that apply to our three pension products.

A record of strong long-term investment performance

As a UniSuper pension member, you can be confident your savings are in good hands. With some of the country's leading investment expertise, we're proud to have achieved returns that have exceeded industry benchmarks for various investment options.

In June 2015, our Balanced investment option outperformed the industry median for balanced options for one, three, five, seven and 10-year periods.[1]

Ratings agency SuperRatings has given UniSuper's Flexi Pension investment performance an 'excellent' rating. According to the rating system used, this means we have been a premium performer in this area and well above benchmark.[2]

Of course the value of investments can rise and fall, and past performance should not be relied on as an indicator of future performance.

The know-how you need

We offer a number of ways for you to access our resources to help you make the most of your pension. Come along to one of our complimentary seminars to learn more and ask questions about all sorts of pension and investment-related topics. Partners are welcome too. You can also visit our online learning centre at **unisuper.com.au/learning-centre** to access our range of informative tutorial videos and calculators on subjects our members most want to know about.

Personal service

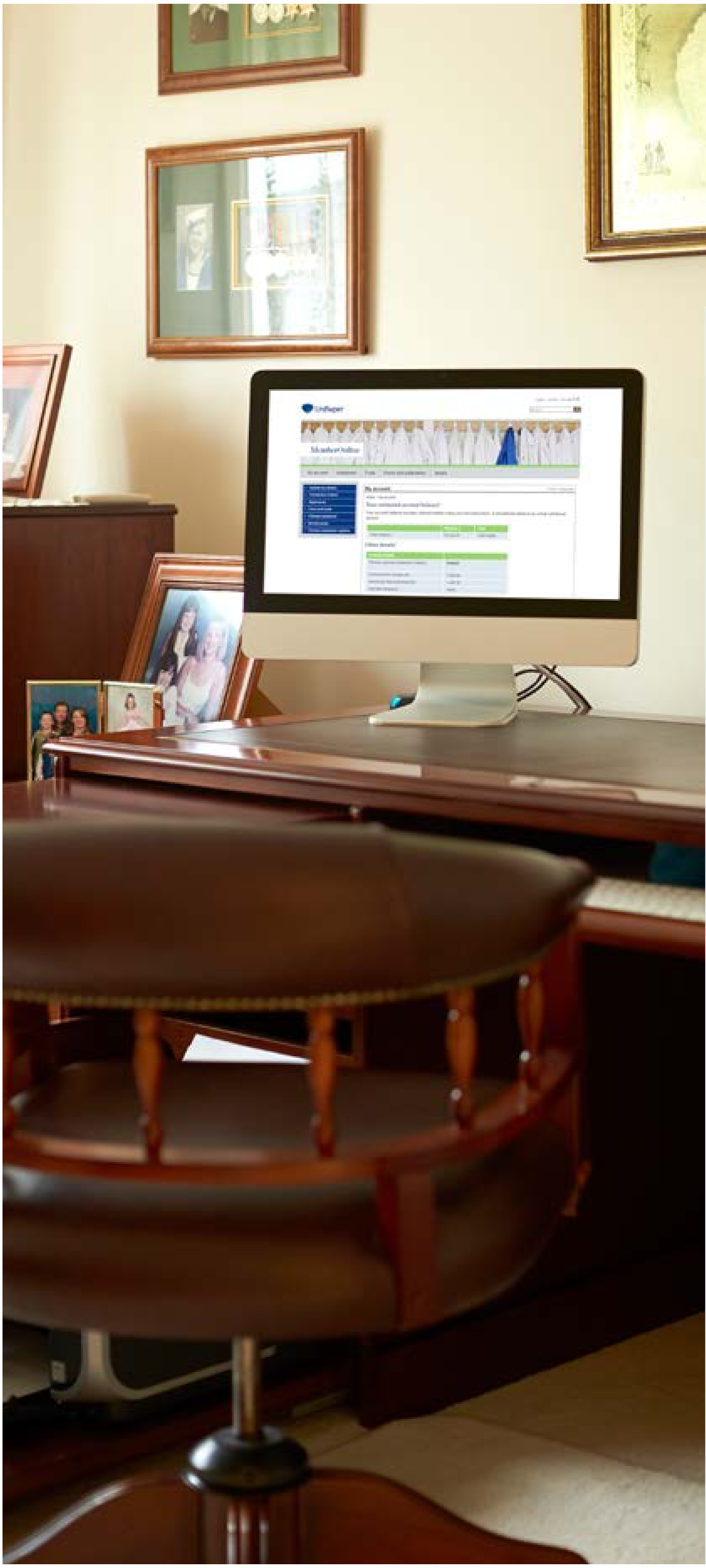
Whether you're still working or fully retired, you and your partner will always have exclusive access to expert financial advice from UniSuper Advice for help with managing your retirement savings. As a UniSuper member, you can get over-the-phone advice on a few specific issues related directly to your UniSuper account, or meet with an adviser in person for a more comprehensive discussion about your finances.

Our multi-award winning Helpline team[3] is also available to answer your questions and support you through your journey. Call us on **1800 331 685** or email **pensionsmailbox@unisuper.com.au**.

[1] SuperRatings (2015) SuperRatings Pension Fund Crediting Rate Survey June 2015 published 21 July 2015. This data is based on the SuperRatings Fund Crediting Rate Survey for the relevant period and doesn't take into account any subsequent revisions or corrections made by SuperRatings. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members.

[2] This is based on *SuperRatings Fundamentals report* for UniSuper Flexi Pension 31 May 2015 and doesn't take into account any subsequent revisions or corrections made by SuperRatings. At the time of preparation, UniSuper was not aware of any revisions or corrections which would be materially adverse to members. The report is available at unisuper.com.au.

[3] International Customer Management Institute's (ICMI) Call Centre of the Year Award (Small to Medium), 2013. ATA Victorian Contact Centre of the Year (30 staff or less) Award, 2013.



Manage your account using MemberOnline

MemberOnline is a valuable tool for helping you manage your Flexi Pension account.

This user-friendly site allows you to update your details, including your non-binding beneficiary, change your pension drawdown method and switch investment options online.

MemberOnline also gives you access to a range of current and historical transaction and performance details about your pension account, including:

- **Portfolio summary**–view the total value of your account
- **Account transactions**–see all your transactions, including your initial contribution, pension payments, withdrawals and investment returns
- **Account information**–update and view your personal information and other account features
- **Statements**–view current and historical benefit statements online
- **Investments**–view your current investment options and make an investment switch.

HOW TO REGISTER FOR MEMBERONLINE

You can register for MemberOnline at **unisuper.com.au/memberonline** once you have received your pension number.

Note: You may already have online access for any other UniSuper accounts you have. However, to access your Flexi Pension online, you'll need to register for separate login details.

Our pension options

We offer a number of pension options that may suit the way you'd like to access and continue investing your super in retirement.

Our three pension options are:

- Flexi Pension
- Commercial Rate Indexed Pension
- Defined Benefit Indexed Pension.

Each pension option has different key features and benefits, which are summarised on the next few pages. For a quick snapshot of how each pension compares, see the table on pages 10 and 11.

Flexi Pension

As the name suggests, a Flexi Pension offers you the flexibility to adjust the amount (subject to a government-specified age-based minimum) and frequency of your regular payments and choose how your account is invested. It also allows you to make lump-sum withdrawals at any time[4] and gives you three options for nominating who you want to receive your pension balance after your death.

While you're still working, you can also transition to retirement with a Flexi Pension (depending on your age) and continue to contribute to your super account, allowing you to grow your retirement savings in a tax-effective environment.

Before making a decision, you should refer to the relevant PDS for each product you are considering. You can find out more about the Flexi Pension in this PDS. For more on the Commercial Rate Indexed Pension and Defined Benefit Indexed Pension, see the relevant PDS, available from **unisuper.com.au/pds** or by calling us on **1800 331 685**.

Commercial Rate Indexed Pension

We offer two types of Commercial Rate Indexed Pensions—a Joint Life option and a Single Life option. Both options offer monthly payments for the rest of your life and are indexed to the Consumer Price Index (CPI) on 1 July each year. The key difference between the Joint Life and Single Life options is what happens to your pension in the event of your death (see page 9 for details).

Defined Benefit Indexed Pension

You may be eligible to open a Defined Benefit Indexed Pension if you joined the Defined Benefit Division (DBD) before 1 July 1998 and have maintained continuous DBD membership since then. Like a Commercial Rate Indexed Pension, a Defined Benefit Indexed Pension offers you monthly payments for the rest of your life and is indexed in line with CPI on 1 July each year.

Regardless of which pension you choose, the income you receive from any UniSuper pension from age 60 is tax free. You'll also receive tax-free investment earnings.

[4] If you take a Flexi Pension under the transition to retirement (TTR) rules you can only make lump-sum withdrawals in very limited circumstances.

The main ways in which the three pensions differ are ...

1	2	3	4	5	6
Access to your funds	Choice of pension payments and investment options	The effect of market fluctuations	How long the pension will last	The types of death benefit nominations you can make	What happens to your pension on your death

Knowing how each pension option works in each of these areas can help you decide which option best suits your needs and those of your family.

Here are some questions to help determine which pension best suits your needs.

1 ACCESS TO YOUR FUNDS

Ask yourself: *Will you need to make lump-sum withdrawals at any time?*

With a Flexi Pension, you can make lump-sum withdrawals of $2,000 or more at any time (this can only be done for Flexi Pensions taken under transition to retirement (TTR) rules in very limited circumstances—see page 27). If you start a Commercial Rate Indexed Pension or a Defined Benefit Indexed Pension, you won't have this type of access to your capital and can't make any lump-sum withdrawals.

2 CHOICE OF PENSION PAYMENTS AND INVESTMENT OPTIONS

Ask yourself: *Do you want a say in how much income you receive and how often you're paid, as well as a choice in how your pension account is invested?*

A Flexi Pension lets you choose how much pension income you receive each financial year, subject to government prescribed, age-based minimum limits (and maximum limits for TTR pensions) as well as a payment frequency that suits you (fortnightly, monthly, quarterly, half-yearly or annually). With a Flexi Pension, you can also choose and switch the investment options your account is invested in.

With a Commercial Rate Indexed Pension or Defined Benefit Indexed Pension, you can't vary the amount or frequency of your pension payments. Instead, your annual pension is paid monthly and indexed in line with the Consumer Price Index (CPI) on 1 July each year. Also, you won't have investment choice with either type of indexed pension.

3 THE EFFECT OF MARKET FLUCTUATIONS

Ask yourself: *How do you feel about the uncertainties of investment performance?*

With a Flexi Pension, the pension's value is affected by the returns of your chosen investment options. Returns will vary over time and may even be negative. Because of this, there may be times when your investment returns may not keep pace with inflation and could even reduce your Flexi Pension account balance.

In contrast, pension payments from a Commercial Rate Indexed Pension or Defined Benefit Indexed Pension are indexed in line with CPI increases and do not fluctuate according to investment market performance.

Note: Both Commercial Rate Indexed Pensions and Defined Benefit Indexed Pensions are subject to insolvency risk. It is also possible UniSuper could decide to cease to adjust Defined Benefit Indexed Pensions in line with CPI for a period of time or they could be adjusted by less than CPI. These risks are explained in more detail in the relevant PDS.

4 HOW LONG THE PENSION WILL LAST

Ask yourself: *Do you have concerns about how long your pension will last?*

If you choose a Flexi Pension, your pension payments will stop when your account balance reduces to zero. This means that your pension may not last for your entire life. On the other hand, both a Commercial Rate Indexed Pension and Defined Benefit Indexed Pension offer monthly payments for the rest of your life. They may also pay a pension to an eligible spouse or child/children on your death.

5 THE TYPES OF DEATH BENEFIT NOMINATIONS YOU CAN MAKE

Ask yourself: *Is it important for you to have certainty about who will receive the balance of your pension account on your death?*

With a Flexi Pension you can nominate either a reversionary, binding or preferred beneficiary to provide greater certainty about who receives the balance of your Flexi Pension account (if any) after your death.

On the other hand, with a Joint Life Commercial Rate Indexed Pension and Defined Benefit Indexed Pension, you must nominate your spouse to receive a reversionary pension after your death. This nomination is binding on the Trustee. With a Defined Benefit Indexed Pension, a benefit may also be paid to your dependent or disabled children.

You can't make any type of death benefit nomination for a Single Life Commercial Rate Indexed Pension. Instead, your pension ends on your death, unless you die within the 'guarantee period' (see 'What happens to your pension on your death' on the next page for more information).

6 WHAT HAPPENS TO YOUR PENSION ON YOUR DEATH

Ask yourself: *Do you want to leave a lump-sum benefit when you die?*

If you have a Flexi Pension, the remaining balance of your pension account (if any) will be paid to your valid dependant as a reversionary pension, or as a lump sum to one or more of your dependants and/or legal personal representative.

With the Commercial Rate Indexed Pension Single Life option your pension ends on your death unless you die within the 'guarantee period', which is the lesser of 10 years or your life expectancy when you started the pension, rounded up to the nearest whole number.[5] If you die within the guarantee period, a residual amount will be paid as a lump sum to your legal personal representative. If you die after the guarantee period, no amount will be payable as a death benefit to your estate.

With the Joint Life option, on your death your nominated spouse will receive a reversionary pension for the rest of their life, unless they die before you or are no longer your spouse at the date of your death (in this case, no reversionary pension is payable).

If your nominated spouse is receiving the reversionary pension and dies within the guarantee period, a residual amount will be paid as a lump-sum benefit to your spouse's legal personal representative.

If you have a Defined Benefit Indexed Pension, a 62.5% reversionary pension will be paid to your surviving spouse at the date of your death for the rest of their life, and any dependent or disabled children you have may also be eligible to receive a pension in the event of your death.

For more information on what happens to your indexed pension upon your death, see the Commercial Rate Indexed Pension PDS or Defined Benefit Indexed Pension PDS.

Do you gradually want to move from full-time work to retirement?

Under the transition to retirement (TTR) rules, you may be able to reduce your working hours without reducing your income, provided you have reached your preservation age (see page 44 for details) and meet the other eligibility criteria. You can do this by topping up your part-time income with regular pension payments from your super savings.

Under TTR rules, you can only access your super as a 'non-commutable' account-based pension, which means you can only make lump-sum withdrawals in very limited circumstances.

If you're eligible, you may be able to transition to retirement using a Flexi Pension. To find out more, see pages 26 to 29.

[5] For example, if your life expectancy when you start your pension is 4.36 years, your guarantee period will be five years—i.e. 4.36 rounded up to 5.

Your pension options at a glance

	FLEXI PENSION
Tax-free pension payments after age 60	✓
Flexibility to change income level each year	✓ Subject to government-specified age-based minimum. An annual maximum applies to Flexi Pensions taken under TTR rules.[6]
Flexibility to change payment frequency	✓
Lump-sum withdrawals	✓ If you take a Flexi Pension under TTR rules, this can only be done in very limited circumstances.
Pension payable for life	✗ Pension payments continue until your account balance is zero.
Investment choice	✓
CPI-indexation	✗
Establishment fee	✗
Minimum initial investment	$25,000
Centrelink or Department of Veterans' Affairs assets test exempt	✗
Binding death benefit nomination (lapsing and non-lapsing)	✓
Reversionary beneficiary	✓
Death benefit	If you have a valid reversionary beneficiary nomination, any remaining balance will be paid to your reversionary beneficiary as a pension. Otherwise, your pension will stop and your dependants and/or legal personal representative will receive any remaining balance as a lump sum.

COMMERCIAL RATE INDEXED PENSION	DEFINED BENEFIT INDEXED PENSION
✓	✓
✗	✗
✗ Monthly	✗ Monthly
✗	✗
✓	✓
✗	✗
✓	✓[7]
✗	✗
$25,000	No minimum applies.
✗	✓
✗	✗
✓ Yes, for the Joint Life option, but this cannot be varied during the life of the pension.	✓ The pension is automatically a Joint Life pension and payable to your spouse in the event of your death.
Single Life Indexed Pension: your pension ends on your death unless you die within the 'guarantee period'. If this occurs, the residual amount will be paid to your legal personal representative as a lump sum. Joint Life Indexed Pension: a reversionary pension will be paid to your nominated spouse for the remainder of their life.	Your surviving spouse will receive a 62.5% reversionary pension for the rest of their life. Before the pension commences, your spouse can partially or fully commute this pension into a lump sum. A benefit may also be paid to your dependent or disabled children.

[6] Eligibility conditions and restrictions apply to Flexi Pensions taken under TTR rules.

[7] It is possible that UniSuper could decide to cease to adjust Defined Benefit Indexed Pensions in line with CPI for a period of time or they could be adjusted by less than CPI. Refer to the *Your guide to pensions – Defined Benefit Indexed Pension* PDS for more detail on the risks of this product.

So which pension option best suits your needs?

Like any important financial decision, you need to take the time to consider your options carefully and work out what's right for you.

You should think about each pension's features in light of your own circumstances and those of your family. This includes looking at what happens to your pension in the event of your death.

For details on each option, you should refer to the section 'Our pension options' (pages 6 to 11) and the relevant PDS for each product you are thinking about before making a decision. Also, if you need additional help to make a decision about your retirement options, we recommend you see a qualified financial adviser.

Once you have chosen your pension option, remember to let us know if your circumstances change so we can keep you informed. It's also a good idea to let a loved one know you have a UniSuper pension so they can communicate with us in the event you are unable to.

How to apply

Applying for a UniSuper pension is simple. Here's what you need to do.

- If you're employed by a university when you retire, you'll automatically receive a *Planning your retirement* kit. This kit outlines your benefit options and includes a *Benefit entitlement statement*, which shows your total estimated benefit entitlement as at your retirement date.
- If you're not employed by a university when you retire, you'll need to contact us to request your kit and *Benefit entitlement statement*.
- Decide which pension or combination of pensions may suit your needs by consulting the 'Your pension options at a glance' table on pages 10 and 11, considering the relevant PDS, and speaking to a qualified financial adviser if you need to.
- Complete the application form at the back of the PDS of your chosen pension option.
- If you're aged less than 60, complete an Australian Taxation Office (ATO) *Tax file number declaration form* for each pension you are opening. You can find this form, which is **different** from our *Tax file number collection form*, in your *Planning your retirement* kit, and on the ATO website (www.ato.gov.au). You don't need to complete this form if you are aged 60 or older.
- Provide correctly-certified proof of identity.
- If you're combining any super you have in other funds into your UniSuper account before you start your Flexi Pension or Commercial Rate Indexed Pension, complete a *Combine my super (rollover) form* available at **unisuper.com.au** for each fund you are transferring to UniSuper.

We'll process your application and open your pension as soon as we receive your correctly completed documents and, if required, have confirmed your employment details with your employer and processed any super transfers you've requested.

You'll receive a confirmation letter once your pension account has been opened. This letter will include details of the date your pension payments will start, your gross annual pension income and, if applicable, the payment period you have chosen.

Cooling-off period

You are entitled to a 14-day 'cooling-off period' when you commence a UniSuper pension (this does not apply to Flexi Pensions taken under transition to retirement—TTR—rules). If you decide that your pension doesn't meet your needs within these 14 days, you can choose to cancel your pension and receive the total benefit as a lump sum.

The cooling-off period starts from the earlier of:

- date you receive your pension confirmation letter, or
- end of the fifth business day after your pension account is opened.

To withdraw your pension application, you must advise us in writing within the cooling-off period. We'll then refund the initial amount used to commence the pension, less any taxes that apply.

You won't be charged a fee for withdrawing your pension application within the cooling-off period, but any taxes you owe will be deducted from your refund. Your balance may also be adjusted for any market movements in your chosen investment options or any payments made to you. This means that the amount you receive back may differ from the original amount used to open your pension.

Before you retire

You can request a formal benefit estimate prior to retiring by calling us on **1800 331 685**. If you're a DBD member, the defined benefit component is calculated using a formula that takes a number of factors into account, including how long you've been a DBD member. To provide you with an estimate, certain assumptions have been made relating to the formula. This means the final balance you receive at retirement may differ from the estimate.

Need help choosing the best pension option for you?

Your retirement is too important to leave to chance. A UniSuper qualified financial adviser can help you plan the retirement you've worked hard to achieve, so you can spend the next stage of your life doing what you want. UniSuper Advice offers you the opportunity to access financial advice as part of your membership.

UniSuper Advice is operated by UniSuper Management Pty Ltd, which is licensed to provide financial advice to members. Our financial advisers are solely dedicated to helping UniSuper members and their spouses. This means you can get financial advice from someone who understands the Fund and the higher education and research sector.

UniSuper financial advisers can provide comprehensive financial advice, including advice on retirement planning, non-superannuation investments, and insurance.

The service operates on a fee-for-service basis, with no commissions paid to its financial advisers. If you request personal advice services, before you incur any personal advice service fees, UniSuper Advice will provide you with a quote of the fees you'll be charged.

So, if you need to arrange an advice appointment, contact UniSuper Advice on **1300 331 685** or visit **unisuper.com.au/advice**.

ADVICE UniSuper

About UniSuper's Flexi Pension

A Flexi Pension offers you the flexibility to structure your investments and tailor your pension payments to suit your needs. Like all UniSuper pensions, it also provides tax-free income from age 60.

Features of UniSuper's Flexi Pension

With a UniSuper Flexi Pension:

- you choose your level of annual pension income, at or above the government-specified age-based minimum amount
- payments continue until the balance of your account reaches zero, you close your account, or die
- you have ongoing access to your capital, and can make lump-sum withdrawals of $2,000 or more at any time (except under TTR rules—see page 27)
- you can nominate your dependants and/or legal personal representative to receive the remaining balance of your account (if any) in the event of your death, or one of your eligible dependants to continue to receive a pension.

How do you start a pension?

To commence a UniSuper Flexi Pension you need to have satisfied a 'condition of release' to access your preserved benefits (see page 44 for details)[8] and have a minimum investment of $25,000. You can use all or part of your existing UniSuper accounts to open the pension, and transfer any amounts you have in other super funds into your UniSuper account before the pension commences. You will not be charged an establishment fee to open a UniSuper Flexi Pension.

If you purchase a Flexi Pension under TTR rules, you must leave a minimum balance of $1,000 in your accumulation account or, for DBD members, accumulation component. See pages 26 to 29 for more information about TTR pensions.

Until your pension commences, your super will remain invested in your existing account according to your chosen investment options, and any delays in receiving transfers (i.e. rollovers) from other funds or finalising payments may affect the amount used to establish your pension.

Can you put extra funds into your pension?

You can't make contributions to your account once your Flexi Pension is established. To contribute additional amounts, you can open another Flexi Pension account, or close your existing Flexi Pension and open a new Flexi Pension account with your combined money, if you have at least $25,000 to invest.

If you choose to close your existing Flexi Pension account in order to open a new Flexi Pension, the account balance will be transferred to either your existing accumulation account or, if you don't have an existing accumulation account, to a new accumulation account that we will establish for you.

Please note that while we process the transfer, your money will not be invested and investment earnings (positive or negative) will not be applied to your transferred balance. Once we've processed the transfer, the transferred balance will be added to your accumulation account. If you have an existing accumulation account, the transferred balance will be invested in the investment strategy that applies to your existing account until the new Flexi Pension account is established. If we have to establish a new accumulation account for you, the transferred balance will be invested in the Balanced option, UniSuper's default investment option, until your new Flexi Pension account is established.

[8] Restrictions apply for temporary residents—see the application form at the end of this PDS for details.

Government benefits

If you purchase a Flexi Pension, Centrelink and/or the Department of Veterans' Affairs will apply the assets test and income test to determine your eligibility for a social security or Veterans' Affairs benefit or allowance.

Your entire pension account balance counts towards the assets test, and Centrelink deeming rates will be applied to your account balance to determine the amount that counts towards the income test.

It's important to stay up to date with changes that may be made to the income and assets tests from time to time. To check how any legislative changes may affect you, we recommend you speak to a qualified financial adviser. If you would like to speak to an adviser, you can call UniSuper Advice on **1300 331 685** or email **advice@unisuper.com.au**.

You can also contact Centrelink (www.humanservices.gov.au) and/or the Department of Veterans' Affairs (www.dva.gov.au) for more information.

Lump-sum withdrawals

You can make lump-sum withdrawals of $2,000 or more from your Flexi Pension at any time. With Flexi Pensions taken under TTR rules, this is only available in very limited circumstances (see page 27).

Lump-sum withdrawals are usually paid within five business days of receiving your request and are paid into the same account as your pension payments.

You can 'commute' your Flexi Pension (i.e. convert all or part of it to a lump sum) to purchase another account-based pension or transfer it to another super account. If you're considering this option, we strongly recommend you see a qualified financial adviser to discuss the implications of closing your pension and commuting it to a lump sum or back to super.

In some circumstances, government rules require you to take at least your pro-rated minimum pension payment for the financial year before you can make a lump-sum withdrawal. This will occur if you make a withdrawal and there are insufficient funds in your pension account to meet the minimum pension payments for the remainder of the financial year.

How long will your Flexi Pension last?

Your Flexi Pension will last until the balance of your pension account is zero. How long it takes for your account balance to reach zero depends on how much you opened the pension with, the level of investment returns (positive or negative), your annual pension payments, any lump-sum withdrawals you make, any applicable taxes, and fees and costs deducted from your account.

Your investments

INVESTMENT CHOICE

With a Flexi Pension, you can choose how your pension account is invested. We offer a range of investment options for you to choose from, and these options are similar to our accumulation super account options.

When deciding how to invest your pension account, it's important to understand how the investment options work so you can choose options which are best suited to your investment needs and the level of risk you're comfortable with.

Our *How we invest your money* booklet, available from **unisuper.com.au/pds**, provides important information about our Pre-Mixed and Sector investment options, including how they are invested, the different asset classes and the different levels of risk associated with each option.

The booklet also provides general information that may help you determine your own investment needs and make an investment decision based on those needs. In addition to reading the booklet, we recommend you read the latest disclosure updates on our website and speak to a qualified financial adviser before making a decision.

Further reading

You should read our *How we invest your money* booklet (incorporated by reference) in conjunction with this PDS before making any investment decisions about your Flexi Pension account. The material in this booklet may change between the time you read this PDS and the day you acquire the product. To obtain a copy, visit **unisuper.com.au/pds** or call us on **1800 331 685**.

CHANGING YOUR INVESTMENT OPTIONS

To accommodate any significant changes in your investment needs and goals, you can change your investment options—this is called switching. If you do make a switch, you may incur an investment switching fee (see page 34 for more information).

If you're registered with MemberOnline, the secure, member-only section of our website, you can switch your investment options online. You can also complete and return an *Investment choice form – Pension members*, which is in the *How we invest your money* booklet. It's also available from our website or by calling us.

Our *How we invest your money* booklet explains when your switch will become effective.

IF YOU DON'T MAKE AN INVESTMENT CHOICE

If you don't choose an investment option, your Flexi Pension account will automatically be invested in the Balanced option, UniSuper's default investment option. For more information about our Balanced option, including up-to-date crediting rates, go to **unisuper.com.au/investments**.

Your payments

ANNUAL PENSION PAYMENTS

Each financial year, you will be required to choose your level of annual pension payments at or above the minimum amount. These minimum annual pension payments are set by the government and dictate the amount you must receive from your account each year. No maximum is specified.

Different rules apply for Flexi Pensions taken under TTR rules (see pages 26 to 29 for more information).

MINIMUM PENSION PAYMENTS

The table below shows the minimum annual pension payments you must take as a percentage of your account balance.

Your pension payments for the first year are calculated on a pro-rata basis, according to the number of days between the date your pension account is opened and the following 1 July.

This means your income for the first year will be a proportion of the amount you would have received for the full financial year. No minimum payments are required for the financial year if a pension commences on 1 June of that year.

Minimum pension payments are calculated on 1 July each year and/or the date you start your pension. They are not recalculated when you make a lump-sum withdrawal during the year.

HOW YOUR MINIMUM ANNUAL PENSION PAYMENTS ARE CALCULATED

Your minimum annual payment is calculated by multiplying your opening account balance by your age-based percentage factor at the start of each financial year (see the table below). In early July we will advise you of your new minimum annual amount for that financial year.

MINIMUM ANNUAL PAYMENT FACTORS

YOUR AGE WHEN YOU START YOUR PENSION AND THEN EVERY 1 JULY	THE MINIMUM PENSION YOU MUST TAKE (% OF ACCOUNT BALANCE)
55 – 64	4%
65 – 74	5%
75 – 79	6%
80 – 84	7%
85 – 89	9%
90 – 94	11%
95 or older	14%

Examples of minimum annual income calculations

EXAMPLE 1 – COMMENCING A PENSION AT THE START OF THE FINANCIAL YEAR

John is 58 and has retired from the workforce. He purchases a Flexi Pension with $380,000 from his UniSuper account on 1 July 2015. In his first year, he must take minimum annual pension payments of 4% of his account balance:

$380,000 x 4% = $15,200

John's minimum annual pension percentage increases as he reaches the next age-based band.

EXAMPLE 2 – COMMENCING A PENSION DURING THE FINANCIAL YEAR (PRO-RATA PAYMENTS)[9]

Robyn commences a Flexi Pension on 1 January 2015 at age 66. Her pension account balance at commencement is $250,000. Her minimum annual pension payments for the full financial year starting 1 July 2014 would be:

5% of $250,000 = $12,500

However, because her pension commenced on 1 January 2015, the required minimum amount is calculated on a pro-rata basis from the day of commencement to the end of the financial year:

$12,500 (minimum annual payment) x 181 (days remaining in the financial year) ÷ 365 = $6,198.63

The minimum payment Robyn is required to take for the 2015/16 financial year is $6,200 ($6,198.63 rounded up to the nearest $10).

EXAMPLE 3 – COMMENCING A PENSION AFTER 1 JUNE

Barbara commences a Flexi Pension on 12 June 2015 at age 61.

As she started her pension after 1 June 2015, she is not required to take a minimum payment from her pension account for the 2014/15 financial year.

HOW ARE PAYMENTS MADE?

Pension payments (and lump-sum withdrawals) are deducted in proportion to the taxable and tax-free components used to purchase your pension.

Example
Peter opens a Flexi Pension with an opening balance of $400,000, which includes a tax-free component of $100,000 and a taxable component of $300,000. This means that 25% of Peter's opening balance is tax free while the remaining 75% is taxable.

At the commencement of his pension, Peter chooses to receive a monthly pension payment of $2,000. Based on the tax-free and taxable components of Peter's opening balance, $500 of his monthly payment will be tax free ($2,000 × 25% = $500) and $1,500 will be taxable ($2,000 – $500).

PENSION PAYMENT DRAWDOWN METHODS

If your pension account is invested in more than one investment option, you can choose how pension payments (and lump-sum withdrawals) are drawn from your investment options. You can choose between two drawdown methods:

- 'Your choice' – payments are drawn from your nominated order of investment options
- 'Pro-rata' – payments are drawn in proportion to the balances held in each investment option at the time of payment.

[9] If you take a Flexi Pension under TTR rules, your minimum pension is not pro-rated.

Your choice

With this method, you nominate the order of investment options from which your pension payments and lump-sum withdrawals are drawn.

If there is no balance in an investment option you have nominated, the payment will be drawn from the next investment option you have nominated that has an account balance.

If the payment amount is higher than the balance in an investment option you have nominated, part of the payment will be made from the balance of that option, with the remainder coming from the next nominated option with a balance.

Example
Bruce uses the 'Your choice' option to nominate an investment option order of:
1. Capital Stable
2. Cash
3. Growth
4. High Growth.

This means that his monthly pension payment will be drawn from Capital Stable until the balance in this option reduces to zero. His payment will then be drawn from Cash, until the balance reduces to zero, and so on.

Once your nominated investment options have been exhausted, the default order will apply (see 'What happens if you don't make a choice?' opposite).

It's important to review your drawdown order from time to time; as your pension is drawn down, the spread of your remaining account balance across your chosen investment options will change, and the degree of diversification (i.e. the number of different assets or asset classes your balance is invested in) will reduce. Over time, your account may reflect a strategy which is very different from your original selection, and you should reconsider whether this is appropriate to your financial needs and circumstances.

Pro-rata

With this method, pension payments and lump-sum withdrawals are drawn from your investment options in proportion to the balance in each investment option at the time of payment.

Example
Margaret's pension is invested in 60% Cash and 40% Conservative Balanced. As she has chosen the Pro-rata pension drawdown method, her fortnightly pension payment is drawn in proportion to the balance of each investment option, i.e. 60% from Cash and 40% from Conservative Balanced.

What happens if you don't make a choice?

If your account is invested in more than one investment option and you don't choose how your pension and lump-sum withdrawals are paid, your payments will be deducted from your investment options in the default drawdown order.

The default drawdown order:
1. Cash
2. Australian Bond
3. Capital Stable
4. Conservative Balanced
5. Diversified Credit Income
6. Balanced
7. Sustainable Balanced
8. Growth
9. High Growth
10. Sustainable High Growth
11. Listed Property
12. Australian Shares
13. International Shares
14. Global Environmental Opportunities
15. Australian Equity Income
16. Global Companies in Asia

When are payments made?

You can receive your pension payments at a frequency that suits you:

- fortnightly
- monthly
- quarterly (March, June, September and December)
- half-yearly (June and December), or
- annually (in the month you nominate).

You must tell us how frequently you want to receive your pension payments before your pension starts. You can change your payment frequency by notifying us in writing. If you do not nominate a payment frequency, you will receive your pension payments monthly, which is our default cycle.

Pension payments are made into your nominated financial institution account(s) by every second Friday for fortnightly payments, or by the 28th day of the month(s) you select for all other payment frequencies. If your account is held with a credit union, you may not be able to access your pension payment on these days, as some credit unions take longer to clear funds.

Note: If a pension commences on or after 1 June, no minimum payment is required for that financial year. If you commence your pension in June, you should advise us in writing if you require a June payment.

EXAMPLE – CALCULATING REGULAR PAYMENTS FOR A PENSION THAT STARTS DURING THE FINANCIAL YEAR

If John purchased his Flexi Pension on 1 April, his pension payments for the remainder of the financial year are based on the number of days between the purchase date and the end of the financial year (in this case, 91 days).

John has selected annual pension payments of $15,200. The actual pension payable to John for the rest of the financial year is calculated as follows:

$15,200 x 91 days ÷ 365 (days in the year) = $3,790 (which is $3789.58 rounded to the nearest $10)

Assuming John selects monthly payments, his monthly pension payments will be:

$1,263 (i.e. $3,790 ÷ 3, which is the number of months remaining until the end of the financial year)

This amount will be paid into his nominated financial institution account in April, May and June.

The impact of changing your pension payment frequency

If you change your payment frequency, the amount of your future payment(s) will be based on the income you have not yet taken.

EXAMPLE

Mary has selected annual pension payments of $15,200, which are paid in fortnightly amounts of $580 (rounded to the nearest $10). She has already received two fortnightly payments for the year. On 1 August, she writes to us to request quarterly payments. There are four quarterly payments for the remainder of the year, with the next one due in September.

Mary's quarterly pension payments for the rest of the financial year are calculated as follows:

$15,200 (the annual pension payments she has selected) – $1,160 (the amount she has already received) ÷ 4 (quarterly payments remaining in the year) = $3,510 per quarter.

What happens in the event of your death?

In the event of your death, UniSuper is required to pay the remaining balance of your Flexi Pension account (if any) to one or more of your dependants and/or your legal personal representative.

To provide greater certainty about what happens to your pension when you die, you have three options to choose from:

1. Choose a reversionary beneficiary
2. Make a binding nomination (lapsing or non-lapsing), or
3. Nominate a preferred beneficiary.

You can also choose to do nothing and leave it up to the Trustee, who will evaluate your personal circumstances and determine your eligible beneficiaries.

The most appropriate nomination will depend on your personal circumstances. As there may be taxation, Centrelink and other implications to consider when nominating your beneficiaries, we recommend you seek financial advice before making your nomination.

Reversionary beneficiary nomination

If you nominate one of your dependants as your 'reversionary beneficiary', the balance of your pension will continue to be paid to them as a reversionary pension after your death. You cannot split your death benefit between your reversionary beneficiary and other dependants.

Dependants who are eligible to receive a reversionary pension include a spouse (including de facto), a child, a financial dependant (at the time of your death) or an interdependent (both at the time of nomination and at the time of your death).

You can't nominate a child aged 18 or older unless they are:

- between age 18 and 25 and financially dependent on you immediately before your death, or
- disabled within the meaning of the *Disability Services Act 1986 (Cwlth).*

If a child receives a reversionary pension, they will continue to receive the pension until age 25, unless the account balance reduces to zero earlier. Once the child turns 25, they will receive the remaining balance as a lump sum. However, if the child is disabled, they will continue to receive a pension until the account balance reduces to zero.

Your nominated reversionary beneficiary must still be an eligible dependant at the date of your death. If this is no longer the case, then the Trustee will use its discretion to decide who receives your death benefit. It may not be paid in accordance with any binding death benefit nomination you may have for other UniSuper accounts you have.

If you make a reversionary beneficiary nomination for your Flexi Pension account, it will override any other death benefit nomination you have made for this account. Any death benefit nomination you make for any other UniSuper accounts you have will not be affected by your reversionary beneficiary nomination.

To make a reversionary beneficiary nomination, all you have to do is complete the relevant section of the *Flexi Pension application form*. You can update your nomination at any time by filling in an *Adding or removing a reversionary beneficiary form*, available from **unisuper.com.au** or by calling us on **1800 331 685**.

Centrelink or Veterans' Affairs benefits

Before you make the decision to nominate or remove a reversionary beneficiary, we recommend that you speak to a qualified financial adviser as there may be Centrelink or Department of Veterans' Affairs implications. For example, updating or removing a reversionary beneficiary may affect the amount of your pension payments that are assessable for the income test.

Preferred beneficiary nomination

A preferred beneficiary nomination allows you to nominate who you would prefer to receive your benefit in the event of your death. While this nomination is not binding on the Trustee, the Trustee will take your nomination into account when determining who will receive your death benefit.

You can nominate one or more of your dependants and/or legal personal representative as preferred beneficiaries. In the event of your death, the Trustee must pay your benefit to your dependants and/or legal personal representative in proportions determined by the Trustee. However, the Trustee will take into account your preferred beneficiary nomination.

Your preferred beneficiary nomination will remain in place until it is amended or replaced, or you make a valid reversionary or binding death benefit nomination.

To nominate a preferred beneficiary nomination, complete the relevant section of the *Flexi Pension application form*. You can update your nomination at any time via MemberOnline or by filling in a *Change of details* form.

Binding death benefit nominations

As a UniSuper Flexi Pension member, you have the option of making either a lapsing or non-lapsing binding death benefit nomination.

WHAT IS A BINDING DEATH BENEFIT NOMINATION?

A binding death benefit nomination is a written direction to the Trustee that sets out the dependants and/or legal personal representative that you want to receive your benefit in the event of your death.

If your binding death benefit nomination is valid and in effect at the date of your death, the Trustee must pay your benefit to the beneficiaries you have nominated in the proportions set out in your binding death benefit nomination. You can make a binding death benefit nomination at any time.

UniSuper offers two types of binding death benefit nominations; lapsing and non-lapsing. Your nomination will default to lapsing if you don't make a choice on the *Binding death benefit nomination form*.

A valid lapsing binding death benefit nomination remains in effect for three years from the date it is first signed, last amended or confirmed. A valid non-lapsing binding death benefit nomination will not expire unless you amend or revoke it. A binding death benefit nomination does not take effect until it has been received and accepted by the Trustee.

WHAT IS THE DIFFERENCE BETWEEN LAPSING AND NON-LAPSING NOMINATIONS?

A binding nomination can be either lapsing or non-lapsing.

A valid lapsing binding death benefit nomination remains in effect for three years from the date it was first signed, last confirmed or amended.

A valid non-lapsing binding death benefit nomination will not expire (unless you amend or revoke it), so it doesn't need to be confirmed or updated every three years.

Details of your binding death benefit nomination will appear on your benefit statement along with its expiry date (if lapsing).

A lapsing binding death benefit nomination reminder letter will be sent to you prior to the expiry date of your binding death benefit nomination.

You can also amend or revoke your binding death benefit nomination at any time before it expires by giving the Trustee a written notice that must meet certain conditions (please see the box on the next page for more information).

To amend or revoke your lapsing or non-lapsing binding death benefit nomination, you must complete a new *Binding death benefit nomination form*. If you have more than one UniSuper account, you'll need to submit a valid binding nomination for each account. Binding death benefit nominations may have implications for DBD members who joined before 1 January 1990—please refer to the *Binding death benefit nomination* fact sheet and form available at **unisuper.com.au** or by calling us on **1800 331 685.**

If you make a binding death benefit nomination (either lapsing or non-lapsing) for a Flexi Pension account with a valid reversionary beneficiary, the binding death benefit nomination will not apply. Also, a valid binding death benefit nomination will override any preferred beneficiary nomination you have previously made in relation to your Flexi Pension account.

If a valid lapsing or non-lapsing binding death benefit nomination becomes invalid for any reason or—in the case of lapsing binding nominations—expires, it will no longer bind the Trustee to follow your instructions, and the Trustee will have discretion as to how the death benefit should be distributed. However, the Trustee will take your nomination into account when deciding how to pay the death benefit.

If you don't make a nomination

If you haven't nominated any beneficiaries, in the event of your death the Trustee must pay the remaining balance of your pension account (if any) to one or more of your dependants and/or legal personal representatives in proportions determined by the Trustee.

If you don't have any dependants or a legal personal representative at the date of your death, the Trustee will pay your benefit to any other person it determines, as required by superannuation law.

Anti-detriment payments

An anti-detriment payment is an amount paid by UniSuper in addition to the lump-sum death benefit. This anti-detriment payment reimburses any tax that the Fund paid on the deceased member's taxable contributions.

What is a valid binding death benefit nomination?

The conditions that must be met for your binding death benefit nomination to be valid are:

- your nominated beneficiaries must be your dependants and/or your legal personal representative
- each nominated dependant must be your dependant at the date of your death
- the allocation of your benefit among your beneficiaries must be clearly set out and equal 100%
- the nomination must be signed and dated by you in the presence of two witnesses, both of whom are over the age of 18 years and not nominated beneficiaries
- each witness must sign and date a declaration stating that you signed and dated the notice in their presence.

An unclear binding death benefit nomination may also be invalid; if any of the information provided is unclear (e.g. whether you are making a lapsing or non-lapsing nomination) the Trustee will contact you to confirm the details.

Keep your nomination up to date

Regardless of the type of nomination you choose, it's important you keep your nomination up to date, especially if your circumstances change (e.g. you get married, change partner, have a child, or someone you have nominated dies or ceases to be a dependant).

The payment will only be made when the lump-sum death benefit is paid to the spouse, former spouse or child (including an adult child) of the deceased member. It may also be made if the lump-sum death benefit is paid to the trustee of the deceased member's estate and the proceeds of the estate are expected to be distributed to the deceased pensioner's spouse, former spouse or child (including an adult child).

An anti-detriment payment will not be made on your death if you have nominated a reversionary beneficiary. Instead, your pension will continue to be paid to your reversionary beneficiary, according to your instructions. However, on the subsequent death of your reversionary beneficiary, an anti-detriment payment may be paid to certain beneficiaries of the reversionary pensioner.

An overview of the types of beneficiary nominations available

	REVERSIONARY BENEFICIARY NOMINATION	PREFERRED BENEFICIARY NOMINATION	BINDING NOMINATION (LAPSING OR NON-LAPSING)
Who can you nominate?	One of your eligible dependants, which includes: - a spouse (including de facto) - a child* - a financial dependant (at the time of your death) - an interdependent (both at the time of nomination and at the time of your death)	One or more of your dependants and/or your legal personal representative	One or more of your dependants and/or your legal personal representative
What does your beneficiary receive?	Your reversionary beneficiary will receive your death benefit paid as a pension	Lump sum	Lump sum
Is nomination binding on the Trustee?	Yes (if your reversionary beneficiary still meets the definition of dependant at the time of your death)	No	Yes, if valid
How long is the nomination valid for?	Indefinitely, as long as the nominated beneficiary remains an eligible dependant	Until you amend or replace the nomination, or make a valid reversionary or binding death benefit nomination	Lapsing: Three years, if valid Non-lapsing: Does not expire, unless you amend or revoke it
What are the tax implications?	Depends on your age at death and the age of your reversionary beneficiary	Tax implications may exist if your beneficiary does not meet the definition of 'dependant' for tax purposes	Tax implications may exist if your beneficiary does not meet the definition of 'dependant' for tax purposes

* You can't nominate a child aged 18 or older unless they are: (a) between age 18 and 25 and financially dependent on you immediately before your death, or (b) disabled within the meaning of the *Disability Services Act 1986 (Cwlth)*.

Definitions

Superannuation law and the Trust Deed specify who can receive a lump-sum death benefit. A lump-sum death benefit must be paid to your dependant(s) and/or your legal personal representative.

DEPENDANT

Your dependants include:

- your spouse (including legal or de facto spouse of same sex or opposite sex)
- your children or the children of your spouse (regardless of age)
- any person who was in an interdependency relationship with you at the date of your death (see definition opposite)
- any other persons (irrespective of age) who, in the opinion of the Trustee, are or were in any way financially dependent on you at the date of your death.

SPOUSE

The definition of spouse for a UniSuper member is:

- a person to whom you are legally married
- a person, whether of the same sex or opposite sex, with whom you are in a relationship that is registered under an Australian State or Territory law, and
- a person, whether of the same sex or opposite sex, with whom you are not legally married but who you live with on a genuine domestic basis as a couple.

CHILD

A child in relation to a UniSuper member or the member's spouse includes a child, adopted child, foster child, ward or child within the meaning of Family Law legislation.

LEGAL PERSONAL REPRESENTATIVE

Your legal personal representative is the executor of your will or, if you die without a will, the administrator of your estate. If you nominate your legal personal representative under a binding death benefit nomination, your benefit will form part of your estate and may be distributed in accordance with your will (if you have one), or in accordance with the laws that govern people who die without a will.

INTERDEPENDENCY RELATIONSHIP

An interdependency relationship may exist between two people (whether or not related by family) if they live together in a close personal relationship, and one or each of them provides the other with:

- financial support, and
- domestic support and personal care.

If two people have a close personal relationship but don't live together or provide this support or care because either or both of them suffer from a physical, intellectual or psychiatric disability, they may still be deemed to have an interdependency relationship.

Before any benefit can be paid to a person with whom you had an interdependency relationship, the Trustee requires a statutory declaration that sets out the nature of your interdependency relationship.

You can make this statutory declaration at the same time that you make your nomination, or it can be made after your death by the person with whom you had an interdependency relationship. This statutory declaration can be made on the *Applying for a death benefit* form, which is available by calling us on **1800 331 685**.

Transition to retirement with a Flexi Pension

Transition to retirement (TTR) rules allow you to commence an account-based pension while you are still working, provided you've reached your preservation age. You can 'transition to retirement' with a UniSuper Flexi Pension, but certain conditions and restrictions apply.

What is transition to retirement (TTR)?

By taking a Flexi Pension under the TTR rules, you may be able to reduce your working hours without reducing your income[10] provided you have reached your preservation age (see page 44 if you're unsure of your preservation age) and take all or part of your superannuation benefit as an account-based pension. You can do this by topping up your part-time income with an 'income stream' from your super savings.

Under TTR rules, you can only access your super benefits as a 'non-commutable' income stream, from which you can only make lump-sum withdrawals in very limited circumstances.

Once you retire from the workforce, your TTR Flexi Pension will cease to be 'non-commutable'. This means you can make full or partial withdrawals from your pension as needed.

Limited ability to make lump-sum withdrawals

Lump-sum withdrawals from a Flexi Pension taken under TTR rules are only permitted in very limited circumstances, including:

- accessing any unrestricted non-preserved benefits
- paying a superannuation surcharge tax liability
- giving effect to a Family Law payment split
- giving effect to an ATO release authority under income tax legislation.

How it works

Under TTR rules you may be able to use a Flexi Pension to take all or part of your benefit as a non-commutable, account-based pension while you are still working, provided that you meet the eligibility criteria.

To start a TTR pension you must have reached your preservation age (see page 44 for details). If you're an Accumulation 1 or Accumulation 2 member, there are no minimum or maximum hours that you must work.

Accumulation 1 and 2, and Spouse Account members

If you're an Accumulation 1, Accumulation 2 or Spouse Account member, you can use part or all of your benefit to purchase a Flexi Pension under TTR rules. If you use only a portion of your benefit, you must leave a minimum balance of $1,000 in your super account. While you're still employed, you will remain an Accumulation 1, Accumulation 2 or Spouse Account member and your employer and member contributions will continue to be paid into your super account.

Defined Benefit Division members

If you're a DBD member, you can use all or part of your defined benefit component or accumulation component to purchase a Flexi Pension under TTR rules. If you use any part of your defined benefit component, you will cease to be a DBD member and will become an Accumulation 2 member instead. This is because your defined benefit will be converted to an accumulation benefit and used to purchase your pension.

Further reading

You should read the *What happens to your inbuilt benefits if you choose Accumulation 2?* booklet (incorporated by reference) together with the PDS before you make any decisions about starting a Flexi Pension under TTR rules using a defined benefit component. This booklet is available at **unisuper.com.au/pds** or you can order a paper copy free of charge by calling us on **1800 331 685**.

[10] You may also choose to reduce your income if you wish.

Starting a Flexi Pension under TTR rules

To start a Flexi Pension under TTR rules, you need to have reached your preservation age (age 55 to 59, depending on your date of birth—see page 44) and not be retired yet.[11]

To start a TTR pension, you need to transfer at least $25,000 of your super account balance into a Flexi Pension account. To make this transfer, you can use part or all of your:

- defined benefit component, and/or
- accumulation component.

Once you have used any part of your defined benefit component to purchase a Flexi Pension under TTR rules , you'll cease to be a DBD member and will become an Accumulation 2 member. Any remaining defined benefit component will be converted into an accumulation benefit and transferred with any accumulation component you have into an Accumulation 2 account. All future employer and member contributions will be made to this account.

Your Accumulation 2 account will be invested as per the future contributions strategy you have chosen for your accumulation component and will be subject to market volatility. If you haven't chosen a future contributions strategy, your Accumulation 2 account will be invested in the Balanced option, our default investment option.

If you use only your accumulation component to commence a Flexi Pension under TTR rules, you will remain a DBD member and retain your defined benefit entitlements. If you use only a portion of your accumulation component, you must leave a minimum account balance of $1,000 in your accumulation component.

To find out if you are eligible to open a Flexi Pension under TTR rules, please contact us on **1800 331 685**.

Your payments

MINIMUM ANNUAL PENSION PAYMENTS

The same minimum annual payments that apply to regular Flexi Pensions also apply to Flexi Pensions taken under TTR rules—see page 17.

MAXIMUM ANNUAL PENSION PAYMENTS

Your annual pension payments are limited to a maximum of 10% of your pension account balance at the start of each financial year (or your initial pension account balance for the first year). This means the maximum limit is recalculated on 1 July each year, based on your account balance at that time. Your annual pension payments under TTR rules must be between your minimum age-based percentage and the 10% maximum limit.

Example
Louise is aged 56. She purchases a Flexi Pension under TTR rules on 1 July 2015 with $100,000.

The minimum annual pension payments she can take are:

$100,000 x 4% = $4,000

The maximum is:

$100,000 x 10% = $10,000

Therefore, Louise can choose an annual pension of **between $4,000 and $10,000** for the 2015/16 financial year.

CALCULATING THE MAXIMUM PENSION PAYMENTS FOR A FLEXI PENSION STARTED UNDER TTR RULES DURING THE FINANCIAL YEAR

Example
Sue purchases a Flexi Pension under TTR rules with $400,000 and selects the maximum annual pension payments of $40,000 (10% x $400,000). At the time she purchased the pension, there were three months left in the current financial year.

Unless Sue advises us otherwise, her annual income will be spread over the remaining three months—April, May and June, i.e. $13,330 per month ($40,000 ÷ 3, rounded to the nearest $10).

[11] Restrictions apply for temporary residents—see the application form at the end of this PDS for details

TAKING YOUR PENSION PAYMENTS

Your pension payments and any lump-sum withdrawals must be taken from your benefit components in the following order:

1. unrestricted non-preserved
2. restricted non-preserved
3. preserved.

See pages 44 and 45 for more on preservation components. These components are also shown on your regular benefit statements.

Ceasing your Flexi Pension under TTR rules

You can commute your pension to purchase another pension or close your pension and return the account balance to a super account at any time. Once you meet a condition of release, such as permanently retiring from the workforce or reaching age 65, the restrictions associated with TTR rules will no longer apply to your Flexi Pension. See page 44 for more about conditions of release.

Are your inbuilt death and disablement benefits and insurance cover affected?

INBUILT DEATH AND DISABLEMENT BENEFITS

If you reduce your working hours, the amount of inbuilt death and disablement benefits you may be entitled to is also likely to reduce. If you have inbuilt death and disablement benefits as part of your DBD membership:

- disablement benefits stop at age 65
- death benefits stop at age 60.

INSURANCE COVER

As long as you continue to have an accumulation component/account and meet all other eligibility criteria, any insurance cover you have within your accumulation component/account will continue.

If you have insurance cover:

- your Total & Permanent Disablement (TPD) insurance stops at age 70
- your Death-only insurance stops at age 75
- your Income Protection insurance stops at age 65.

How to apply for a Flexi Pension under TTR rules

If you'd like to apply for a Flexi Pension under TTR rules, please complete the relevant sections in the *Flexi Pension application form* in this PDS. If you are a DBD member, you'll need to contact us first on **1800 331 685**.

Find out more

For more information, see the *Transition to Retirement* fact sheet, which is available at **unisuper.com.au** or by calling us on **1800 331 685**.

Risks of Flexi Pensions

The types of risks your Flexi Pension may be exposed to can be broadly categorised as either general or investment risks.

General risks that may affect your pension

The impact of these risks may be short or long term, depending on the conditions and circumstances that have given rise to them.

Legislative risk

This is the risk that legislation governing the way pensions (and superannuation) operate may change, e.g. how and when you can take your benefit and the tax payable.

Operational risk

This is the risk that factors beyond the Trustee's reasonable control may prevent it from administering and managing the Fund, your account, the investment options and the Fund's investments in its usual manner. These factors may include system failure, market closures, significant market movements, significant illiquidity, significant redemption or switching activity, actions taken by our external investment managers and other service providers, industrial disputes, terrorist acts, wars, actual or potential epidemics and pandemics, earthquakes, fires and civil disturbances. The Trustee has measures in place that are intended to manage the consequences of these occurrences. However, the Trustee cannot guarantee that these kinds of occurrences will not interrupt normal operations.

Longevity risk

This is the risk that your pension will not be adequate to support your retirement lifestyle. As a Flexi Pension member it's important to be aware that your annual pension payments are not guaranteed. To make sure your pension can last over your lifetime (or as long as possible) you should carefully monitor your lump-sum withdrawals and level of annual pension.

The level of investment returns allocated to your pension account will also affect how long your pension will last. For more information, see the section 'Investment risk and your Flexi Pension' on page 31. Pension payments will stop when you no longer have enough money in your pension account to meet the next payment. In these circumstances, the remainder of your pension account will be redeemed and paid into your nominated financial institution account(s) and your pension account will be closed.

If you don't monitor your lump-sum withdrawals and your level of annual pension payments carefully, your pension account may run out of money before you die. It's important to remember that your annual pension payments are based on government rules that determine the amount that must be received from your pension account each financial year. This is the case regardless of whether your pension investments have achieved positive or negative returns in a given year.

Cyber risk

This is the risk of financial or data loss, business disruption, or damage to UniSuper's reputation as a result of a threat or failure to protect the information or personal data stored within its informational technology systems and networks.

Other general risks

The fees and costs associated with your Flexi Pension may increase in future. However, we will give you 30 days' written notice in advance of any increases in fees and costs (other than automatic indexation) or the introduction of any new fee.

There is also the chance that the Trust Deed may be amended or that changes to the Fund (as permitted by law) may affect your rights and entitlements as a member. We will keep you informed of such changes, as required by law.

Investment risk and your Flexi Pension

Investment risk is the possibility that the value of your investments will rise or fall, and that the balance of your pension account may reduce as a result. We offer a range of investment options that give you the flexibility to invest your pension account according to the level of investment risk you are comfortable with.

While each investment option involves some level of risk, some involve higher levels of risk than others. As a general rule, investments that offer higher returns tend to be higher risk, while those that offer lower returns tend to be lower risk.

In this section, we outline some of the main sources of potential investment risk for your Flexi Pension. The impact of these risks may be short term or long term, depending on the conditions and circumstances that have given rise to them.

SPECIFIC INVESTMENT (OR SECURITY) RISK

This is the risk that a specific investment held in an investment option may experience negative returns and lose money or may fail to perform in line with expectations.

MARKET RISK

This is the risk that a specific investment market (e.g. the sharemarket, or the fixed interest market) may not perform well and therefore reduce the value of the investments held in those markets. Factors such as interest rates and inflation, government policy, and economics can all influence market risk.

COUNTRY RISK

This is the risk that investment options that hold securities from an individual country may not perform well as a result of economic or political pressures specific to that country, and the investment options may lose money as a result.

CURRENCY RISK

This is the risk that the changing value of currency either in Australia or overseas may change the value of any overseas investment.

For example, if the investment option contains investments denominated in US dollars and the Australian dollar rises against the US dollar, the value of those US investments may fall when calculated in Australian dollar terms.

UniSuper may from time to time hedge some or all of the Fund's foreign currency exposures but will not necessarily do so at all times. Different currencies may be hedged to different extents (or possibly not at all).

INVESTMENT MANAGER RISK

This is the risk that UniSuper or an external investment manager appointed by the Trustee to manage certain investments may underperform against the general market or may fail to perform in line with expectations, e.g. due to their investment management style or investment management decisions.

CREDIT RISK

This is the risk that an organisation UniSuper deals with may fail in its obligation and cause an investment option to incur a financial loss.

INFLATION RISK

This is the risk that inflation and/or interest rates fluctuate and affect investment returns and the real value of your investment.

LIQUIDITY RISK

This is the risk that a particular asset cannot be easily converted into cash at a particular time, leading to a delay and resulting loss when the asset is eventually sold.

DERIVATIVES RISK

UniSuper and some of its external investment managers use derivatives to gain exposure to certain types of investments or to hedge risks, as considered appropriate. Importantly, UniSuper does not use derivatives to leverage the Fund's assets. With derivatives, there is a risk that the value of the derivative will fail to move in line with the value of the underlying asset or that the obligation under the derivative contract held by another party will not be honoured.

INVESTMENT OPTION RISK

There is a risk that, during your membership, UniSuper may discontinue the investment option you are invested in and require you to transfer to another option, or make substantial changes to your chosen investment option.

However, if this were to occur, you would receive advance notification and have an opportunity to switch to any of our other investment options available at that time. Similarly, we may change the default option that applies to members who fail to make a choice.

How we invest your pension

The Trustee invests a significant proportion of the Fund's assets through investment managers that have been selected for their complementary management styles and specialisation in particular sectors or markets.

Once appointed, investment managers:

- have discretion within the bounds of their specified investment guidelines to invest within their allocated sector or market,
- are regularly assessed based on their performance against an appropriate benchmark, and
- are regularly monitored by UniSuper's investment team for results and performance.

Find out more

We provide more information about managing risk in the *How we invest your money* booklet, which you should read in conjunction with this PDS. This booklet is available at **unisuper.com.au/pds** or by calling us on **1800 331 685**.

Fees and other costs

This section shows fees and other costs that you may be charged in relation to your Flexi Pension. These fees and costs may be deducted from your pension account, from the returns on your pension investment, or from the Fund's assets as a whole.

Consumer advisory warning

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your fund 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 may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.[1]

TO FIND OUT MORE

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

[1] This text is required by law to be included in all PDSs. Please note, however, that UniSuper's fees are set at a competitive level that is consistent with effective management and are not negotiable by members.

Competitive fees and no commissions

UniSuper members benefit from the savings we achieve as one of the largest super funds in the country—savings we pass on to you through competitive fees. We do not pay commissions to advisers or dividends to shareholders and therefore there are no margins, which permits the negotiation of lower fees.

Taxes are set out on pages 40 to 43 of this PDS. You should read all the information about fees and costs as it is important to understand their impact on your pension. The fees and costs in the table on page 34 are inclusive of GST and stamp duty, where applicable.

Flexi Pension fees

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

Other fees, such as activity fees and advice fees for personal advice, may also be charged, but these will depend on the nature of the activity or advice you choose.

Taxes are set out in this document on pages 40 to 43.

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

The table on page 37 shows the fees and other costs for all investment options. An example of the fees and costs for the Balanced option is given on page 35.

FLEXI PENSION

TYPE OF FEE	AMOUNT	HOW AND WHEN PAID
Investment fee	Nil	Not applicable
Administration fee (Flexi Pension) *Please see below for the fees that apply to transition to retirement (TTR) pensions*	$96 per annum ($8 per month) PLUS 0.16% of your account balance per Flexi Pension account, capped at $1,250 per account per financial year.	$8 is deducted from your account monthly in arrears, regardless of the payment frequency you have chosen. 0.16% of your account balance (capped at $1,250 per financial year) is deducted from your account on a six-monthly basis, based on your account balance before investment earnings are applied.
Administration fee (Flexi Pension – TTR)	Nil for each TTR pension while you have an open super account[1] PLUS 0.16% of account balance per Flexi Pension account, capped at $1,250 per account per financial year **OR** $96 p.a. ($8 per month) if you do not have an open super account[1] PLUS 0.16% of account balance per Flexi Pension account, capped at $1,250 per account per financial year	If you do not have an open super account[1] and are charged the $8 per month, it is deducted from your account monthly in arrears, regardless of the payment frequency you have chosen 0.16% of your account balance (capped at $1,250 per financial year) is deducted from your account on a six-monthly basis, based on your account balance before investment earnings are applied.
Buy-sell spread	Nil	Not applicable
Switching fee	The first switch per pension account in each financial year is free of charge. Any subsequent switches within that financial year will incur a $15.80 switching fee on the date the switch becomes effective.	This fee is deducted proportionally from the investment options you have chosen on a pro-rata basis.
Exit fee	Nil	Not applicable
Advice fee	Only applies if you use the service.	For information on how advice fees are deducted, please refer to page 39.
OTHER FEES AND COSTS[2]		
Indirect cost ratio	Ranged between 0.07% and 0.60% in the past financial year. The estimated amount you pay for each investment option is shown on page 37.[3]	The ICR accrues daily and is deducted from the investment option(s) you have chosen.

[1] This super account can be either an Accumulation 1 or 2, Defined Benefit Division or Spouse Account.
[2] Further fees and costs may apply. For further information, refer to 'Additional Explanation of Fees and Costs' on pages 36 to 39.
[3] The ICRs shown above are indicative only and are based on the ICRs for investment options for the year ended 30 June 2015. The actual amount you will be charged in subsequent financial years will depend on the actual fees, costs and taxes incurred by the Trustee in managing the investment options.

Example of annual fees and costs for the Flexi Pension Balanced option

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

EXAMPLE: BALANCED INVESTMENT OPTION OF $50,000

Investment fees	0.00%	For every $50,000 you have in the Balanced investment option, you will be charged $0 each year.
PLUS **Administration fees (Flexi Pension)**	$96 per annum ($8 per month) PLUS 0.16%[1]	And, for a $50,000 investment in the Balanced investment option, you will be charged $176 in administration fees.
PLUS **Indirect costs for the Balanced investment option**	0.39%[2]	And, indirect costs of $195 each year[2] will be deducted from your investment.
EQUALS **Cost of product**		If your balance was $50,000, then for that year you will be charged fees of $371* for the Balanced investment option.

[1] This is capped at a dollar amount of $1,250 per account per financial year.
[2] The ICR shown above is indicative only and is based on the ICR for this investment option for the year ended 30 June 2015. The actual amount you will be charged in subsequent financial years will depend on the actual fees, costs and taxes incurred by the Trustee in managing the investment option.
* Additional fees may also apply – for example if you switch investment options. Please refer to 'Additional Explanation of Fees and Costs' on pages 36 to 39.

Additional explanation of fees and costs

INDIRECT COST RATIO

The indirect cost ratio (ICR) shows the total indirect costs attributed to each investment option as a percentage of the total average net assets of the relevant investment option. The ICR is not deducted directly from your account. Instead, it is periodically deducted from the investment earnings and assets of the relevant investment option. Under the Trust Deed, all expenses incurred in administering the Fund may be paid out of the Fund and included in calculating the ICR at the end of the relevant year (unless stated otherwise in the table on page 37).

The ICRs for each of UniSuper's investment options for the financial year ended 30 June 2015 are shown in the table on page 37. They are based on that financial year's expenses and are the most up-to-date information available at the time of publication. Note that they are indicative only for subsequent years and assume that UniSuper's investments will perform in a similar manner to the 2014/15 financial year. Also note that the actual amount you will be charged each financial year will depend on the size of the investment portfolio, the type of assets held, the investment mandates given to investment managers, the actual investment performance achieved, and any performance-based fees paid.

An external investment manager may charge the Trustee a percentage-based performance fee when they perform above an agreed benchmark, which is set out under their individual investment mandate. If this is the case, any performance-based fees will be incorporated into the ICR of the relevant investment option.

The total amount of performance-based fees incurred by UniSuper across the whole superannuation fund in the year ended 30 June 2015 was $16,117,746. Of this, the amount borne by particular investment options varied between 0% and 0.12% of the assets invested in the option. For the Balanced (MySuper) option, 0.06% was included in its ICR on account of performance-based fees for that financial year.

Transaction costs such as brokerage, stamp duty and settlement costs vary depending on how frequently an investment option invests in growth assets, which involve the most brokerage and stamp duty. For options that allocate more than 50% to growth assets, we estimate that these costs will range between 0.05% and 0.15% p.a. For other options, we estimate these costs range from nil to 0.05% p.a. These transaction costs are included in the ICR.

Investment option ICRs for the year ended 30 June 2015

CASH
0.07%

AUSTRALIAN BOND
0.10%

CAPITAL STABLE
0.20%

CONSERVATIVE BALANCED
0.26%

DIVERSIFIED CREDIT INCOME*
0.27%

BALANCED
0.39%

SUSTAINABLE BALANCED
0.19%

GROWTH
0.45%

HIGH GROWTH
0.50%

SUSTAINALBE HIGH GROWTH
0.22%

LISTED PROPERTY
0.35%

AUSTRALIAN SHARES
0.51%

INTERNATIONAL SHARES
0.46%

GLOBAL ENVIRONMENTAL OPPORTUNITIES
0.10%

AUSTRALIAN EQUITY INCOME
0.28%

GLOBAL COMPANIES IN ASIA
0.60%

* Given this option commenced on 1 September 2014, it has no full-year track record regarding investment expenses. The ICR given above represents the ICR for the period 1 September 2014 to 30 June 2015. We estimate that the 12 month ICR will be in the vicinity of 0.27%. The actual costs may be higher or lower.

Additional explanation of fee and costs – Defined Fees

This section defines the different fees and costs that UniSuper can apply. Not all charges will apply to your UniSuper pension.

ACTIVITY FEES

Activity fees relate to costs incurred by UniSuper's Trustee if they are directly related to trustee activity that:

- is engaged in at the request, or with the consent, of a member, or
- relates to a member and is required by law;

and those costs are not otherwise charged as an administration fee, any investment fee, a buy-sell spread, a switching fee, an exit fee or an advice fee.

UniSuper does not currently charge any activity fees.

ADMINISTRATION FEES

An administration fee is a fee that relates to UniSuper's administration or operation and includes costs incurred by the Trustee of the entity that relate to the administration or operation of the entity, and are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee or an advice fee.

UniSuper's administration fee is $96 per annum, plus 0.16% of your Flexi Pension account balance, capped at $1,250 per account per financial year.

If you have a transition to retirement pension, you will not be charged the $96 administration fee if you have an open super account (i.e. an Accumulation 1, Accumulation 2, Defined Benefit Division or Spouse Account). Regardless of whether you have an open super account, you will be charged 0.16% of your Flexi Pension account balance, capped at $1,250 per account per financial year.

ADVICE FEES

Advice fees relate directly to costs incurred by UniSuper's Trustee because of the provision of financial product advice to a member by a Trustee of the entity another person acting as an employee of, or under an arrangement with, the trustee of the entity; and those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

You will only be charged an Advice fee if you agree to receive financial advice from UniSuper Advice. These fees will be discussed and agreed with you.

BUY-SELL SPREADS

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

No buy-sell spreads currently apply to UniSuper pensions.

EXIT FEES

An exit fee is a fee to recover the costs of disposing of all or part of members' interests in the superannuation entity.

No exit fees currently apply to UniSuper pensions.

INDIRECT COST RATIO

The indirect cost ratio (ICR) for each of UniSuper's investment options is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the superannuation entity attributed to the investment option.

A dollar-based fee deducted directly from a member's account is not included in the indirect cost ratio.

INVESTMENT FEES

This fee relates to the investment of UniSuper's assets and includes fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and costs incurred by the trustee of the entity that:

a. relate to the investment of assets of the entity, and
b. are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, or an advice fee.

No separate investment fees currently apply to your UniSuper account. All costs relating to investment management are reflected in the ICR.

SWITCHING FEES

This fee recovers the costs of switching all or part of a member's interest in UniSuper from one class of beneficial interest in the entity to another.

UniSuper charges a switching fee of $15.80 for the second and subsequent switches in a financial year.

BANK FEES

The Trustee reserves the right to recover any bank fees incurred in respect of pension payments on a cost recovery basis.

GST AND STAMP DUTY

All fees and costs include GST and stamp duty where applicable. The amount of GST payable may be reduced in certain circumstances as a result of tax credits applicable to the Trustee.

ALTERATIONS TO FEES

Fees are generally increased on 1 July each year in line with increases in CPI for the preceding 12 months ending 31 December. We reserve the right to introduce a new fee or increase any fees, and will give you 30 days' written notice before the introduction or increase of a fee takes effect (except for automatic indexation).

FEES FOR UNISUPER ADVICE

UniSuper Advice is a financial planning service available to UniSuper members and their spouses through UniSuper Management Pty Ltd (USM), ABN 91 006 961 799 Australian Financial Services Licence No. 235907, which is licensed to provide financial advice services.

Members will receive a quote before UniSuper Advice proceeds with personal advice services. They will be charged on a fee-for-service basis at either a fixed or hourly rate. The cost of the service provided varies depending on a number of factors, including the complexity of the advice sought.

You can learn more about the services we provide by referring to our *Financial Services Guide—Personal Advice* and *Financial Services Guide—General Advice*, which are available on our website or by calling us.

If the advice relates to your UniSuper Fund membership or superannuation or retirement planning in general, you can direct your UniSuper Adviser to deduct the relevant portion of your advice fee directly through your UniSuper account, depending on the balance of your account.

How pensions are taxed

It's important to understand how tax can affect your pension income, death benefits and transfers (also known as 'rollovers'). The tax information in this PDS assumes that benefits are paid from a taxed source.

Taxation advice

Tax and pensions can be complex for some members. We recommend you obtain advice from a taxation specialist.

Tax on investment earnings

Pension investment earnings are free of Australian taxes.

Tax on pension payments

The amount of tax you pay on your pension payments depends on your age and the components of your pension.

AGED 60 OR OLDER

Your pension payments are tax free.

AGED LESS THAN 60 AND HAVE REACHED PRESERVATION AGE

The tax payable will depend on the following two components that make up your pension:
- the taxable component
- the tax-free component.

Each pension payment is made proportionally from your tax-free component and your taxable component.

The taxable component of your pension payments is included in your assessable income and taxed at your marginal rate. The tax-free component is not included in your assessable income.

15% TAX OFFSET

If you're aged less than 60, you may be entitled to a 15% tax offset to reduce the tax payable on your pension payments. We will withhold the required rate of tax from your regular pension payment and send you a PAYG Payment Summary each year to lodge with your annual income tax return. If we don't have your tax file number (TFN), we may be required to withhold tax at a higher rate.

Tax on lump-sum withdrawals

You can make lump-sum withdrawals from your Flexi Pension at any time. Restrictions apply to lump-sum withdrawals taken under TTR rules (see page 28).

AGED 60 OR OLDER

All lump-sum withdrawals are tax free.

AGED LESS THAN 60 AND HAVE REACHED PRESERVATION AGE

Any lump-sum withdrawal you make must include taxable and tax-free components in the same proportions as your entire benefit.

Tax-free component: No tax is payable on the tax-free component of a lump-sum withdrawal.

Taxable component: If you have reached your preservation age (see page 44 for details) and are aged less than 60, you will pay tax on the taxable component of a lump sum withdrawal that exceeds the 'low-rate cap'. The low rate cap for the 2015/16 financial year is $195,000. The low-rate cap is a lifetime limit.

Any lump-sum withdrawals in excess of this threshold will be taxed at the rate of 17% (if you have provided your TFN to UniSuper).

Tax on death benefits

Regardless of your age when you die, death benefits paid as a lump sum are tax free if paid to a beneficiary who is your dependant for tax purposes. This also applies if the benefit is paid to your legal personal representative and a dependant has benefitted or may be expected to benefit from the payment.

Tax is payable at the maximum rate of 17% on the taxable component of the lump-sum benefit if it is paid to a beneficiary who is not your dependant for tax purposes. This also applies if the benefit is paid to your legal personal representative and a non-dependant for tax purposes has benefitted or may be expected to benefit from the payment. The tax-free component is not subject to tax.

The tax on a pension paid to your reversionary beneficiary depends on your age at the date of your death and the age of your reversionary beneficiary. If you are aged 60 or older at the date of your death, or your reversionary beneficiary is aged 60 years or older when they receive the pension, their annual pension payments will be tax free.

If you are aged less than 60 at the date of your death and your reversionary beneficiary is aged less than 60 when they receive the pension, their annual pension payments will be subject to marginal tax rates and your reversionary beneficiary may be entitled to a 15% tax offset.

Definition

LEGAL PERSONAL REPRESENTATIVE

Your legal personal representative is the executor of your will or, if you die without a will, the administrator of your estate. If your benefit is paid to your legal personal representative, your death benefit will form part of your estate and will be distributed in accordance with your will (if you have one), or in accordance with the laws that govern people who die without a will.

Definition of a death benefit dependant for tax purposes

DEPENDANT

For tax purposes, a dependant is:

- your spouse or former spouse
- your child(ren) under the age of 18
- a person who was in an interdependency relationship with you at the date of your death, or
- a person who was financially dependent on you at the date of your death.

SPOUSE

- a person to whom you are legally married
- a person, whether of the same sex or opposite sex, with whom you are in a relationship that is registered under an Australian State or Territory law, or
- a person, whether of the same sex or opposite sex, with whom you are not legally married but who you live with on a genuine domestic basis as a couple.

CHILD

This includes a child, adopted child, step-child, ex-nuptial child, child of your spouse or child within the meaning of Family Law legislation.

INTERDEPENDENCY RELATIONSHIP

A relationship between two people (whether or not related by family) who live together in a close personal relationship, and one or each of them provides the other with:

- financial support, and
- domestic support and personal care.

If two people have a close personal relationship but don't live together or provide this support or care because either or both of them suffer from a physical, intellectual or psychiatric disability, they may still be deemed to have an interdependency relationship.

Tax on transfers

You may transfer ('roll over') amounts from other super funds into your super account before you commence your pension. No tax is payable on amounts transferred from one super fund to another, unless the amount contains an untaxed element (for example, benefits from a public sector super fund). An untaxed element transferred to us attracts the 15% contribution tax when we receive it.

Providing your tax file number

IF YOU ARE AGED 60 OR OLDER

You do not need to provide us with your TFN, but it can help us administer your pension.

IF YOU ARE AGED LESS THAN 60

The Trustee is authorised and required to ask you for your TFN by tax law and in accordance with the *Superannuation Industry (Supervision) Act 1993*.

Your TFN will only be used for lawful purposes, including:

- finding and amalgamating your superannuation benefits with your consent as required
- verifying you are the person to whom the benefit belongs before transferring your super benefit to another fund, unless you do not provide consent for your TFN to be used for this purpose
- providing information, including your TFN, to the ATO, e.g. when you receive a benefit, are a lost member or have unclaimed benefits, and
- providing information, including your TFN, to the trustee of another superannuation fund when your benefits are being transferred, unless you advise us in writing that you do not wish your TFN to be passed on.

The lawful purposes for which your TFN can be used and the consequences of not providing us with your TFN may change in future as a result of legislative change.

Advantages of providing your TFN

You should provide your TFN as part of acquiring a UniSuper product. It is not an offence not to quote your TFN, but providing your TFN will have the following advantages (which may not otherwise apply):

- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your super benefits
- it will make it much easier to trace different superannuation accounts in your name and identify you as the person to whom the super benefits belong so that you receive all your benefits when you retire
- you may be able to claim the tax-free threshold from more than one payer (e.g. your super fund and a part-time employer) where applicable. See the ATO website at www.ato.gov.au for details.

You can provide your TFN by completing the *Tax file number collection form* available on our website, or by calling us.

Accessing your benefit

In this section we provide information about when you can take your super benefit as a pension and what proof of identity you must provide.

When you can access your super benefit

Super is a long-term investment. As a result, the government has placed restrictions on when you can access your super benefit.

Generally, your super must be preserved in the superannuation system until you permanently retire from the workforce on or after reaching your preservation age (see the table on the right).

Exactly when you can access your benefit depends on its 'preservation status' under the government's preservation rules.

Under the preservation rules, your benefit may be divided into three parts— 'preserved', 'restricted non-preserved' or 'unrestricted non-preserved'.

Preserved benefits

From 1 July 1999, all member and employer contributions made into super and all investment earnings must be preserved. Generally, you cannot access preserved benefits until you have satisfied a condition of release.

What are conditions of release?

Under the preservation rules, you must meet what's known as a 'condition of release' before you can withdraw your preserved benefits from your super. The conditions of release include:

- permanent retirement from the workforce on or after reaching your preservation age
- termination of employment after you reach age 60
- turning 65
- permanent incapacity
- death
- terminating employment with an employer who contributed to UniSuper on your behalf and your benefit is less than $200.

Your preservation age varies depending on when you were born.

YOUR 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 or after	60

Superannuation legislation restricts the conditions of release available to temporary residents. For more information, see the page 'Super options for temporary residents' at **unisuper.com.au**, which includes the *Departing Australia superannuation payment (DASP)* fact sheet.

Accessing your preserved benefits before you retire

Under the preservation rules, you may be able to access part or all of your preserved benefits early in certain limited circumstances, provided that you satisfy the eligibility criteria. These circumstances are:

- **Specified compassionate grounds:** you must apply directly to the Department of Human Services (DHS).
- **Severe financial hardship grounds:** you must apply to the Trustee, and be receiving eligible Commonwealth Government income support benefits to qualify.
- **Terminal medical condition:** you must apply to the Trustee (refer to the *How to claim a terminal medical condition benefit* Fact sheet at **unisuper.com.au** for more information).

There are restrictions on temporary residents wanting to access their preserved benefits to commence a Flexi Pension. For more information, refer to the *Departing Australia superannuation payment (DASP)* fact sheet.

To access your preserved benefits before you retire, you need to contact DHS directly (for release on specified compassionate grounds) or call us on **1800 331 685** (for release on severe financial hardship grounds or terminal medical condition).

Restricted non-preserved benefits

Generally, you can access restricted non-preserved benefits when you terminate employment with an employer who had contributed to UniSuper on your behalf. You can also access restricted non-preserved benefits if you meet a condition of release, as set out on page 44.

Unrestricted non-preserved benefits

Unrestricted non-preserved benefits are usually made up of benefits you're already entitled to, but have voluntarily decided to keep within the super system (e.g. you have reached age 65 but are still working). Therefore, you can generally access unrestricted non-preserved benefits at any time, regardless of your age, employment situation or financial position.

Additional restrictions for DBD members

In addition to the preservation rules described above, DBD members may not be able to access their defined benefit component due to additional restrictions. However, these additional restrictions do not apply if the defined benefit component consists entirely of unrestricted non-preserved benefits.

If you withdraw part or all of your defined benefit component, you will automatically cease to be a member of the DBD unless your withdrawal is the result of severe financial hardship, a Family Law split, or compassionate grounds approved by DHS.

Any remaining defined benefit component in the superannuation phase will be converted into an accumulation benefit and transferred to an Accumulation 1 account, and any future employer contributions will be made to this account.

Providing proof of identity

In accordance with anti-money laundering and counter-terrorism financing legislation, super funds are required to identify, monitor and have measures in place to reduce the risk that the super fund may be used as a vehicle to launder money or to finance terrorism.

As a result, you'll be required to provide proof of your identity prior to commencing a pension or making lump-sum withdrawals from your pension account (where permitted). As a minimum, you must generally provide certified copies of one document which confirms your full name, and either your date of birth or residential address (refer to the *Your guide to proof of identity* fact sheet).

Other things you need to know

This section contains important information about closing your pension, transfers, privacy and more.

Temporary residents

Government legislation places restrictions on temporary residents commencing a pension.

An eligible temporary resident whose visa has expired or been cancelled can claim his or her super benefit directly from UniSuper within six months of departing Australia, or from the ATO at any time.

For more information, see the *Super options for temporary residents tutorial video* at **unisuper.com.au** or visit the ATO website at www.ato.gov.au.

Transfers to UniSuper

If you have any super in other funds you can transfer ('roll over') these amounts to your UniSuper account to help boost your account balance before you purchase your pension.

We do not charge you for transferring funds into UniSuper, but some funds may charge an exit fee when you leave them.

To make a transfer, complete and return the *Combine my super (rollover) form*, which is available from **unisuper.com.au**.

Your pension will not commence until we have received all of your nominated transfers.

Increasing your payments or changing a reversionary beneficiary nomination

If you receive a government age pension as well as a UniSuper pension, the amount the government will pay you may be affected by your UniSuper pension payments and the age of any reversionary beneficiary you have nominated. This is because eligibility for some government benefits is means tested under the Centrelink and Department of Veterans' Affairs income and assets tests. The government may apply penalties if you don't report your income, or you change your reversionary beneficiary nomination. It is your responsibility to report all appropriate income or other issues that may affect your government benefits to the relevant authorities. If you're unsure of your responsibilities, please contact Centrelink or the Department of Veterans' Affairs.

Family Law and your pension

Pension entitlements form part of the property of a marriage or de facto relationship (same sex or opposite sex) under the Family Law legislation and, in the event of marriage or relationship breakdown, can be split between the parties by agreement or court order.

For more detailed information, refer to the *Super and Family Law* fact sheet, which is available at **unisuper.com.au** or by calling us on **1800 331 685**.

Error rectification policy

We work hard to minimise errors in administering your pension. If we identify an issue with your pension, we will investigate and respond to it in a timely manner.

If we discover an error was caused by us or our administrator and it is found to be material, our policy is to compensate members who were adversely affected.[12]

Confirming transactions and charges

The Trustee is required to confirm certain transactions and changes that occur during your membership, including investment switches, lump-sum withdrawals and changes to beneficiary nominations.

To obtain confirmation of a transaction or charge sent previously, please call us on **1800 331 685**, and quote your member number. You can also email us at **pensionsmailbox@unisuper.com.au** or write to us at UniSuper, Level 35, 385 Bourke Street, Melbourne VIC 3000.

Alternatively, you can register for MemberOnline and obtain confirmation of a transaction or charge by viewing or printing your recent account history.

Closing your pension account

If you choose to close your Flexi Pension and have an existing accumulation account, the transferred balance will be invested in the investment strategy that applies to your existing account. If you do not have an existing accumulation account, we will establish a new accumulation account for you, and the transferred balance will be invested in the Balanced option, UniSuper's default investment option.

How we protect your privacy

UniSuper recognises the importance of protecting your personal information and we're committed to complying with our privacy law obligations.

We collect your personal information to administer your account, improve our products and services and to provide you with, and promote, UniSuper membership benefits, services and products. You consent to our collecting sensitive information about you, where collecting that information is reasonably necessary for us to perform one or more of our functions or activities. We usually collect personal and sensitive information directly from you; however, it may also be collected from third parties, such as your employer.

We may also collect this information from you because we are required or authorised by or under an Australian law or a court/tribunal order to collect that information.

If you do not provide this information, we may not be able to administer your account, or provide you with a product or service.

We may disclose your information to any service provider we engage (e.g. mailhouses, auditors, insurers, actuaries, lawyers) to carry out or assist us to provide your membership benefits, services and products. This includes overseas entities. Where information is transferred overseas, we will seek to ensure the recipient of the data has security systems to prevent misuse, loss or unauthorised disclosure in line with Australian laws and standards.

Our Privacy Policy contains information about how you may access any personal information held by us, how to correct your information and how to make a complaint about a breach of the Privacy Act. Our Privacy Policy is available from our website at **unisuper.com.au** or by calling us on **1800 331 685**.

[12] UniSuper will generally use a materiality threshold of 0.30% of the account when compared to the amount of the error in determining whether individual compensation should be paid. Where a member's account is closed, compensation payments of less than $20 will not normally be made. These thresholds are in line with industry standards and regulatory practice guidelines.

Complaints handling

We hope you don't have any complaints about your pension. If you do, please call us and we will investigate and respond to your complaint as quickly as possible.

To make a complaint, contact us on **1800 331 685** or write to:

Member Care Manager
UniSuper
Level 35, 385 Bourke Street
Melbourne VIC 3000

Email: **enquiry@unisuper.com.au**

If you aren't satisfied with our handling of your complaint or with the decision, you can contact the Superannuation Complaints Tribunal (SCT), an independent body set up by the government to help resolve certain complaints in relation to super and pensions.

The SCT cannot accept a complaint unless it has gone through the Trustee's internal complaints process first. If the SCT accepts your complaint, it will try to resolve the matter through conciliation. If this is unsuccessful, it will make a determination which is binding on the Trustee.

If your complaint relates to a disablement claim or death benefit, there are time limits in which to make a complaint. You can contact the SCT on 1300 884 114 or write to:

Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne V IC 3001

www.sct.gov.au

The SCT cannot consider complaints relating to the general management of the Fund.

UniSuper Helpline

T 1800 331 685
F +61 3 8831 7901
W unisuper.com.au
E pensionsmailbox@unisuper.com.au

UniSuper
Level 35, 385 Bourke Street
Melbourne VIC 3000

Flexi Pension application form

UniSuper

Complete this form to apply for a UniSuper Flexi Pension.

Important information

To commence a UniSuper Flexi Pension you must:

- be a current member of UniSuper
- have an initial investment of at least $25,000
- if you are under age 60, complete an ATO *Tax file number declaration form* (which is included in the *Planning your retirement* kit) and return it to us with this form
- provide your financial institution account details in Section 8 of this form for the payment of your pension, and
- be an Australian or New Zealand citizen, a permanent resident of Australia or the holder of a retirement visa of sub-class 405 or 410. You can't be a temporary resident.

Please note that temporary residents who met a condition of release before 1 April 2009 may also be eligible to commence a flexi pension. For more information refer to the *Departing Australia superannuation payment (DASP)* fact sheet.

Please return this correctly completed form along with relevant proof of identity to us by the 15th day of the month in which you would like your pension payments to commence.

If you want to open more than one UniSuper pension, you need to complete a separate application form for each pension. You also need to provide an ATO *Tax file number declaration form* for each pension you open if you are aged less than 60.

Understanding the risks

You should understand the risks and other implications of selecting your investment options. Please read the latest *How we invest your money* booklet before completing this form. We recommend that you consult a qualified financial adviser before making any investment decisions.

Providing proof of identity

In accordance with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006*, you must provide certified proof of identity when submitting a *Flexi Pension application form*. We cannot process your application for a pension until you have provided acceptable documents to us. Please turn to the back of this form for full details of what you need to provide.

Further information

If you need further information:

- email **pensionsmailbox@unisuper.com.au**
- call us on **1800 331 685**
- visit our website at **unisuper.com.au**.

Privacy information

UniSuper recognises the importance of protecting your personal information and is committed to complying with its privacy law obligations. For more information on how we collect and manage your information, please refer to the Privacy statement at the end of this form.

SECTION 1 — Member details

Please use BLACK or BLUE BALL POINT PEN and print in CAPITAL LETTERS. Cross where required **X**
All fields in Section 1 are mandatory. Please ensure you complete all fields.

UniSuper member number
If you are unsure of your member number, refer to your most recent UniSuper correspondence or call us on **1800 331 685**.

Title Mr ☐ Mrs ☐ Ms ☐ Dr ☐ Professor ☐

Other

Surname

Given name(s)

Date of birth *(DDMMYYYY)*

Gender Male ☐ Female ☐

Contact number *(during business hours)*

( )

Email address

@

Residential address, number and street *(not PO box)*

Suburb/Town

State Postcode

Country *(if not Australia)*

Is your postal address different from your residential address?

☐ **No.** Go to SECTION 2

☐ **Yes.** Please provide your postal address overleaf.

form continues

SECTION 1 — *Continued*

Postal address, number and street *(or PO box if applicable)*

Suburb/Town

State Postcode

Country *(if not Australia)*

Please ensure this address is shown on one of your identification documents.

SECTION 2 — Your eligibility

Select any that apply.

- I have reached my preservation age (see page 44 of the PDS if you're unsure of your preservation age) and have permanently retired from the workforce.
- I am aged 60 or older and have ceased employment with an employer.
- I am aged 65 or older and am still engaged in gainful employment.
- I am aged 65 or older.
- I am applying for this pension under transition to retirement (TTR) rules, have reached my preservation age and have not yet retired. I have read pages 26 to 29 of the PDS, and understand the effect TTR rules will have on my membership entitlements.

SECTION 3 — Closing an existing Flexi Pension account

Are you closing an existing Flexi Pension to open a new Flexi Pension?

- **No.** Go to SECTION 4.
- **Yes.** Your existing Flexi Pension will be closed and the balance transferred to your super account. Please note that during the time it takes UniSuper Management to process the closure of your Flexi Pension account, your closing balance will not be invested and investment earnings (positive or negative) will not be applied. For more information, please refer to the Flexi Pension PDS.

Please provide the pension number of the Flexi Pension account you wish to close:

Note: Unless you instruct us otherwise, this amount will form part of the opening balance of your new Flexi Pension.

SECTION 4 — Transfers

Do you want to transfer amounts from any other super funds into your super account **before** opening your Flexi Pension?

- **No.** Go to SECTION 5.
- **Yes.** For transfers from other funds, complete and attach the *Combine my super (rollover) form* for each transfer. This form is available from our website or by calling us on **1800 331 685**.

Note: Your pension will not start until we have received all the transfers listed below. Any transfers from another super fund will first go into your super (accumulation) account before being transferred to your new Flexi Pension. This means the transferred amount(s) will be invested in line with the investment strategy that applies to your super account, and your investment returns on these amounts could be positive or negative.

Please provide details of each transfer below.
Unless you instruct us otherwise, the transferred amount(s) will form part of the opening balance of your new Flexi Pension.

Transfer 1

Name of fund

Amount

$, , .

Transfer 2

Name of fund

Amount

$, , .

Transfer 3

Name of fund

Amount

$, , .

Transfer 4

Name of fund

Amount

$, , .

If you want to provide details for more transfers, please attach further details to this form.

SECTION 5 — Lump-sum voluntary member contribution

Do you want to make a lump-sum voluntary member contribution into your super account **before** opening your Flexi Pension?

☐ **No.** Go to SECTION 6.

☐ **Yes.** What is the amount you wish to contribute?

$ __,___,___.__

You can make member contributions using BPAY® (see **unisuper.com.au** for more information) or cheque. To contribute by cheque, you must complete the *Lump sum voluntary member contribution by cheque form* available from our website or by calling us on **1800 331 685**.

Note: Unless you instruct us otherwise, this amount will form part of the opening balance of your new Flexi Pension. Any contributions you make will be subject to market conditions while invested in your super account, and your investment returns could be positive or negative.

SECTION 6 — Commencing your pension

You must open your Flexi Pension with a minimum initial investment of $25,000.

If you're a DBD member and elect to commence a Flexi Pension with any part of your defined benefit component, you will cease to be a DBD member and any of your remaining defined benefit component will be converted to an accumulation benefit (along with any accumulation component you may have) and transferred to an Accumulation 1 account. Alternatively, you may choose to receive all or part of the remaining portion as a lump sum by completing a separate *Withdrawal form*.

Different rules apply for Flexi Pensions taken under TTR rules. See pages 26 to 29 of the PDS for details.

Note: The total opening balance of your Flexi Pension will consist of the amount(s) below and any amounts you nominated in Sections 3, 4 and 5, unless you instruct us otherwise.

☐ I understand that unless I instruct UniSuper otherwise, the total opening balance of my Flexi Pension will consist of the amount(s) below and any amount(s) I've nominated in sections 3, 4 and 5.

SECTION 6 — *Continued*

How much of your UniSuper benefit do you want to use to open your Flexi Pension account? *(Select either box A **or** box B)*

☐ **A** My entire UniSuper benefit

If you're a DBD member, both your accumulation component and defined benefit component will be used.

☐ **B** A portion of my UniSuper benefit

For Defined Benefit Division members

Defined benefit component

What amount do you want to use from your defined benefit component?

Account balance less

$ __,___,___.__ **OR**

Specific amount

$ __,___,___.__ **OR**

Specific percentage

___.__ %

Accumulation component *(if applicable)*

Note: If you're opening a Flexi Pension under the TTR rules with only part of your accumulation component, you must leave a minimum balance of $1,000 in your accumulation component.

What amount do you want to use from your accumulation component?

Account balance less

$ __,___,___.__ **OR**

Specific amount

$ __,___,___.__ **OR**

Specific percentage

___.__ %

For Accumulation 1, 2 and Spouse Account members

Note: If you use only part of your UniSuper benefit to open a Flexi Pension under the TTR rules, you must leave a minimum balance of $1,000 in your account.

What amount do you want to use from your account?

Account balance less

$ __,___,___.__ **OR**

Specific amount

$ __,___,___.__ **OR**

Specific percentage

___.__ %

SECTION 7 — Pension payment details

See page 17 of the PDS for information on minimum pension payments, and page 28 for maximum pension payments for Flexi Pensions taken under TTR rules.

Please indicate the level of pension payments you would like to receive (this amount must be at least the minimum amount specified by relevant legislation):

☐ Minimum amount (*as per my government-specified age-based limit*)

OR

☐ Specific annual amount *(please enter amount below)*

Note: If you are applying for a Flexi Pension under TTR rules, your annual pension payments are limited to a maximum amount of 10%.

$ ___ , ___ ___ ___ , ___ ___ ___ **OR** ___ ___ ___ %

SECTION 8 — Financial institution details

Please provide financial institution account details for your pension payments. You can nominate up to four financial institutions. If you're nominating more than one account, ensure you provide the percentage of your payment that you'd like allocated to each account (if applicable). To nominate more than two accounts, please attach the account details to this form.

Note: We can't make pension payments to third-party accounts. Payments can only be deposited into a personal or joint account in your name.

This information is required for payment of your pension.

Account 1

Name of financial institution

Name in which account is held

BSB number *(must have six digits)*

___ ___ ___ – ___ ___ ___

Account number

Percentage of pension payment to be made to this account

___ ___ ___ %

UniSuper accepts no responsibility for pension payments made to this account if the account details are incorrect.

Account 2

Name of financial institution

Name in which account is held

BSB number *(must have six digits)*

___ ___ ___ – ___ ___ ___

Account number

Percentage of pension payment to be made to this account

___ ___ ___ %

UniSuper accepts no responsibility for pension payments made to this account if the account details are incorrect.

SECTION 9 — Payment frequency

You can receive your pension payments at a frequency that suits you. See page 20 of the PDS for more information.

How often do you wish to receive your pension payments? *(Select one option only)*

- ☐ Fortnightly
- ☐ Monthly
- ☐ Quarterly*
- ☐ Half-yearly*
- ☐ Annually. Which month would you like to receive your pension payment? You must nominate a month in the current financial year for your first payment.

☐ January	☐ May	☐ September
☐ February	☐ June	☐ October
☐ March	☐ July	☐ November
☐ April	☐ August	☐ December

* Quarterly payments are made in March, June, September and December. Half-yearly payments are made in June and December.

SECTION 10 — Investment choice

You can choose a single investment option or a mix of investment options based on your individual requirements. The total must equal 100% and each nomination must be a whole number.

Note: If you do not choose an investment option, your account will automatically be invested in the Balanced option, which is our default option.

	Option	%
PRE-MIXED	Capital Stable	%
	Conservative Balanced	%
	Balanced	%
	Sustainable Balanced	%
	Growth	%
	High Growth	%
SECTOR	Cash	%
	Australian Bond	%
	Diversified Credit Income	%
	Sustainable High Growth	%
	Listed Property	%
	Australian Shares	%
	International Shares	%
	Global Environmental Opportunities	%
	Australian Equity Income	%
	Global Companies in Asia	%
	TOTAL	1 0 0 %

Before making a decision about your investment options, refer to the PDS and the *How we invest your money* booklet (which is incorporated by reference into the PDS).

Sector options are generally single asset class options that are less diversified and not intended to be used in isolation, but combined with other investment options to build a diversified portfolio. For example, the Australian Equity Income option might have exposure to as few as 20 entities, and Global Companies in Asia option as few as 40 entities. In comparison, the Balanced option has an exposure to over 1,500 entities.

If you choose to only invest in a Sector option, you may be exposed to more risk and may miss out on the benefits of the balance between risk and return offered by a Pre-Mixed option.

SECTION 11 — Pension drawdown method

If you do not make a choice, pension drawdowns will be paid from each of your investment options in the default order set out on page 19 of the PDS.

If you want to make a choice about how your pension is drawn from your investment options, please select one option only:

- **Pro-rata** – Payments are drawn from your investment options in proportion to the balance in each investment option at the time of withdrawal.
- **Your choice** – Payments are drawn from your investment options in an order nominated by you. Please complete the section below.

Your choice

If you have selected 'Your choice' you will need to select the order of investment options you want your pension payments to be paid from. Place a number in the applicable boxes (i.e. 1, 2, 3 etc.). Crosses will not be accepted. Please ensure you only select options you have chosen in Section 10.

Cash	Sustainable High Growth
Australian Bond	Listed Property
Capital Stable	Australian Shares
Conservative Balanced	International Shares
Diversified Credit Income	Global Environmental Opportunities
Balanced	Australian Equity Income
Sustainable Balanced	Global Companies in Asia
Growth	
High Growth	

Once your selections have been exhausted, the default order (set out on page 19 of the PDS) will apply until you make a new selection.

It's important to review your drawdown order instructions from time to time. As pensions are drawn down, the spread of your remaining account balance across your chosen investment options will change and the degree of diversification will reduce. Over time, your account may reflect a strategy which is different from your original intentions and you should reconsider whether this is appropriate to your financial needs and circumstances. Refer to the PDS and the *How we invest your money* booklet for more information.

SECTION 12 — Beneficiary nominations

You can choose between three types of beneficiary nominations:

- **Reversionary beneficiary nomination**: The entire balance of your pension will continue to be paid to your nominated dependant as a pension after your death.
- **Preferred beneficiary nomination**: This nomination is not binding on the Trustee but will be taken into account when determining who will receive your death benefit.
- **Binding death benefit nomination (lapsing and non-lapsing)**: If this nomination is valid and in effect at the date of your death, the Trustee must pay your benefit to your nominated dependants and/or legal personal representative.

If you prefer, you can choose not to make a beneficiary nomination.

See pages 21 to 25 of the PDS for more information, including the definition of dependant.

You can only make a preferred beneficiary nomination or a reversionary beneficiary nomination on this form.

Which type of beneficiary nomination would you like to make? *(Select one box only)*

- **Reversionary beneficiary nomination**. Go to SECTION 12A
- **Preferred beneficiary nomination**. Go to SECTION 12B
- **Binding death benefit nomination (lapsing and non-lapsing)**.
  You need to complete the *Binding death benefit nomination form* available at **unisuper.com.au** or by calling us on **1800 331 685**.

SECTION 12A — Reversionary beneficiary nomination

You can choose for an eligible dependant to continue to receive 100% of your Flexi Pension after your death. Your nomination is legally binding on the Trustee unless the Trustee is legally restrained or prohibited from paying your pension to this person.

See page 21 of the PDS for more details.

Title of dependant

Mr Mrs Ms Dr Professor

Other

Surname of dependant

Given name(s) of dependant

SECTION 12A — *Continued*

Type of dependant *(e.g. spouse, financial dependant)*

Residential address, number and street *(not PO box)*

Suburb/Town

State Postcode

Country *(if not Australia)*

Date of birth *(DDMMYYYY)*

SECTION 12B — Preferred beneficiary nomination

Please nominate your preferred beneficiaries in the event of your death. The total percentage of beneficiary nominations must add up to 100%.

A preferred beneficiary nomination is not binding on the Trustee, but will be taken into account when determining to whom your benefit should be paid in the event of your death.

Beneficiary 1

Surname

Given name(s)

What is the beneficiary's relationship to you? *(Select one box only)*

- Spouse
- Child
- Financially dependent
- Interdependency relationship
- Legal personal representative (estate)

Percentage . %

SECTION 12B — *Continued*

Beneficiary 2

Surname

Given name(s)

What is the beneficiary's relationship to you? *(Select one box only)*

- Spouse
- Child
- Financially dependent
- Interdependency relationship
- Legal personal representative (estate)

Percentage . %

Beneficiary 3

Surname

Given name(s)

What is the beneficiary's relationship to you? *(Select one box only)*

- Spouse
- Child
- Financially dependent
- Interdependency relationship
- Legal personal representative (estate)

Percentage . %

If you wish to nominate more than three beneficiaries, please provide details for each additional beneficiary on a separate piece of paper. The paper must be signed and dated in the same manner as this form and you must ensure that the total percentage for all benefit nominations adds up to 100%.

SECTION 13 — Member declaration and signature

Please read this declaration before you sign and date your form.

- I declare that the information I have given on this form is true and correct and that I am eligible to commence a pension.
- I have read the information in my *Benefit entitlement statement* (refer to page 12 of the PDS).
- I have read and understood the terms and conditions of UniSuper's Flexi Pension as outlined in the PDS and the booklets that are incorporated by reference into the PDS.
- I understand that I will be bound by the provisions of the UniSuper Trust Deed (as amended from time to time).
- I acknowledge that pension payments are subject to the Trust Deed and relevant government legislation.
- I understand that in the event of any inconsistency between the PDS and the terms of the Trust Deed, the terms of the Trust Deed will prevail.
- I understand that if I don't select a payment frequency, my pension will be paid monthly.
- I have read and understood the information in the *How we invest your money* booklet and I understand that:
  - investing in an investment option involves some risk and that, on occasion, my account balance may decrease
  - UniSuper does not guarantee my investment or any particular rate of return
  - I can switch my investment options via MemberOnline or by submitting an *Investment choice form – Pension members*. The first switch I make in each financial year is free and there is a fee for any subsequent switches I make in each financial year. This fee is deducted on the date my switch becomes effective
  - if my account balance is invested in more than one investment option and I have not made a choice, my pension payments will be deducted from each investment option in the default order outlined in the PDS
  - my account is not automatically rebalanced to reflect the investment option allocations chosen on this form. However, I can switch investment options via MemberOnline or by submitting an *Investment choice form – Pension members* via MemberOnline.
- If I do not choose an investment option, my account will be automatically invested in the Balanced option, which is UniSuper's default option.
- I understand that fees and costs will apply, and that taxes may apply.
- I acknowledge that I have read and understood the privacy information on page 47 of the PDS and consent to my personal information being used in accordance with UniSuper's Privacy Policy.

Signature

✗

Date *(DDMMYYYY)*

Checklist

Note: Only check the items that apply to you.

- ☐ I have provided my phone number and email address in Section 1.
- ☐ I am aged less than 60 and have completed and attached an *ATO Tax File Number Declaration Form* (note that this is an ATO form available at www.ato.gov.au and is **different** to our *Tax file number collection form*).
- ☐ I am transferring amounts from other superannuation funds and have completed and attached a *Combine my super (rollover) form* for each transfer.
- ☐ I am making an additional lump-sum voluntary member contribution to my super account and have competed and attached a *Lump sum voluntary member contribution by cheque form*.
- ☐ I have attached correctly certified proof of identification.
- ☐ I have signed and dated the form.

Privacy statement

UniSuper recognises the importance of protecting your personal information and we're committed to complying with our privacy law obligations.

We collect your personal information to administer your account, improve our products and services and to provide you with, and promote, UniSuper membership benefits, services and products. You consent to our collecting sensitive information about you, where collecting that information is reasonably necessary for us to perform one or more of our functions or activities. We usually collect personal and sensitive information directly from you, however, it may also be collected from third parties, such as your employer.

We may also collect this information from you because we are required or authorised by or under an Australian law or a court/ tribunal order to collect that information.

If you do not provide this information, we may not be able to administer your account, or provide you with a product or service.

We may disclose your information to any service provider we engage (e.g. mailhouses, auditors, insurers, actuaries, lawyers) to carry out or assist us to provide your membership benefits, services and products. This includes overseas entities. Where information is transferred overseas, we will seek to ensure the recipient of the data has security systems to prevent misuse, loss or unauthorised disclosure in line with Australian laws and standards.

Our Privacy Policy contains information about how you may access any personal information held by us, how to correct your information and how to make a complaint about a breach of the Privacy Act. Our Privacy Policy is available from our website at **unisuper.com.au** or by calling us on **1800 331 685**.

RETURN YOUR FORM AND CERTIFIED COPIES OF YOUR PROOF OF IDENTITY DOCUMENTS TO:

UniSuper, Level 35, 385 Bourke Street
Melbourne VIC 3000

Please note that certified copies of your proof of identity documents must contain an original signature. Faxed or emailed copies will not be accepted.

UniSuper

Fact sheet

Your guide to proof of identity

To prove you are the person to whom the superannuation entitlements belong, you are required by law to provide certified copies of proof of identity documents in certain circumstances. For example: when withdrawing your benefit, receiving a death benefit, starting a pension and in some circumstances transferring your super to another fund.

If you have provided UniSuper with your correct Tax File Number (TFN) we may be able to process rollover and transfer requests to another super fund without additional proof of identity.

If your TFN cannot be validated, or you wish to transfer to a self managed super fund or have a member benefit paid, you will need to provide us with certified copies of proof of identity documents.

Step 1: Acceptable documents

UniSuper will accept either one document from List A or two documents from List B.

LIST A

A certified copy of a:

- Current drivers licence
- Current passport issued by the Commonwealth that has not expired within the past two years

LIST B

A certified copy of a:

- Birth certificate or birth extract issued by a State or Territory of Australia
- Australian citizenship certificate
- A pension card issued by Centrelink that entitles the person to financial benefits.

And:

- Notice of Assessment from the Australian Taxation Office (less than 12 months old) containing your name and residential address
- Letter from Centrelink regarding a government assistance payment
- Rates notice from local council (less than 12 months old) containing your name and residential address
- Electricity, gas or water bill within the past three months that contains your name and residential address.

Step 2: How to certify documents

WHAT IS A CERTIFIED COPY?

A certified copy is a copy of an original identification document, which has been certified and signed by a person who is authorised to certify that it is a true and correct copy of the original.

HOW DO I OBTAIN A CERTIFIED COPY OF A DOCUMENT?

You will need to take your original document(s) and a clear photocopy of both sides of the original document to a person who is authorised to certify proof of identity documents (see Step 3).

HOW IS A DOCUMENT CERTIFIED?

The authorised person will need to:

1. Sight the original document and the copy to ensure that both documents are identical,
2. Write or stamp 'this is a true and correct copy of the original document I have sighted' or 'certified true copy', followed by their:
   - signature
   - printed name
   - qualification (i.e. Justice of the Peace), and date

EXAMPLE

I certify that this is a true and correct copy of the original document I have sighted.

Signature:	B Smith
Name:	Benjamin Smith
Qualification:	Police Officer
Date:	2 January 2013

WHAT IF I RECENTLY CHANGED MY NAME OR I'M SIGNING ON BEHALF OF ANOTHER MEMBER?

Your name must be the same as shown on your proof of identity. If you have changed your name you will need to provide a certified copy of what is called a 'linking document'. A linking document is a document that proves a relationship exists between two (or more) names.

If you are signing on behalf of another UniSuper member, you will also need to provide a linking document. The linking document you provide must be certified or it can't be accepted. Examples of linking documents are:

PURPOSE	SUITABLE LINKING DOCUMENT
Change of name	Marriage certificate Deed poll or change of name certificate from the Registry of Births, Deaths and Marriages
Signing on behalf of another member	Power of Attorney Guardianship papers

IMPORTANT INFORMATION

- All pages of your proof of identity documents must be certified.
- The certification must be on the copy of the document, not on a separate page attached to the document.
- The certified copies of your proof of identity documents must contain an original signature. Faxed or emailed copies will not be accepted.
- If any documents are written in a language other than English, they must be accompanied by an English translation prepared by an accredited translator.
- Documents certified more than 12 months ago will not be accepted.

Step 3: Find someone to certify your documents

WHO CAN CERTIFY MY IDENTIFICATION DOCUMENTS?

Only certain people are authorised to certify identification documents. Many of these are listed below:

1. A person who is currently licensed or registered under a law of a State or Territory to practise in one of the following occupations:

- Chiropractor
- Dentist
- Legal practitioner
- Medical practitioner
- Nurse
- Optometrist
- Patent attorney
- Pharmacist
- Physiotherapist
- Psychologist
- Trade marks attorney
- Veterinary surgeon

2. One of the following persons:

- Teacher employed on a full-time basis at a school or tertiary education institution
- Agent of the Australian Postal Corporation who is in charge of, or a permanent employee with two or more years of continuous service with, an office supplying postal services to the public
- Bank, building society, credit union or finance company officer with two or more years of continuous service
- Clerk, Master, Registrar or Deputy Registrar of a court
- Judge of a court or a Magistrate
- Justice of the Peace
- Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants, the Institute of Public Accountants or the Association of Taxation and Management Accountants, or a Fellow of the National Tax Accountants' Association
- Notary public
- Police officer
- 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
- An officer with, or Authorised Representative of, a holder of an Australian Financial Services Licence, with two or more years of continuous service with one or more licensees
- An officer with, or a Credit Representative of, a holder of an Australian Credit Licence, with two or more years of continuous service with one or more licensees

MEMBER RESIDING OVERSEAS

For members residing overseas, the persons who are authorised to certify identification documents are:

- Australian Consular Officer or Australian Diplomatic Officer (within the meaning of the Consular Fees Act 1955)
- Employee of the Commonwealth or the Australian Trade Commission who is:
  - **a.** in a country or place outside Australia; and
  - **b.** authorised under paragraph 3(c) or paragraph 3(d), respectively, of the Consular Fees Act 1955; and
  - **c.** exercising his or her function in that place
- A person authorised as a notary public in a foreign country
- Any person who is in a country or place outside Australia and:
  - **a.** is currently licensed or registered in Australia (under a State or Territory law) to practise in an occupation listed in part 1 above; or
  - **b.** holds a position in Australia listed in part 2 above (for full list see **unisuper.com.au**).

Members residing overseas must have their identification documents certified by a person who has an Australian connection (as set out above). Any documents certified by a person who is licensed or registered to practise in an occupation listed above in a foreign country (and not in Australia), or who holds a position in a foreign country, will not be accepted by UniSuper (except for a foreign notary public).

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