The JR Superannuation Fund is a division
of IOOF Employer Super.

JR SUPERANNUATION FUND

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JR Superannuation Fund general reference guide (JRS.02)

This guide contains important information not included in the JR Superannuation Fund PDS(s). We recommend you read this entire guide.

The information is divided into the following sections.

Everything you need to know about contributions

What types of contributions can be made?

Employer and Personal Divisions

To build your super these divisions accept the following contribution types:

- **Personal contributions:** contributions you make from your after-tax salary or wages. Depending on your particular circumstance, these may or may not be tax deductible. For more information about the tax deductibility of personal contributions, see 'How super is taxed' section of this guide.
- **Employer contributions:** these can be:
  - Mandated employer contributions (such as Superannuation Guarantee contributions or contributions under an industrial award)
  - Salary sacrifice or other voluntary employer contributions.
- **Spouse contributions:** contributions made by your spouse for your benefit.
- **Government contributions:** co-contributions paid by the Commonwealth Government and low income superannuation contributions.
- **Third party contributions:** These are contributions made by insurers, from Workcover and ATO interest payments.
- **Transfers** of super benefits from other super funds, ADFs or superannuation annuities.
- **First home saver account contributions:** contributions received as a result of the Commonwealth Government's first home saver account scheme.

When can these contributions be made?

Below is a table setting out when these contributions can be made.

Your age	Contributions we can accept into your super account
Any age	Transfers from another product within the Fund. Transfers of benefits from other super funds, ADFs or superannuation annuities.
Under age 65	All contributions including personal, spouse and employer contributions.
Age 65 to 74	Personal contributions, spouse contributions, salary sacrifice and other employer contributions can still be made after you turn age 65 but you will need to meet a work test1. Spouse contributions cannot be made after you turn age 70. Mandated employer contributions. There is no work test applying to these contributions.
Age 75 or more	Mandated employer contributions.

[1] Under the work test if you are aged 65 or more you must have worked at least 40 hours in 30 consecutive days in the financial year you make the contributions.

Pension Division

We can also accept a wide range of contributions to commence your pension. These are:

- personal contributions, that you make yourself which are not tax deductible
- spouse contributions made by your spouse (legal or de facto) for your benefit
- transfer of super benefits from other super funds, ADFs or superannuation annuities
- transfers from other super or pension products within the Fund.

If you wish to commence a pension with other types of contributions (for example if you are self employed and want to make a tax deductible personal contribution), please refer to 'How do you claim a personal tax deduction for your contributions?' on page 9 of this guide.

When can these contributions be made?

Below is a table setting out when these contributions to commence your pension can be made.

Your age	Contributions we can accept to commence your pension
Under age 55	If you have met a condition of release, such as permanent incapacity: ■ Transfers from other super or pension accounts within the Fund and other super funds. ■ Personal and spouse contributions. OR where you have not met a condition of release: ■ Transfers from other super or pension accounts within the Fund and other super funds which are wholly unrestricted non-preserved benefits.
Age 55 to 64	If you have met a condition of release such as retirement after preservation age: ■ Transfers from other super or pension accounts within the Fund and from other super funds. ■ Personal and spouse contributions. If you have not met a condition of release, you can only commence a pension using the Transition to Retirement (TTR) pension option.
Age 65 to 74	■ Transfers from other super or pension accounts within the Fund and from other super funds. ■ Personal and spouse contributions if you have met the work test. ■ Spouse contributions cannot be accepted once you turn age 70.
Age 75 or more	■ Transfers from other super or pension accounts within the Fund and from other super funds.

For information on preservation age and conditions of release, see the 'Accessing your super' section of this guide.

Particular types of super contributions

Non-concessional contributions

Non-concessional contributions are personal and spouse contributions which are not tax deductible. The Commonwealth Government sets a cap on the amount of these contributions that can be made to your super each year before additional tax is payable. For 2013/14 this cap is $150,000. If you are under age 65 you can bring forward the next two years entitlements and contribute up to $450,000. More details about the cap on these contributions and tax penalties that apply if you breach the cap are set out in the 'How super is taxed' section of this guide.

Some personal contributions, such as those attributable to the sale of some small business assets and those derived from certain personal injury compensation payments, may be exempt from the non-concessional contributions cap. Therefore, we can accept these kinds of personal contributions without restriction. For the exemption to apply, you will need to submit the appropriate Australian Taxation Office (ATO) form with the contributions. We are required by law to reject any single non-concessional contribution (other than exempt personal contributions outlined above) over $450,000 or over $150,000 if you were 65 or older on 1 July of the financial year you make the contribution.

By agreement with your employer, personal contributions paid from your after-tax salary can be deducted from your pay and forwarded to the Fund by your employer within 28 days of the end of the month the deduction was made.

Concessional contributions

Concessional contributions are employer and tax deductible personal contributions. The Commonwealth Government sets an annual cap on the amount of concessional contributions that can be made to your super each year before additional tax is payable. For 2013/14 this cap is $25,000. If you are aged 59 or more on 30 June 2013 a higher cap of $35,000 will apply for the 2013/14 tax year extending to those aged 49 or more on 30 June of the previous year from the 2014/15 tax year. More details about the cap on these contributions and tax penalties that apply if you breach the cap are set out in the 'How super is taxed' section of this guide.

Contribution splitting with your spouse (Employer and Personal Divisions only)

You can split concessional contributions with your spouse.

If employer contributions and/or deductible personal contributions have been paid into your super account in one financial year, you can apply to the Trustee in the next financial year to split up to 85 per cent of these contributions (up to the concessional contributions cap) to your spouse's super account either within the Fund or in another super fund. You cannot split any other contributions in your account.

Only one application can be made to split in respect of the applicable contributions from the previous financial year and you must use the application form approved by the Trustee.

Where you are commencing a pension or leaving the Fund, an application to split contributions can be made in the same year as the contribution(s) occurred. In this scenario, your application to split contributions should be made prior to your withdrawal request. Applications made after the withdrawal has been completed cannot be processed.

An application is considered invalid if at the time the application was made, the spouse is either age 65 years or older, or is between the relevant preservation age and 65 years and has satisfied the retirement condition of release.

The Trustee is entitled to reject the application if it does not meet the conditions set out on the form. Some of these conditions include:

- all the required information on the application form has been completed
- split contributions will be paid to your spouse's account as a rolled over super benefit.

We recommend you contact your Pitcher Partners financial adviser before you make a decision to split your contributions with your spouse.

Application forms for contribution splitting are available to members via Member Online Access or from the Pitcher Partners client services team.

The Government co-contribution – do you qualify?

If you make personal after-tax contributions to your super account, the Commonwealth Government will make a corresponding co-contribution to your account, subject to certain requirements, including your income level, age and employment status. The Government will match your contribution by 50 per cent, up to a maximum co-contribution of $500.

To receive the Government co-contribution, at least 10 per cent of your total income[2] must relate to employment or business income; and your total income (less business expenses) must be less than $48,516 (2013/14 year).

You do not have to make a claim for the Government co-contribution as the Government will pay it automatically to the trustee and we will credit it directly to your super account after the Australian Taxation Office (ATO) has processed your tax return for the financial year. You can find out more about the Government co-contribution from the ATO website (www.ato.gov.au).

Low income Government contribution

The Government will make a contribution (up to a maximum of $500) to a low income earner's super account to compensate for 15 per cent tax paid on concessional contributions. To be eligible, you must have adjusted taxable income of less than $37,000 and business/employment income of at least 10 per cent of total income.

Can you change your mind and get a refund for your contributions?

Once you have made contributions to super (including personal, spouse and employer contributions), they must stay in super until you retire after your preservation age (currently between the ages of 55 and 60 – see the 'Accessing your super' section of this guide) for more information. You can, however, choose to transfer to another super fund at any time.

[2] Total income for co-contribution purposes is assessable income plus salary sacrifice contributions and fringe benefits.

Accessing your super

The Commonwealth Government requires you to meet certain conditions before you can withdraw your super as a cash lump sum or you can commence an income stream.

General conditions for withdrawing the various components of your super

Components	When can you withdraw your super in cash?
Unrestricted non-preserved benefits	At any time.
Restricted non-preserved benefits	Generally when you: ▪ terminate employment with an employer who has contributed to your super account ▪ retire on or after reaching your preservation age ▪ reach age 65.
Preserved benefits	When you: ▪ retire on or after reaching your preservation age ▪ reach age 65.
All components	Can be transferred to another super fund or super account at any time.

Important Note

Contributions (other than part or all of some transfers) made by you or on your behalf to a super fund and any investment income earned on those contributions are preserved benefits.

Restricted non-preserved and preserved benefits

Both restricted non-preserved and preserved benefits become unrestricted non-preserved amounts when one of the following conditions of release is satisfied:

- You permanently retire from the workforce on or after reaching your preservation age.
- You leave employment after age 60.
- You reach age 65
- You become permanently incapacitated or terminally ill.

Once you have met one of the above conditions, your entire benefit is unrestricted non-preserved and you can withdraw your benefit as a lump sum or income stream at any time.

To request a full or partial lump sum withdrawal from your account please complete a Withdrawal form available from the website (www.pitcher.com.au/Brisbane) or from the Pitcher Partners client services team.

The tax consequences associated with making withdrawals are described in the 'How Super is taxed' section of this guide.

Other conditions of release may be available in limited circumstances. Generally, these include if you:

- attain preservation age
- become temporarily disabled (if you have income protection insurance, your insured benefit will become payable)
- are a temporary resident departing Australia permanently
- suffer severe financial hardship

- qualify on compassionate grounds
- provide the Fund with a release authority from the ATO, which allows you to withdraw an amount to pay tax on excess contributions (the ATO may also provide the Fund with a release authority to pay the assessed tax directly).

Under super law, there are strict qualifying criteria that must be met in each of these circumstances and not all of these circumstances allow a total withdrawal from your account. In addition, restrictions can apply to the form of payment.

If you rollover an existing preserved benefit, this will also be preserved in your super account until you meet a condition of release.

Retirement definition

For a person who has reached their preservation age, retirement occurs when an arrangement under which you were gainfully employed has ceased and you never intend to become gainfully employed again for more than 10 hours per week.

For a person aged 60 or over, retirement can also occur when an arrangement under which you were gainfully employed has come to an end. At age 65, you can be paid your benefit even though you have not left work.

Preservation age

Generally, you cannot access your super until you retire after reaching at least age 55.

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

Can you transfer your benefit?

You can transfer your benefit to another complying super fund that is willing to accept it, at any time.

Can you commence an income stream with your benefit?

You can generally commence an income stream with your benefit if:

- you have unrestricted non-preserved benefits
- you have satisfied a condition of release
- you have reached your preservation age and are purchasing a TTR pension with the preserved and restricted non-preserved components of your benefit.

Special rules for temporary residents

If you are a temporary resident of Australia, you can generally access any Australian super benefits you have if:

- you satisfied a condition of release before 1 April 2009 under the rules that applied at that time
- you leave Australia and your temporary visa has been cancelled or expired (known as a departing Australia superannuation payment)
- you suffer temporary or permanent incapacity or a terminal illness
- you die (in which case your super benefits would be paid to your beneficiaries).

If you do not take your super benefits with you upon departure from Australia as a departing Australia superannuation payment (DASP) within six months, we must pay the super benefits to the ATO as required by law. You can later claim the amount of the benefits back from the ATO. Where benefits are transferred to the ATO in this manner, the Trustee will rely on ASIC relief and will not issue an exit statement in respect of your super benefit at the time of, or after, the benefit is transferred. If you would like more information about how to claim your super benefits from the ATO as a temporary resident, please visit the website (www.pitcher.com.au/Brisbane).

How is super treated for Centrelink/Department of Veterans' Affairs purposes?

Assets in the Employer and Personal Divisions

Benefits held in super accounts in the Fund are exempt from assessment under the Centrelink or Department of Veterans' Affairs (DVA) means tests until you reach Age Pension age. Once you reach Age Pension age (currently age 65 for men and age 64.5 for women), your account balance is treated as an asset under the Centrelink/DVA assets test and is deemed to earn a set rate of income under the Centrelink/DVA income test. For more information about the Centrelink/DVA means tests, please contact your financial adviser.

Assets in the Pension Division

The Commonwealth Government applies two tests to assess whether you are eligible for a Centrelink or Department of Veterans' Affairs (DVA) pension or allowance payment. The tests are the income test and the assets test. The test which gives you the lower rate of payment is the one Centrelink or DVA will use to determine your eligibility for a pension or allowance.

An investment in an account-based pension is assessed under both the Centrelink/DVA income and assets tests. The account balance is counted as an asset under the assets test. Under the income test, only part of the annual pension payment is counted as income. The exempt amount is calculated as the original investment (less any later lump sum withdrawals) divided by your life expectancy on commencement of the pension. If the pension is reversionary and the nominated beneficiary's life expectancy is longer than yours, the longer life expectancy is used.

How super is taxed

Super is one of the most tax-effective ways to invest. Pre-tax contributions made by you (if you are self employed or not working) or your employer (which include salary sacrifice contributions) are normally taxed at the special super rate of 15 per cent. When you take your money out after age 60, you do not get taxed at all.

This section provides you with some general information about the tax implications of investing in super, including:

- what tax concessions apply to contributions
- what tax applies to withdrawals
- how investment income is taxed
- tax treatment of investments if you take benefits as a pension.

Seek advice

The laws relating to super, including tax laws, are complex and subject to change from time to time. We recommend you obtain professional advice on the tax consequences before investing.

Contributions to super

Tax deductions for contributions to super

Some contributions to super are tax deductible. These contributions (sometimes called before-tax contributions) are:

1. Employer contributions

Contributions which are tax deductible to the employer include:

- salary sacrifice contributions
- voluntary employer contributions
- compulsory employer contributions such as contributions under the Superannuation Guarantee.

2. Personal contributions

These are contributions you make if you are:

- self employed
- substantially self employed (less than 10 per cent of your assessable income plus reportable fringe benefits and reportable employer super contributions[3] during the financial year relates to your work as an employee)
- not employed during the financial year and aged 18 to 64.

How do you claim a personal tax deduction for your contributions?

Most members of employer or personal superannuation plans are unable to claim a tax deduction for personal contributions made into superannuation as they are not self employed or substantially self employed. However, if you meet certain criteria and you would like to claim a tax deduction for your personal contributions, you must notify us of your intention before the earlier of the following:

- when you submit your income tax return
- at the end of the next financial year after you have made the contribution.
- You must notify us using the ATO approved *Notice of Intent to claim or vary a deduction for personal super contributions* form available from our website. Please note, although we do not automatically provide a copy of this form to Employer Plan members, at the end of each financial year we generally issue reminder notifications to all Personal Division

[3] These are generally salary sacrifice contributions.

members who make tax deductible contributions. You will not be able to claim a personal tax deduction for your contributions if, before we acknowledge receipt of the form, you:

- decide to leave the Fund
- make a partial withdrawal from the Fund and some of your contributions are deemed to be paid out of the Fund
- decide to transfer your benefits to a pension within the Fund
- choose to split the contributions with your spouse.

If you wish to commence a pension using a tax deductible personal contribution, you will need to make this contribution to an accumulation superannuation account (such as an account in the Employer or Personal Divisions), accompanied by the *Notice of Intent to claim or vary a deduction for personal super contributions* ATO Notice. Once this has been processed, you can then transfer your benefits to start a pension.

Are tax deductions available for super contributions made after age 65?

You can claim a tax deduction for your personal contributions and your employer can claim a tax deduction for salary sacrifice and voluntary employer contributions made up until 28 days after the end of the month you turn age 75. However, these contributions cannot be made to super after you turn age 65, unless you have met the 'work test' during the financial year. Under the work test, you need to have worked in paid employment or have been self employed for at least 40 hours during a 30 day consecutive period during the financial year.

Tax deductions are also available to your employer, on compulsory employer contributions regardless of your age.

Are any tax offsets available for super contributions?

If you have a spouse (including a same-sex partner) who makes contributions to your super account, these contributions are not tax deductible, but your spouse may be eligible for a tax offset.

Are any tax offsets available for commencing an account-based pension?

If your spouse (including a same-sex partner) makes a contribution to purchase your pension, this contribution is not tax deductible but may be eligible for a tax offset. General eligibility conditions apply to claiming this tax offset.

Are there any caps on concessional contributions to super?

The Commonwealth Government sets an annual cap on tax concessions attributed to concessional super contributions. This cap is currently $25,000 per individual and applies to all concessional contributions (for example your employer and deductible personal contributions). From 1 July 2014, this cap will be indexed in $5,000 increments in line with movements in Average Weekly Ordinary Time Earnings.

If you are aged 59 or more on 30 June 2013, a higher cap of $35,000 applies for the 2013/14 tax year, extending to those aged 49 or more on 30 June of the previous year from the 2014/15 tax year.

Contributions that exceed the relevant cap in 2013/14 and later years will be included in your assessable income and taxed at your marginal rate. You will also be liable for an excess concessional contributions charge. To take into account the 15% tax paid by your fund on the excess contributions, you will receive a non-refundable tax offset equal to the amount of tax paid. You can also elect to have your excess concessional contributions released from your superannuation fund which will result in those amounts not being counted towards your non-concessional contributions cap.

The rules relating to concessional and non-concessional contributions caps are complex and change from time to time. For this reason it is strongly recommended that you seek professional advice from a suitably qualified person.

Are there any caps on the amount of non-concessional contributions to super?

You can make up to $150,000 of non-concessional contributions each year before additional tax is payable. Until you reach age 65, you can choose to bring forward up to two years' entitlements and contribute up to $450,000 of non-concessional contributions in any three year period. The non-concessional cap is calculated as six times the concessional contributions cap and will therefore increase in line with the concessional contributions cap.

Non-concessional contributions included in this cap are:

- personal contributions that are not tax deductible
- spouse contributions.

Excess concessional contributions are also counted in the non-concessional contributions cap.

The contributions which are **not** included in this cap are:

- transfers from other Australian super funds or schemes
- personal injury compensation payments contributed to super in respect of a person who is permanently disabled within 90 days of receipt of the payment
- proceeds from the sale of certain small business assets contributed to super up to a lifetime limit of $1,315,000 (for the 2013/14 financial year). This limit (known as the 'CGT Cap') is indexed annually
- the Government co-contribution.

If you are making personal contributions and wish to claim an exemption from the non-concessional contributions cap because the contributions arise from injury compensation payments or from the sale of a small business, you must apply to us before or at the time you make the contribution.

Non-concessional contributions that exceed the cap are taxed at 46.5 per cent. The ATO will assess you personally for this tax, and issue you with a release authority. You must present this Release Authority to the Fund within 21 days in order to make a special withdrawal to pay this tax.

Tax on contributions paid by the Fund

We have to pay tax on contributions (at a maximum rate of 15 per cent) which is deducted from your account. This tax is then forwarded to the ATO as a result of the following amounts paid into your account:

- employer contributions (including salary sacrifice employer contributions and contributions under the Superannuation Guarantee)
- Superannuation Guarantee shortfall components
- tax deductible personal contributions
- The first $1,315,000[4] of a transfer of the untaxed element from a public sector scheme.

The actual amount of tax paid to the ATO may be reduced by allowable tax deductible expenses. This includes management costs and insurance premiums charged to your super account.

No tax is payable on:

- personal contributions that are not tax deductible
- spouse contributions
- transfers from other taxed super funds
- transfers between super products within the Fund.

[4] Amounts in excess of this amount are subject to tax at the rate of 46.5 per cent.

Additional tax on concessional contributions for very high income earners

In broad terms, if you have income above $300,000 per annum, you will pay an additional 15% tax on concessional contributions. The ATO will calculate the liability and issue a notice of assessment and a release authority so that the amount of the assessment can be released from your superannuation fund to make the payment to the ATO.

There is a specific definition of income for these purposes, and the calculations to determine an individual's tax liability are very complex. For these reasons it is recommended that members with very high incomes seek professional advice on their particular circumstances.

Tax treatment of your investment income

The great advantage of super is that you can grow your investments in a low tax environment and take your retirement benefits tax-free once you turn age 60.

The maximum rate of tax applied to earnings, which is the interest and investment income from your investment options, is 15 per cent. Capital gains are effectively taxed at the concessional rate of 10 per cent if the asset has been held for longer than 12 months.

Once you convert your accumulated super into an income stream through an account-based pension, the news gets even better. No tax is payable on your investment earnings (interest, income distributions or realised capital gains). Plus, as your pension investments are held within a tax exempt environment, no capital gains tax (CGT) applies if you choose to switch your direct investments or redeem any investments to provide for pension payments or cash lump sums.

Employer and Personal Divisions

The Fund generally pays tax on investment income at a maximum rate of 15 per cent. The actual tax is often less than 15 per cent because tax is paid on the taxable income of the Fund. Taxable income is assessable income less tax deductible expenses (such as the cost of your insurance cover).

In relation to investment options invested in separate investment pools within the Master Pooled Superannuation Trust (MPST), tax is levied on the MPST (rather than the super fund) at the concessional rate of 15 per cent on investment earnings.

The following table describes the general treatment of investment income derived from direct investment options held both outside the MPST and within the MPST.

Investment income	General rate of tax
Interest, dividends and income distributions	15%
Realised capital gains ■ held for 12 months or less ■ held for longer than 12 months	 15% 10%*

* The tax rate for super funds is 15 per cent, however capital gains on assets held for more than 12 months are discounted by 33 per cent, resulting in an effective rate of 10 per cent.

The rate of tax is applied to income after allowing for tax deductible expenses. The actual tax paid may be further reduced by franking credits received by your account. A franking credit is a tax credit that may be available to the Fund for the tax that has already been paid by the issuing company on dividends received on shares in the investment option.

Pension Division

The following table describes the treatment of investment income derived from investment options held in your pension account.

Investment income	General rate of tax
Interest and income distributions	Nil
Realised capital gains	Nil

Your pension account may be entitled to a tax refund due to franking credits. A franking credit is a tax credit that may be available to the Fund for the tax that has already been paid by the issuing company on dividends received by a managed investment.

Tax on capital gains

Directly held investments

Realised capital gains can arise:

- from distributions of net capital gains from your investment option(s)
- if you choose to redeem your investment option(s) to effect a switch to another investment option or make a withdrawal from your super account
- if you are invested in the IOOF Balanced Investor Trust and you sell units in this trust prior to transferring your benefits to the Pension Division.

If you incur a capital loss after redeeming your investment option(s), it can be used to reduce any capital gains that other investments in the Fund may have earned over the year. At the time when the Fund prepares its income tax return, if you have excess capital losses, these may be applied against other members' capital gains (at the rate of 10 to 15 per cent) and we may credit the cash benefit to your Cash Account.

Investments in the MPST

As tax is levied on the MPST, unit prices for the investments held through the MPST reflect the tax position including all realised and unrealised capital gains. Therefore, if you redeem an investment no separate CGT is levied, as it has already been allowed for in the unit price.

What are the tax implications if you transfer to another product within the Fund?

You cannot transfer MPST investment options to another product within the Fund. However, if your direct investment options are transferred to another product within the Fund, there is no realisation of capital gains and therefore no tax applies.

What are the tax implications when you transfer your super benefit to purchase a pension?

If your MPST investment options are transferred to a pension in the Plan and you continue to invest in MPST investment options, no realisation of capital gains occurs on the transfer of your investments to the pension and your investments will be held in a tax-exempt environment. If you make an investment switch between MPST investment options within the pension account or redeem any investment option to make a withdrawal (such as a lump sum or pension payment), no CGT applies.

The IOOF Balanced Investor Trust is not available in the Pension Division. Before commencing your pension, units in this trust will need to be sold and you may incur a CGT liability.

If you are invested in other direct investment options and you transfer to a pension in the Plan and choose different investment options on transfer then CGT may apply.

When is tax deducted from your super account?

We deduct tax on contributions and investment income from your account upon receipt of the contributions and investment income. If you intend to claim a tax deduction on your personal contributions, tax will be deducted when we receive your completed ATO *Notice of intent to claim or vary a deduction for personal super contributions* form.

Important Note

We pay the tax on contributions and investment income; and therefore investment income is not declared as taxable income in your personal income tax return each year.

Tax on pension payments and withdrawals

Benefits paid at age 60 or more

Lump sum withdrawals and pension payments within the Fund are tax-free.

Benefits paid before turning age 60

Benefits paid from your account before turning age 60 are split into a tax-free component and a taxable component on a proportional basis. You can only make withdrawals on this proportionate basis. The tax-free component is the sum of all tax-free components held in your account divided by the account balance and then converted to a percentage. For withdrawals from your super account, the percentage of tax-free component is calculated at each withdrawal. When you commence a pension, the percentage of tax-free component is calculated on commencement and will then apply to all pension payments and lump sum withdrawals (including lump sum commutations and transfers) made from the account thereafter.

The sum of the tax-free components includes any personal or spouse contributions, any tax-free component calculated and crystallised within your account as at 30 June 2007, and the tax-free components of amounts transferred into your account from other super accounts.

The tax treatment of benefits received prior to age 60 is as follows:

Component	Pension payment	Lump sum withdrawal from pension or super accumulation
Tax-free	Tax-free and not included in assessable income.	Tax-free and not included in assessable income.
Taxable	Included in assessable income. 15% tax offset applies if received after reaching preservation age (currently age 55) or if totally and permanently disabled.	Under preservation age (currently age 55): ■ 20% (plus Medicare Levy). Preservation age to age 59: ■ Up to $180,000* threshold: 0% ■ Excess over threshold: 15% (plus Medicare Levy).

* Threshold increases annually with movements in Average Weekly Ordinary Time Earnings rounded down to the nearest $5,000.

Tax is not payable when you transfer your benefit to another super fund or to another product within the Fund.

Transfers to other super funds/products

If you transfer your super benefits to another super fund or to another product within the Fund, we will deduct any tax on contributions and investment income from your super account prior to transfer.

Tax treatment of Disability Benefits

The taxation of a lump sum withdrawal received upon total and permanent disablement (TPD) is generally similar to tax on withdrawals. However, the tax-free component will be increased to include the proportion of the benefit that relates to the period from the date you left your employment due to TPD until the date you reach age 65.

Also, if you choose to transfer your benefits to a pension within the Fund, you may be entitled to a 15 per cent tax offset on the taxable component of the pension (even if you are under preservation age).

Any income payments you receive as a result of an income protection claim will be included in your normal assessable income and taxed at your marginal rate (plus the Medicare Levy).

Tax treatment of Death Benefits

Taxation of Death Benefits paid as lump sums

The tax on a lump sum payment made in the event of your death will depend on who receives the benefit.

The payment will be tax-free if it is made to your Death Benefits Dependants (either directly or through your estate). For tax purposes, a Death Benefits Dependant includes:

- your spouse
- your children under age 18 (including a natural child, stepchild, adopted child or child of your spouse)
- a person who is partially or wholly financially dependent on you at the date of death
- a person with whom you have an interdependency relationship at the date of death.

Lump sum benefits paid to a dependant who is not a Death Benefits Dependant are taxed on a similar basis to lump sum benefits paid to those under age 60. However, the $180,000 threshold does not apply and the tax rate on the taxable component will generally be 15 per cent (plus the Medicare Levy).

Where a lump sum superannuation Death Benefit containing insurance is paid to a non-dependant for tax purposes, the taxable component will be split into taxed and untaxed elements using a formula. The untaxed element is taxed at 30 per cent (plus the Medicare Levy).

Death Benefit lump sums paid to the Legal Personal Representative (the estate) are taxed within the estate depending on whether the beneficiaries of the estate are dependants or non-dependants for tax purposes.

The tax rates applicable to lump sums paid to beneficiaries who are not dependants for tax purposes apply regardless of whether the beneficiary is under or over the preservation age.

Compensation for tax paid on contributions (anti-detriment payment)

An additional amount (the tax saving amount) may be included in the lump sum Death Benefit paid direct to your spouse or your children or to the trustee of your estate (to the extent that a spouse or children will benefit from the estate). This increased amount is compensation for contributions tax paid while your benefit accrued in the Fund. The Fund pays the additional amount and receives reimbursement from the ATO via a tax deduction in the Fund's next income tax return. Any increase in the amount of the lump sum benefit paid is conditional upon the Fund being eligible for, and able to use, the tax deduction.

Taxation of Death Benefits paid as pensions

A Death Benefit paid in the form of a pension will be tax-free if either you or the beneficiary is aged 60 or more. If both you and the beneficiary are under age 60, the pension is taxable. However, a 15 per cent tax offset applies even if the beneficiary is under preservation age. When the beneficiary turns age 60 the pension becomes tax-free. Death Benefit pensions paid to children (under age 18 or under age 25 and financially dependent or permanently disabled) must be converted to a tax-free lump sum benefit once the child turns age 25 unless the child is permanently disabled.

For other beneficiaries, if a Death Benefit pension is commuted to a lump sum within six months of the original pensioner's death or three months of grant of probate/letters of administration (whichever is the later), the lump sum is treated as a lump sum Death Benefit and taxed accordingly. If the Death Benefit pension is commuted after this period, the lump sum is no longer treated as a Death Benefit and will be taxed as a normal lump sum payment received by the beneficiary.

Special tax rates for temporary residents

Temporary residents who have departed Australia permanently can claim their Australian super as a Departing Australia Superannuation Payment. Withholding tax of 35 per cent generally applies to the taxable component of these payments.

Foreign taxes

Superannuation and investments may be affected by foreign tax laws, which can reduce the amount you receive. Under some foreign laws you may be subject to additional obligations if you have a connection with a foreign country (for example by birth, residence, citizenship or property ownership).

Death benefit nominations

You can nominate one or more of your dependants and/or your Legal Personal Representative to receive your benefit in the event of your death and allocate your benefit between them in any proportion.

Any dependant you nominate must be a dependant as defined by super law. A full list of eligible dependants appears below. You need to be aware that if you have an interdependency relationship with someone whom you wish to nominate, the Trustee must receive a statutory declaration which sets out the nature of your interdependency relationship before any benefit can be paid to that person.

If you nominate your Legal Personal Representative, your benefit will form part of your estate and be distributed in accordance with your Will (if you have one) or in accordance with the laws that govern those persons who die without a Will.

Eligible dependants

For super purposes, your dependant(s) are:

- your current spouse
- your children of any age (including ex-nuptial children, adopted children, step-children and your spouse's children)
- any person who is partially or wholly financially dependent on you at the date of your death
- any person with whom you have an interdependency relationship at the date of your death.

What is an interdependency relationship?

An interdependency relationship may exist between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support and personal care. For a full definition see the 'Key words explained' section of this guide.

Types of death benefit nomination

You are able to choose one of the following forms of nomination to inform us to whom you would prefer your benefit to be paid in the event of your death:

- Reversionary Pension (this option is only available for pension accounts).
- Binding Death Benefit Nomination (Binding Nomination).
- Non-Binding Death Benefit Nomination (Non-Binding Nomination).

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

Reversionary Pensioner option

If you nominate a Reversionary Pensioner, in the event of your death, we must continue to pay the remaining balance of your pension account (if any) to your nominated Reversionary Pensioner. The pension will automatically continue to be paid until the account balance is exhausted.

The Reversionary Pensioner of your account-based pension may also choose to make a lump sum withdrawal, rather than continue to receive the pension payments upon your death.

If you wish to nominate your child as your Reversionary Pensioner, you can only nominate:

- a child who is less than 18 years of age (and they must also be less than 18 years of age at the date of your death to be able to receive the benefit in the form of a pension)
- a child who is over the age of 18 years and under 25 years who is financially dependent on you at the date of nomination (and they must also be financially dependent on you at the date of your death to be able to receive the benefit in the form of a pension)

- a child who is permanently disabled.

A pension that continues to be paid to a nominated Reversionary Pensioner who is a child will automatically terminate on the child's 25th birthday and the remaining balance of the pension account (if any) will be paid to the child as a lump sum unless the child is permanently disabled. If the nominated child has ceased to be entitled to receive a pension (if the child turns age 18 or, in the case of a financially dependent child over 18, ceases to be financially dependent or turns 25), the benefit will be paid to the nominated child as a lump sum.

Your nomination cannot be changed once your pension commences. If the Reversionary Pensioner can no longer receive a death benefit (for example, if your nominee dies before you), you cannot nominate a new Reversionary Pensioner. However, you can make a Binding or Non-Binding Nomination in favour of another dependant(s).

The nomination of a Reversionary Pensioner must be made before your pension commences.

Important Note

If a pension does revert to your nominated Reversionary Pensioner, the Reversionary Pensioner may nominate their dependant(s) and/or Legal Personal Representative to receive any remaining benefit as a lump sum in the event of their death.

Binding Death Benefit Nomination

If you have a valid Binding Nomination in effect at the date of your death, we **must** pay your benefit to the dependant(s) and/or Legal Personal Representative that you have nominated in the proportions that you have set out in your nomination. A valid Binding Nomination remains in effect for **three years** from the date it was first signed, last amended or confirmed.

The following conditions must be met to ensure that a Binding Nomination is valid:

- The nomination must be in favour of one or more of your dependant(s) and/or your Legal Personal Representative.
- Each nominated dependant must be an eligible dependant at the date of nomination and at the date of your death.
- The allocation of your benefit must be clearly set out.
- The total benefit must be allocated (the percentage nominated must add up to 100 per cent), otherwise the entire nomination will be invalid.
- The nomination must be signed and dated by you in the presence of two witnesses, both of whom are over 18 years of age and are not nominated to receive the benefit.
- The nomination must contain a declaration signed and dated by each witness stating the notice was signed and dated by you in their presence.

Important Note

If your Binding Nomination fails to meet any one of the stated conditions, the entire nomination will be deemed to be invalid. An invalid or expired Binding Nomination will be treated as a Non-Binding Nomination.

If any of the information provided in your Binding Nomination is unclear, we will contact you to confirm the details. An unclear Binding Nomination may be invalid.

To make a Binding Nomination, please complete a Binding Death Benefit Nomination form which is available from the JR Superannuation Fund forms booklet, our website or by contacting the Pitcher Partners client services team.

Details of your current Binding Death Benefit Nomination will appear on Member Online Access and your Annual Statement along with its expiry date.

You must confirm your nomination before it expires in order for it to remain valid. You can do this by giving us a written notice, signed and dated by you, to that effect before it expires. It is your responsibility to ensure your Binding Death Benefit Nomination is confirmed before it expires.

Your Binding Nomination can be amended or revoked at any time by advising us. In order to revoke your Binding Nomination, you must give us a written notice, signed and dated by you in the presence of two witnesses both of whom are over the age of 18 years and not nominated to receive the benefit. Alternatively, you may revoke your nomination by completing a Binding Nomination form which is available from our website. You can amend your nomination at any time by making a new Binding Nomination and providing it to us.

Non-Binding Nomination

If you make a Non-Binding Nomination, we have the final say to determine which of your dependants and/or Legal Personal Representative are to receive your benefit and the proportions payable to each. Your nomination is not binding on us but we will certainly take it into account when we determine to whom to pay your benefit.

To make a Non-Binding Nomination, please complete a 'Non-Binding Death Benefit Nomination form' which is available from the JR Superannuation Fund forms booklet, our website or by contacting the Pitcher Partners client services team.

You can amend your nomination at any time by making a new Non-Binding Nomination and providing it to us.

No nomination

If you do not make a nomination, in the event of your death, the Trust Deed has certain rules we need to follow.

- We have to pay your benefit to your Legal Personal Representative, unless your estate is insolvent.
- If your estate is insolvent, your benefit must be paid to such of your dependant(s) and in such proportions as we consider appropriate. If you have no dependants, we must pay your benefit to the Legal Personal Representative of your insolvent estate.
- If there is no Legal Personal Representative of your estate, we must pay your benefit to such of your dependant(s) and in such proportions as we consider appropriate.
- If you have no dependants and no Legal Personal Representative, we must pay your benefit to any other person(s) as permitted by law.

Remember, everything we do when it comes to paying out your benefit upon death is heavily governed by super law and our Fund rules. So make sure you think about your nomination very carefully.

Payment options available

If you have selected the Reversionary Pensioner option, in the event of your death, your benefit will be paid as a continuing pension to your nominated Reversionary Pensioner, provided they are eligible to receive the benefit in the form of a pension.

In most situations, we can pay the Death Benefit as a lump sum or as a pension. However, if the benefit is paid to your Legal Personal Representative it must be paid as a lump sum.

A continuing pension cannot be paid to a child of yours aged 18 or over unless they are either:

- under age 25 and financially dependent on you immediately prior to your death, or
- permanently disabled.

Important Note

When we receive evidence of your death, we have discretion to sell your investment options and put your money into the IOOF Cash Management Trust until the Death Benefit is paid. We would normally exercise this discretion unless we are advised otherwise.

Receiving a pension on the death of a member

- When your pension is received by a Reversionary Pensioner, the remaining balance of your pension account will be transferred into the Reversionary Pensioner's name. Your existing investment strategy and nominated level of annual pension payments will also be transferred and remain unchanged unless alternative instructions are received from the Reversionary Pensioner.
- If your pension is received by a beneficiary other than a Reversionary Pensioner, a new pension account will be established in the name of the beneficiary and the remaining balance of your pension account will be transferred into their pension account. New investment instructions will be required, and the level of annual pension payments payable from the pension will be re-calculated at this time.

More about risks

All investments carry risk. There are risks involved in investing in super and pensions as well as specific risks that may arise with your chosen investment option(s).

Risks when investing in super and pensions

- Your investment may not be sufficiently diversified if you do not spread your selection of investment option(s) across different asset classes, sectors, managers and styles.
- In the case of an investment in an illiquid investment, your ability to make a lump sum withdrawal from that investment may be delayed, reduced or unavailable until sufficient assets from that investment can be redeemed to fund the withdrawal.
- System failures may cause a delay in the processing of transactions to your account (or with fund managers).
- There may be a delay in purchasing or redeeming your investments if we do not receive a properly completed and authorised instruction from you.
- Delays may occur where minimum investment or withdrawal limits are imposed by fund managers.
- Economic conditions, interest rates and inflation may cause adverse investment returns.
- Changes can occur in super, taxation or other law that may adversely affect your investment (such as, they may affect your ability to access your investment). These changes may also affect the operation of your super or pension product or of any investment option(s) into which you invest.
- The Trustee could be replaced or the Fund could be wound up. There is also a risk that we will not carry out our duties as Trustee properly. To minimise this risk we have implemented a number of risk management strategies and corporate governance policies and procedures to assist us to meet our obligations. As Trustee we are always required to act in the best interests of members.

Risks specific to pensions

- Depending upon the amount of pension required, pension payments may be delayed, reduced or unavailable until sufficient assets from that illiquid investment can be redeemed to fund the pension payment.
- You may not receive the level of income for the whole of the period that you want, as annual pension payments are not guaranteed (payments are based on the value of your pension account, which reflects the ongoing fluctuating value of your investment portfolio and payments will cease when your pension account is exhausted).
- Pension payments are subject to Commonwealth Government retirement income payment rules that control the amount of payments that must be received from each pension account irrespective of investment returns.
- Where you have selected the transition to retirement pension option, access to your capital is restricted under Commonwealth Government regulations until you satisfy a condition of release.

Risks that may affect your investment options

Type of risk	Explanation
Market risk	Investment returns are influenced by the performance of the market overall. Unexpected changes in conditions (such as economic, technological or political developments) can have a negative impact on the returns of all investments within a particular market.
Company or security-specific risk	Within each asset class, company or security-specific risk refers to the many risks that can affect the value of a specific security (or share).
Currency risk	Investments in international markets can be exposed to changes in exchange rates. If foreign currencies fall in value relative to the Australian dollar, they have an adverse impact on investment returns from investments denominated in those currencies, if those currencies are unhedged.
Liquidity risk	Liquidity risk is the risk that a particular investment will not be able to be converted into cash or disposed of at market value.
Derivatives and gearing risk	Underlying managed investments may use derivatives and gearing (borrowing). The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Gains and losses from derivative and geared transactions can be substantial.
Credit risk	Credit risk is the risk that a party to a contract will fail to perform its contractual obligations resulting in a financial loss.
Fund manager risk	Each managed investment option has one or more fund managers to manage the investments. There is a risk that a fund manager may not perform to our expectations, meet its stated objectives or under-perform as compared to other fund managers.

Risks associated with insurance within super

If you have default insurance cover or you intend to apply for insurance cover there are a number of risks associated with insurance that you should be aware of. These include a risk that the insurance cover will cease if your account balance is insufficient to meet the cost of premiums and the risk that the level of insurance cover is not adequate in the event of your death, injury or illness. There is also a risk that the Insurer could refuse to pay the insured benefit if you do not comply with your duty of disclosure or any other requirements under the Policy or the relevant legislation.

You should read **the JR Superannuation Fund insurance guide (JRS.03)** to make sure you understand the main terms and conditions of the Policy that could apply.

Other general information

Most of the information in this section has to do with the Trust Deed, relevant super law and business rules that govern the operation of your member account..

What is Choice of Fund legislation?

Under Choice of Fund legislation, eligible employees can choose into which complying super fund their compulsory Superannuation Guarantee (SG) contributions are to be paid. A Super Choice - Fund Nomination form can be obtained from our website.

An employer must also nominate a default super fund, referred to as the Employer Plan, for eligible employees who do not choose a super fund. Employers must pay eligible employees' SG contributions to the Employer Plan until such time as the employee selects their own super fund. Details of Choice of Fund legislation can be found at www.superchoice.gov.au or you can contact the ATO on 13 10 20 or speak to your financial adviser.

Who can participate?

Any employer can establish an Employer Plan, provided they have at least two employees and meet the rules for minimum contributions required.

Policy committees

If there are 50 or more employees in an Employer Plan, or we receive a written request from five employees to establish a policy committee then the Trustee is required to take all reasonable steps to ensure a policy committee is established for that Employer Plan. A policy committee is a committee comprising equal numbers of employer representatives and employee representatives. The policy committee meets at least once a year and acts as a valuable liaison between the Trustee and members. Through a policy committee members can have their queries heard and answered, for example, about investment options, insurance and fund communications. On establishing an Employer Plan, employers will be provided with information about how to set up a policy committee for their employees.

Portability of super benefits

If you provide us with a request to transfer your benefits out of the Fund, super law requires that we transfer your benefits within 30 days of receiving all relevant prescribed information (including all information necessary to process your request), or within three days if you are a MySuper member.

However, some investments may have extended redemption periods of up to 360 days (or more) and therefore not be readily convertible to cash within the 30 day time frame. These are called illiquid investments. This may restrict your ability to switch these investments and transfer them under the portability rules.

Before you invest in illiquid investments, you are required to sign a written consent (which is set out in the declaration section of your Investment Authority) confirming you accept that a period longer than 30 days may be required to sell those investments and so effect the transfer because of the illiquid nature of those investments. Investment options that fall into the category of illiquid investments are identified in the **JR Superannuation Fund investment guide (JRS.02)** and in the Performance Report of Underlying Funds available on our website.

Illiquid investment options may include managed investments such as some property funds, hedge funds and fixed interest funds, plus term deposits and capital guaranteed investments. The time required to transfer your super will depend on the investment options chosen.

From time to time a fund manager may have a need to suspend their investments and therefore we may not be able to rollover, transfer or cash your benefit within 30 days. If this occurs we will write to you.

Where you invest in an illiquid investment, part or all of a withdrawal or switching request may be delayed until sufficient assets from that investment can be redeemed to fund the withdrawal.

To enable members to monitor their illiquid investment options we maintain on our website details such as the availability of withdrawal opportunities, termination processes and recent payout ratios.

Account liquidity

Personal and Employer Divisions

You may hold up to 80 per cent of your account balance in illiquid investments, listed investments and term deposits.

Pension Division

As Trustee we are required to meet the legislated annual minimum pension payment. Therefore we need to ensure there is sufficient liquidity to meet your annual payments. If your investment weighting in illiquid investments, listed investments and term deposits exceeds 80 per cent of your account balance; we are entitled to redeem sufficient funds to meet your remaining annual pension payment. These funds will be redeemed up to 30 days prior to your next pension payment. We will redeem funds proportionately from your listed investments followed by term deposits. Normal fees, charges and/or penalties may apply to these transactions.

Eligible Rollover Fund

We may rollover your benefit in the Personal or Employer Divisions to an eligible rollover fund (ERF) in the event that:

- you are deemed to be a lost member
- your account balance falls below $2,000
- you decide to seek the return of your initial investment and do not notify us of a recipient super fund for the receipt of your benefits (if necessary), or the nominated super fund does not accept the rollover.

Once your benefit is rolled into the ERF, you will no longer be a member of, nor entitled to claim any benefit from the Fund.

The ERF currently selected for the Fund is the SMF Eligible Rollover Fund (SMF ERF). Being rolled over to the SMF ERF may affect you in the following ways.

- You will become a member of the SMF ERF and be subject to its governing rules. After we provide the SMF ERF with your current contact details, the SMF ERF will provide you with its current PDS, which provides details of the SMF ERF. You can also contact the SMF ERF to ask for a copy of its PDS.
- The SMF ERF will apply a different fee structure. You should refer to the SMF ERF PDS for circumstances in which fees may apply.
- The SMF ERF invests your benefit in a single strategy with a conservative growth objective. The trust has a medium-risk strategy, which may affect the rate of return credited to your super account. No investment choice is available. Please note, the SMF ERF is subject to investment risk which means you may receive back less than your original investment when withdrawn.
- The SMF ERF does not offer insurance cover and does not accept additional contributions.

Before deciding to roll over your benefit to the SMF ERF, we will consider:

- whether you have made contributions recently
- whether you have an insured benefit and premiums deducted from your account
- if the rollover would be in your best interests and the best interests of the remaining members of the Fund.

Furthermore, before rolling over your benefit to the SMF ERF, we will attempt to communicate with you to provide you with an option to nominate another super fund.

Contact details for the SMF ERF

SMF Eligible Rollover Fund
GPO Box 529
HOBART Tas 7001
Phone: 1800 677 306

Lost members

If we have never had a correct address for you, or have had two consecutive written communications to you returned unclaimed, we will generally consider you to be a lost member. We will undertake a range of steps to identify your current address. After taking reasonable steps, if we are still unable to determine your current address, we may decide to transfer your benefit to the SMF ERF.

Intra-fund consolidation

Under the intra-fund consolidation measures, trustees are required, on an annual basis, to identify members with multiple superannuation accounts within the Fund and to consolidate those accounts where it is in the best interests of the members to do so.

Unclaimed benefits

We are required to pay unclaimed benefits to the ATO. Your benefit will be classified as unclaimed in various circumstances, including if:

- you turn 65, and
  - have not claimed your benefit, and
  - we have not received any contributions for you for at least two years, and
  - we have been unable to contact you for five years despite our reasonable efforts.
- you have died, and
  - we have not received any contributions for you for at least two years, and
  - after making reasonable efforts, we are unable to ensure that the benefit is received by the person who is entitled to receive the benefit.

We are also required to transfer to the ATO as unclaimed money:

- those accounts of uncontactable members with balances less than $2,000 where the Fund has not received a contribution or rollover within the previous 12 months
- those accounts which have been inactive for 12 months and for which there are insufficient records to identify the owner of the account.

Individuals can reclaim their benefits from the ATO.

Super and the Family Law Act

Under the *Family Law Act 1975*, on marriage breakdown, your account can be divided and your spouse or former spouse can receive a payment that can be:

- transferred to a new account within the Fund
- transferred to another super fund or withdrawn (subject to satisfying certain conditions).

Super entitlements can be divided either by a court order or a super agreement which must meet certain legislative requirements. Also your spouse or another person who intends to enter into a super agreement with you (for example through a pre-nuptial super agreement) can request information from us.

Super and bankruptcy

Under the *Bankruptcy Act 1966*, super contributions made on or after 28 July 2006 in order to defeat creditors can be recovered by the trustee of a bankrupt member's estate. In certain circumstances a super trustee can be served with freezing orders and payment orders from the official receiver in respect of a bankrupt's super account. There are also circumstances in which a court can order payment of money from the account to the trustee of the bankrupt member's estate. We are required by law to comply with such orders.

Transfers within the Fund

If you are transferring from another product within the Fund and your current investment option(s) is also available in your new product (normally only applicable to listed investments), you can transfer those investment option(s) directly into your new account. Where an existing investment option is not available in your new product, your holding in that investment option will be sold down within your existing account and the proceeds added to your Cash Account. Your Cash Account balance will then be transferred to your new account.

Calculation of your managed investment option benefits

When your contributions are received, units will be issued in accordance with the investment option(s) chosen by you. The price at which the units are issued is known as the 'application unit price'. The application unit price reflects the net value of the investment option pool, plus an allowance for any applicable transaction costs, divided by the number of units on issue at the date we invest your money.

When we report the value of your account, we do so at the price that we would sell your units, which is known as the 'redemption unit price'. The difference between the application and redemption unit prices reflects the transaction cost of redeeming the underlying assets in the relevant investment fund. This is known as the 'buy-sell spread'. Assets are valued at market prices, including accrued income. Unit prices reflect investment income and changes to the value of the assets of each investment fund, less management costs and applicable taxes.

Access to your information

In some cases, where you are a member of an Employer Plan, your employer may have an arrangement with a financial adviser to undertake on your behalf, most or all of the administration functions that your employer would normally undertake in relation to your Employer Plan.

Where this occurs, the adviser will be acting as the agent for your employer. This will give you the ability to have a contact point for questions that you would normally ask your employer. For this purpose, the financial adviser has access to personal details in relation to your employment and to membership of the Employer Plan, including information about benefits. You and your employer also have access to this information via Member Online Access. The financial adviser may use this information to contact you directly regarding the Employer Plan.

If you do not want the Employer Plan's financial adviser to have access to your information or to contact you, you can advise the Trustee by calling the Pitcher Partners client services team.

The Trust Deed

The Trust Deed dated 20 June 1994 (as amended from time to time) governing the Fund, together with the relevant laws and the PDS, governs our relationship with you and sets out your rights as a member. In the event of any conflict between the PDS and the Trust Deed, the Trust Deed will apply.

When acquiring this product, you become a member of the Fund and you agree to be bound by the provisions of the Trust Deed. We may amend the Trust Deed from time to time and will, when required by law, advise members in writing of the purpose, nature and effect of the amendment.

The Trustee may not amend the Trust Deed if the amendment would have the effect of reducing or adversely affecting the rights or claims of a member to accrued entitlements under the Fund. Such entitlements include those which have arisen prior to the amendment being made, or entitlements that have already become payable. In these circumstances, the amendment to the Trust Deed could only be made if the affected members consent in writing to the amendment, or the amendment is permitted by law or consented to by Australian Prudential Regulation Authority (APRA). In making any amendment, the Trustee must act in the best interests of members.

You may obtain a copy of the Trust Deed free of charge by contacting the Pitcher Partners client services team.

The Trustee

The Trustee of the Fund holds an AFS Licence under the *Corporations Act 2001*.

The Trustee has effected and maintains in force professional indemnity insurance. The Trustee and its directors and officers are also entitled to be indemnified out of the assets of the Fund to the extent permitted by super law.

The role of the Trustee is to operate the Fund in accordance with its Trust Deed and relevant law.

Key words explained

If you find some of the terms used in the PDS and/or guides difficult to understand, don't worry. This section helps explain some of the key terms that arise along the way. If you require further information or explanation of a term not covered in this guide, please contact the Pitcher Partners client services team.

Account-based pension (also known as an allocated pension)	A pension arrangement where a person regularly draws down an amount from their account within prescribed limits set by the Commonwealth Government. The pension will continue until death, commutation, or until the pension account is exhausted.
Activity fees	A fee is an **activity fee** if: (a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: (i) that is engaged in at the request, or with the consent, of a member, or (ii) that relates to a member and is required by law, and (b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.
Administration fees	An **administration fee** is a fee that relates to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that: (a) relate to the administration or operation of the entity, and (b) are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Advice fees	A fee is an **advice fee** if: (a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by: (i) a trustee of the entity, or (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity, and (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.
AML/CTF Law	Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), and all sub-ordinate legislation in respect of that Act, as amended from time to time.
Annual Statement	An annual statement of your account, including a transactions summary for the financial year and other prescribed information.
Approved Deposit Fund (ADF)	A concessionally-taxed trust that can receive, hold and invest certain types of rollovers (but cannot accept super contributions) until such funds are withdrawn or a condition of release is met.
Australian Financial Services Licence (AFS Licence)	A licence issued by ASIC under the Corporations Act 2001 which among other things, permits the issuing of a financial product or the giving of financial advice.
Benefit	The amount of money in your account to which you (or in the event of your death, your dependants and/or Legal Personal Representative) are entitled to be paid in relevant circumstances.
Binding Death Benefit Nomination	A written direction to us which, if valid and in effect, binds us to pay your benefit to the dependant(s) and/or Legal Personal Representative that you have nominated in the event of your death.

Buy-sell spreads	A **buy-sell spread** is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.
Business day	A day other than a Saturday, Sunday or a public holiday in Melbourne.
Capital gains tax (CGT)	A tax applied on the increase in the value of an investment that may be payable upon the disposal of the investment. CGT does not apply to investment options redeemed in a pension account.
Certified copy	A document that has been certified to be a true and complete copy of the original, by a person authorised to witness the signing of a statutory declaration under applicable Commonwealth or State legislation.
Concessional contributions	Employer and tax deductible personal contributions. The Government sets an annual cap on the amount of concessional contributions that can be made to your super each year before additional tax is payable. The cap on concessional contributions and the tax penalties that apply if you breach the cap are set out in the 'How super is taxed' section of this guide.
Condition of release	These are restrictions placed on super funds for how and when preserved benefits can be paid. A condition of release must be met before a benefit is paid. Conditions of release include: ■ retirement on or after age 60 ■ reaching age 65 ■ reaching preservation age and permanently retired ■ death ■ permanent incapacity ■ terminal illness.
Contribution	Represents any amount that is a concessional or non-concessional contribution, or transfer to your account.
Death Benefits Dependant	When paying a Death Benefit, a dependant (for tax purposes) means: ■ a spouse ■ children under age 18 (including a natural child, stepchild, adopted child or child of your spouse) ■ a person who is partially or wholly financially dependent on you at the date of death ■ a person with whom you have an interdependency relationship at the date of death.
Dependant	A dependant (for super purposes) means: ■ the spouse of the member ■ any child of the member (including a child over 18) - a child includes a natural child, ex-nuptial child, stepchild, adopted child or child of your spouse ■ a person who is partly or wholly financially dependent on you at the date of death ■ a person with whom you have an interdependency relationship at the date of death.
Derivatives	Contracts that call for money to change hands at some future date, where the amount depends on, or is derived from, another security, liability or index. For example, a contract might specify that one person can buy an item from the other at today's price in six months' time, regardless of the market price at that time.

Employer Plan	A superannuation plan established by an employer for its employees. This could also be the employer's default fund into which an employer will make Superannuation Guarantee contributions if a member has not nominated a chosen fund in the Super Choice environment.
Employment termination payment	A lump sum payment that is not a super benefit or certain other specified payments (such as unused annual leave or the tax-free part of a genuine redundancy payment) made from an employer to you as a result of the termination of your employment. Other than those made under transitional arrangements which ceased on 1 July 2012, an employment termination payment cannot normally be transferred to a super fund.
Eligible rollover fund	An eligible rollover fund (ERF) is a special type of public offer super fund that accepts member benefits from other super funds for people who may have been lost by that fund or are no longer eligible for membership of that fund.
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.
Financial institution	A bank, building society or credit union.
Fund	IOOF Portfolio Service Superannuation Fund ABN 70 815 369 818.
Goods and Services Tax (GST)	A tax on the supply of goods and services.
High yielding securities	High yielding securities are investments in non-traditional debt assets that generally earn higher interest than traditional fixed interest securities. These securities may provide higher returns as they are generally regarded as being less secure than traditional fixed interest securities. As a result, there is potential for higher volatility and lower liquidity.
Income stream	A series of payments provided by a pension or annuity product.
Indirect cost ratio	The **indirect cost ratio** (**ICR**), for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option. Note: A dollar-based fee deducted directly from a member's account is not included in the indirect cost ratio.
Interdependency relationship	An interdependency relationship may exist between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support, and personal care. This may include a parent or sibling with whom you live. An interdependency relationship may still exist between two people if they have a close personal relationship but do not live together because either or both of them suffer from a physical, intellectual or psychiatric disability.
Illiquid investments	An illiquid investment for the purposes of super law relates to the portability of members' benefits. Illiquid investments are assets, which either cannot be readily realised within 30 days, or where realising those assets within 30 days would have an adverse impact on their value.
Investment fees	An **investment fee** is a fee that relates to the investment of the assets of a superannuation entity and includes: (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees), and

	(b) costs incurred by the trustee of the entity that: (i) relate to the investment of assets of the entity, and (ii) are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Legal Personal Representative	The executor of your Will or the administrator of your estate.
Mandated employer contributions	Superannuation Guarantee contributions and employer contributions under an award or industrial agreement.
MySuper member	You will be a MySuper member if you are in the Employer Division and do not make an investment selection or if you are in the Personal Division and you elect to invest 100% into the default MySuper investment strategy.
MySuper investment strategy	The IOOF Balanced Investor Trust is the underlying investment strategy for all MySuper members.
Non-concessional contributions	These are personal contributions and spouse contributions which are not tax deductible. The Commonwealth Government sets an annual cap on the amount of non-concessional contributions that can be made to your account before additional tax is payable. Some personal contributions, such as those attributable to the sale of small business assets up to the lifetime limit of $1,315,000 and those derived from personal injury compensation payments may be exempt from the cap. For the cap on these contributions and tax penalties that apply if you breach the cap, see the 'How super is taxed' section of this guide.
Non-Binding Death Benefit Nomination	A nomination of preferred dependant(s) may assist us to determine to whom to pay your benefit in the event of your death. We are not bound by this nomination.
Pension product	Includes account-based pension and allocated pension.
Pensions	Pensions are provided by super funds and are established for the purpose of paying an income in retirement.
Permanently incapacitated	Ill-health (whether physical or mental) where the Trustee is reasonably satisfied that the member is unlikely, because of the ill-health, to engage in gainful employment for which the member is reasonably qualified by education, training or experience.
Pooled Superannuation Trust (PST)	A pooled superannuation trust is an investment facility set up especially for the assets of complying superannuation funds. The rules for pooled superannuation trusts are set out in the *Superannuation Industry Supervision Act 1993 (Commonwealth)* and Regulations (SIS). All investment options available to members of JR Superannuation Fund (except for listed investments, the IOOF Balanced Investment Trust, the IOOF Cash Management Trust and term deposits) are offered via separate investment pools within the Master Pooled Superannuation Trust (MPST).
Portfolio	The mix and composition of an investor's holdings among different asset classes (or if in a single asset class, between different sectors and securities).
Preservation age	The age at which retired individuals can access their super. A person's preservation age will be between ages 55 and 60, depending on their date of birth. If you were born after 30 June 1964 your preservation age is 60.

Preserved benefits	Generally, these benefits must be retained in the super system until you permanently retire from the workforce on or after reaching your preservation age. Preserved benefits can also be paid out: ■ on leaving employment after age 60 ■ on reaching age 65 ■ under a transition to retirement pension ■ on death ■ on permanent incapacity ■ on severe financial hardship grounds ■ on compassionate grounds approved by the Department of Human Services. They may also be paid out to satisfy a release authority from the Australian Taxation Office (ATO).
Reduced input tax credits (RITC)	Refers to a portion of the GST that can be claimed back from the ATO in certain circumstances.
Release authority	An authority issued by the ATO specifying an amount to be released from the Fund in order to pay tax on contributions that exceed the annual caps.
Restricted non-preserved benefits	These benefits can be accessed on the same grounds that apply for preserved benefits. Also, where you terminate your employment with an employer who had, at any time, contributed to the super fund on your behalf, your restricted non-preserved benefits become unrestricted non-preserved benefits.
Reversionary Pensioner	The person nominated by the primary pensioner to continue the pension after their death.
Salary sacrifice	An arrangement with an employer for an employee to 'give up' a portion of the employee's pre-tax salary in exchange for additional contributions by the employer to the employee's super.
Spouse	This could be: ■ your married husband or wife ■ a person with whom you have a relationship registered under State or Territory law ■ a person with whom you live on a genuine domestic basis in a relationship as a couple. A spouse includes an opposite-sex or a same-sex de facto partner.
Super law	Includes the Superannuation Industry (Supervision) Act 1993, Corporations Act 2001, Income Tax Assessment Act 1997 and associated regulations.
Super product	Includes personal super and employer super within the Fund.
Super fund	A complying fund whose trustee has elected that the fund be regulated by the Superannuation Industry (Supervision) Act 1993.
Switching	The movement of monies between investment options (such as managed investments and/or listed investments) and/or between the Cash Account and investment options. Switches between managed investments are processed as a redemption of units from one managed investment and the purchase of units in another managed investment from the available investment list. Switches between listed investments involve the sale of a listed investment and the purchase of another listed investment.

Switching fees	A **switching fee** is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one class of beneficial interest in the entity to another.
Taxable component	Tax may be payable on the component of your benefits that is not included in the tax-free component.
Tax-free component	Tax is not payable on this component of your benefits. The tax-free percentage of a pension is determined on commencement of the pension and applies to all payments made thereafter (lump sum or pension). Tax is not payable on the following components of a lump sum: ■ Any non-concessional contributions plus any Government co-contributions made to the super account. ■ Tax-free components previously transferred into the super account or crystallised within the account as at 30 June 2007.
Terminally ill or Terminal illness	For the purposes of releasing superannuation benefits, you are terminally ill if two medical practitioners (one of whom is a specialist in the relevant illness or injury) certify that you suffer from an illness or have incurred an injury that is likely to result in death within a period of 12 months after the date of the certificate (and the period of 12 months has not yet expired). If there is an insured benefit for Terminal Illness, for a Terminal Illness claim to be payable under the insurance Policy with the Insurer, the specialist medical practitioner must be nominated by the Insurer.
Transfer/rollover	A lump sum paid within the super environment between super funds, between super products or into an income stream.
Transition to retirement (TTR) pension option	A pension that enables persons who have reached their preservation age (at least age 55 depending on their date of birth) to transfer their preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits into an income stream while continuing to work. An income stream using a TTR pension option will generally be non-commutable and have restrictions on when withdrawals can be made.
Trust Deed	The legal document governing the Fund and its operation. A trustee must comply with its trust deed.
Unrestricted non-preserved benefits	These benefits may be paid to you at any time without a change in your employment status.
Withdrawal	A payment made to you or for your benefit from your super fund after allowing for taxes, fees and charges (if any). The payment can be made to another super fund or taken in the form of a lump sum cash payment (Commonwealth Government restrictions may apply; see the 'Accessing your super' section of this guide for further information). Cash withdrawals are only permitted in certain limited circumstances under the transition to retirement pension option.

General advice warning

The information contained in this guide:

- does not and is not intended to contain any recommendations, statements of opinion or advice
- is of a general nature only and does not take into account your individual objectives, financial situation or needs.

You should consider the appropriateness of this information having regard to your objectives, financial situation and needs and you may want to seek advice before deciding whether to acquire this product.

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