AET

Dated: 30 June 2019

AET small APRA fund general reference guide

The information in this guide forms part of the AET small APRA fund Product Disclosure Statement (PDS) dated 30 June 2019. Together with the AET small APRA fund investment guide (**investment guide**) and AET small APRA fund product list (**fund product list**), this document should be considered before making a decision to acquire the product. We recommend that you read this entire guide.

The information is divided into the following sections:

Important Information

This guide has been prepared and issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No 230524, RSE Licence No L0000406. IIML is the Trustee of the AET small APRA fund (AET SAF).

About the Trustee

IIML is a part of the IOOF group comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (IOOF group).

- As Trustee, IIML is responsible for operating and administering the AET SAF, honestly and in the best interests of members.
- IIML has appointed Australian Executor Trustees Limited ABN [84 007 869 794] AFSL [240023] (AETL or Custodian) as custodian to hold the assets of each AET SAF on behalf of your AET small APRA fund (your fund) members. AETL is also the responsible entity of the Cash Deposit Fund (CDF) and receives fees under the constitution of the CDF.
- IIML also has investment and service contracts with related parties within the IOOF group, including IOOF Service Co Pty Ltd ABN 99 074 572 919.

IIML is solely responsible for the content of this PDS and was prepared by IIML based on its interpretation of the relevant legislation as at the date of issue.

Contributions made to, and investments in the AET SAF do not represent assets or liabilities of IIML (other than as Trustee of your fund) or any other company or business within the IOOF group. The terms 'our', 'we', 'us' and 'Trustee' in this PDS refer to IIML. Neither the Trustee, nor any other related or associated company, the fund managers providing the managed fund investments, service providers or the related bodies corporate mentioned, guarantee the repayment of capital or the performance or any rate of return of the investments chosen in your fund. Investments chosen are subject to investment risk and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

The Trustee operates and administers the AET SAF on the terms and conditions outlined in the PDS and guides and in accordance with the fund's Trust Deed. We may change any of the terms and conditions set out in the SAF PDS and/or guides at any time where permitted to do under the Trust Deed and superannuation law.

Investments offered

The Trustee makes no recommendation regarding the investments set out in the **investment guide**.

The Trustee regularly monitors the investments available to members in the AET SAF and provides no assurance that any investment currently available will continue to be available in the future. We have the right to suspend or cease investments without reason and can redeem and transfer your investments to your Cash Account in circumstances where the investment is no longer available and alternative instructions are not provided. We will notify you or your Adviser of any such change where possible before it occurs. You may incur a capital gains tax (CGT) liability and relevant costs where your investment is redeemed. We recommend that you discuss the implications with your financial adviser.

In order to choose an investment for your investment strategy, you should review the information in the **investment guide**. Before selecting an investment in either a managed fund or term deposit, your financial adviser should give you the product disclosure statement for that managed fund or the product guide for the relevant term deposit. These documents provide you with important information to consider and evaluate before investing. Product disclosure statements for each managed fund on our approved product list, and daily rates for each term deposit are available through AET My Portfolio.

You and your financial adviser are able to view information about your fund at any time via AET My Portfolio. To obtain access to AET My Portfolio please complete the 'AET My Portfolio access' section in the application form in the forms booklet.

Your financial adviser

You should consult a financial adviser before establishing your fund. If you do not have one you will need to appoint one.

Your financial adviser will help you select one of our pre-approved investment strategies for your fund. They will receive information about your fund and give us investment instructions on your behalf. They will also have the power to provide us with instructions to:

- buy or sell investments (either through us or via a third party), and
- participate in corporate actions.

As part of your application, you will indemnify us for the actions of your appointed financial adviser. Your financial adviser's authority does not authorise them to do any of the following without your signature:

- change the name or address of your fund
- change the banking details of your fund, and
- change any fee or cost that applies to your fund.

Getting started

Types of accounts

Within your fund, we offer three types of accounts:

1. Accumulation accounts

The purpose of an accumulation account is to provide a tax-effective structure in which you can accumulate money for your retirement. Tax concessions are applied to the money in your account and there are limits on how much you can contribute each year.

There are two main types of contributions you can make: concessional contributions that are made with pre-tax money and non-concessional contributions that are made with after tax money. However, it is important to remember that if you exceed the legislated limits, you or your fund may be subject to additional tax.

2. Transition to retirement pension accounts

Transition to retirement (TTR) pension accounts are for those people who have reached their preservation age but are yet to retire completely. This type of account allows you to transfer some or all of the money from your accumulation account into a pension account while you are still working. You can then:

- continue working full-time and make salary sacrifice contributions to maximise your contribution limits and use the pension income to supplement your reduced salary, or
- reduce your working hours to part time and use the pension income to supplement your reduced salary.

Note that unlike account-based pensions, a TTR pension does not benefit from tax-free earnings.

3. Account-based pension accounts

This type of account is designed to provide you with an income stream when you are no longer working. Your money is transferred from the accumulation phase into the retirement phase and, depending on your age, the income you receive can be favourably taxed. An account-based pension allows you to access part or all of your capital at any time.

You can only begin a pension when your accumulated benefits become unrestricted non-preserved. For your benefits to become unrestricted non-preserved you must meet a condition of release.

The main conditions of release are:

- reaching age 65
- reaching your preservation age and permanently retiring
- ceasing an employment arrangement on or after reaching age 60 or
- being permanently disabled.

For more information about preservation, please refer to the 'Preservation age' section on page 12.

The maximum an individual can transfer into account-based pensions is generally $1,600,000. Amounts above this will need to be either kept in an accumulation account or withdrawn from the fund.

> You cannot make further contributions to an existing account-based pension once it has commenced.

Establishing your fund

If you are establishing a new fund, a Trust Deed will be prepared and registered for stamping (if necessary).

If you are appointing us as the Trustee of an existing fund, a new Trust Deed will be prepared.

Until your fund is registered by the Australian Prudential Regulatory Authority (APRA), we cannot accept any contributions or rollovers into your fund and you cannot make any investments. As APRA has up to 20 working days after the ABN has been received to issue registration details, this process can take some time to complete. Until your fund is registered, all application monies will be held in trust. Once APRA has issued a registration number for your fund, we will process your application form and credit your account with any interest earned in the trust account. How long this will take will depend on when APRA registers your fund.

When your fund is established, we will provide you with a copy of your Trust Deed and details of your chosen investment strategy.

Transferring trusteeship of an established self-managed superannuation fund

Generally, you can transfer trusteeship of a self-managed superannuation fund to us. As the transfer of assets may not be subject to capital gains tax, this can be an effective strategy if you no longer wish to be responsible for running your own self-managed superannuation fund. You can transfer an existing small APRA fund held with another trustee to us as well.

Before we accept trusteeship of your fund, we need to be certain that the assets you are transferring are suitable superannuation assets. We will need to review your existing fund's assets against our investment guidelines outlined on page 3 of the **investment guide**. If your existing fund holds an asset which does not comply with our investment guidelines we will:

- ask you to transfer out or sell the asset before we accept trusteeship of your fund, and
- accept your application in the financial year after the relevant asset was transferred out or sold.

To transfer an existing fund, you will need to provide the following information with your application form:

- details of the current assets of the fund
- the fund's original trust deed together with any supplementary deeds
- a signed copy of the fund's latest tax return and latest audited financial accounts
- details of the fund's income and expense transactions from 1 July of the current financial year to the date of your application
- a schedule of asset movements from 1 July of the current financial year to the date of your application, including dates, costs of acquisitions and proceeds from sales
- a record of any payments made from the fund from 1 July of the current financial year to the date of your application.

We will require updated information as at the date of transfer.

The transfer of trusteeship of an existing fund to us may take some time to complete and contributions or trades cannot be made until registration by APRA is complete. Once complete, we will send you a welcome letter confirming your fund's details.

Transferring the trusteeship of a fund with an established defined benefit pension

If you have an existing fund with a defined benefit pension, you may elect to transfer the trusteeship of this fund to us, which includes payment obligations for an established life expectancy, lifetime or term allocated pension. To do this, please complete the benefit transfer form. The retiring trustee must maintain the existing pension. Amending the trust deed to our trust deed will ensure that the existing ability to pay a defined benefit pension is not lost.

Pension options explained

You can apply to commence a pension through your fund. The AET SAF offers an account-based income stream with three options:

1. **Retirement-phase pension.** This option is available if you have met a condition of release such as retirement or reaching age 65 and all your superannuation is unrestricted non-preserved.
2. **Transition to retirement (TTR) pension.** This option is available if you have reached your preservation age, but you have not met a condition of release and some or all of your benefits are preserved. Once you meet a relevant condition of release, your TTR pension will be converted to a retirement phase pension.
3. **Death or reversionary pension.** This pension is available on death of a superannuation fund member or current pensioner. Only certain dependants (such as a spouse) can receive death benefits in the form of a pension.

For more information about preservation and conditions of release please see 'Accessing your superannuation' on page 11 of this guide.

How your account-based pension is calculated

Within an account-based pension, there is a minimum pension payment that you are required to draw down each year. The minimum prescribed level is calculated by multiplying your account balance by an appropriate percentage factor. Percentage factors are defined by the Commonwealth Government and are based on your age on commencement of the pension and are recalculated each year based on your age and balance on 1 July.

The following table outlines the percentage factors that apply:

Age	Minimum annual payment
Under age 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95 or over	14%

How your TTR pension is calculated

A TTR pension has the following restrictions:

- You must draw at least 4 per cent of the balance of your TTR pension each year.
- You can receive up to a maximum of 10 per cent of your account balance in pension payments each financial year. This means that your nominated pension payment needs to be between 4 per cent and 10 per cent.
- In very limited circumstances cash lump sum and in specie transfer withdrawals can be made:
  - to give effect to a Release Authority under the Income *Tax Assessment Act 1997*
  - from unrestricted non-preserved benefits
  - to give effect to a payment split under the *Family Law Act 1975*.

Once you have met a condition of release, such as permanently retiring from the workforce or reaching age 65, the withdrawal restrictions cease, and you can make cash withdrawals at any time.

If you request either a lump sum withdrawal or transfer, and you have not already received the minimum required pension payment, if there is not enough left in your account (after any payments made before the withdrawal) to meet the annual payment requirement, then that part of your withdrawal may be paid to you as a pension payment. Withdrawal requests will be treated as lump sum withdrawals unless you specify that the payment is a pension payment.

Cash Account

As part of your application, you authorise us to establish a Cash Account for your fund. The Cash Account processes all transactions (including pension payments when applicable) and consists of:

- a cash transaction account
- units in the Cash Deposit Fund (CDF).

and any interest you earn will be credited to your Cash Account monthly.

If your balance falls below the minimum cash level (including as a result of the deduction of fees and costs), we will seek guidance from your financial adviser about which investments are to be sold to restore your Cash Account to the minimum.

If you or your financial adviser do not provide timely instructions, or we are unable to contact you, in order to restore at least the minimum Cash Account balance, we will sell sufficient investments generally in the following order:

- managed investments with the highest balance
- listed investments with the highest balance
- term deposits with the lowest balance (redeemed in full)

We reserve the right not to complete a transaction while there are insufficient funds in your Cash Account. For example, your fund cannot invest on a member's behalf if there are insufficient available funds in that member's Cash Account.

Please note that for the purpose of your fund's investment strategy, the balance in your Cash Account will form part of your account's overall cash allocation.

Cash Deposit Fund

The CDF is a common fund registered with ASIC as a managed investment scheme. Further information is available from www.aetlimited.com.au

Contributing to your fund

How to contribute

<table>
<tr><th>Method</th><th>How</th></tr>
<tr><td>Electronic funds transfer (EFT)</td><td>If you are making a contribution via EFT, a contribution form is not required, however, you must tell us the type of contribution you want to make and include the following details:
Name: Australian Executor Trustees Limited
BSB: 082-395
Account No: 1<YOUR EIGHT DIGIT FUND NUMBER>
Please type your three-digit sub account number and one of the following codes in the ‘Reference’ field to classify the contribution:
<table>
<tr><th>Code</th><th>Description</th></tr>
<tr><td>MB</td><td>Member (non-concessional) contribution</td></tr>
<tr><td>SP</td><td>Spouse contribution</td></tr>
<tr><td>SE</td><td>Self-employed (concessional contribution)</td></tr>
<tr><td>SG</td><td>Superannuation guarantee contribution</td></tr>
<tr><td>SS</td><td>Salary sacrifice contribution</td></tr>
<tr><td>DS</td><td>Downsizer contribution</td></tr>
</table></td></tr>
<tr><td>Cheque</td><td>All cheques should be made payable to:
AET SAF – C/ <FUND NAME>
Attach the cheque to a contribution form and return to us at:
AET
GPO Box 546
Adelaide SA 5001</td></tr>
<tr><td>Periodical payment</td><td>You can set up a regular savings plan via your financial institution at the frequency you have chosen.</td></tr>
<tr><td>Asset (non-cash) contributions</td><td>In-specie contributions and off-market transfers (for further information, please see the section ‘In-specie contributions and off-market transfers’ on page 7).</td></tr>
<tr><td>Payroll deduction</td><td>You can nominate the AET SAF to your employer as your chosen fund for superannuation contributions. Your employer can make employer contributions, via SuperStream clearing house, such as Superannuation guarantee, salary sacrifice, voluntary employer contributions and also after-tax personal contributions deducted from payroll by any of the above methods.</td></tr>
</table>

For non-EFT contributions, a contribution form is required from the contributing party. Contribution forms are available on AET My Portfolio. You will need to complete the Australian Taxation Office (ATO) downsizer contribution form when making, or prior to making, a downsizer contribution.

Accepting contributions

Contributions to your fund can only be made to an accumulation account. Contributions may be in the form of assets, rather than cash, subject to the restrictions referred to in the 'In-specie contributions and off-market transfers' section on page 8.

Your fund can only accept contributions in the following circumstances:

Your age	Contributions we can accept into your fund
For members under age 65	Contributions can be made to your fund at any time by you, your spouse or your employer.
For members aged 65 or over but less than 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 the work test*. Spouse contributions cannot be made if your spouse is 70 years or over. Superannuation guarantee, Award and downsizer contributions may be accepted as no work test applies to these contributions. *Under the work test if you are aged 65 or more you must have worked 40 hours in 30 consecutive days in the financial year that the contributions were made or before the day that is 28 days after the month in which you turn 75. From 1 July 2019, members aged 65 to 74 with a total superannuation balance below $300,000 at the previous June 30 will be able to make voluntary contributions for 12 months from the end of the financial year in which they last met the work test, provided they have not previously used this work test exemption.
For members aged 75 or over	Superannuation guarantee and Award contributions may be accepted. Downsizer contributions.

Contribution types

For taxation purposes, superannuation contributions made may fall into a number of classifications. These classifications affect whether contributions are assessable to your fund on receipt and whether you have exceeded your concessional and non-concessional contribution caps. The table on page 15 summarises how some common contributions are classified.

Concessional contributions

Generally, concessional contributions are before-tax contributions which are assessable to your fund. Concessional contributions include employer contributions (including superannuation guarantee contributions), salary sacrifice contributions and tax-deductible personal 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. From 2018/19 the non-concessional contributions cap is $100,000 per annum or, if you are under age 65 at any time during the financial year, you can bring forward the next two years' entitlements and contribute up to $300,000. More details about the cap on these contributions 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. For the exemption to apply, you will need to submit the appropriate ATO form with the contributions.

In addition to the annual non-concessional contributions cap, there is a blanket ban on making non-concessional contributions if your total superannuation balance as at the previous 30 June exceeds $1.6 million. **Your total superannuation balance is the total amount you hold across both super and pension accounts (including the value of any defined benefits and guaranteed pensions), other than contributions from personal injury compensation payments.** This ban also has an impact on your capacity to bring forward future years of non-concessional contributions cap. If your total superannuation balance on the previous 30 June is $1.5 million or more, you will not be able to bring forward any future years cap and you can only contribute $100,000. If your total superannuation balance on 30 June is $1.4 million or more, you can only bring forward one year's cap amount and contribute up to $200,000 over two years.

If your contributions either exceed the non-concessional contributions cap or breach the blanket ban on making your non-concessional contributions, the ATO will issue a determination and you can withdraw the excess (banned) amount plus 85 per cent associated earnings. Associated earnings is an amount determined by the ATO based on the statutory General Interest Charge.

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.

Spouse contributions

Your spouse or de facto partner, is able to make contributions to your fund on your behalf.

The contributing spouse can be any age. In order for your fund to accept the contribution, the receiving spouse must meet the contribution eligibility rules specified in the table opposite. Importantly, spouse contributions cannot be made on behalf of a recipient spouse who is 70 years or over. The contribution counts towards the receiving spouse's non-concessional contributions.

Contributions splitting

You can split concessional contributions with your spouse.

If employer contributions and/or deductible personal contributions have been paid into your accumulation 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 accumulation account either within the fund or another superannuation fund. You cannot split any other contributions.

Only one application can be made to split 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). In this scenario, your application to split contributions should be made prior to your withdrawal request or before commencing a pension. 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 their 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 that:

- all the required information on the application form has been completed
- your minimum account balance (applicable to the relevant product you have acquired) is maintained after the split.

Split contributions will be paid to your spouse's account as a rolled over superannuation benefit. The amount split is not counted towards the concessional or non-concessional contribution caps of the recipient spouse's accumulation account.

We recommend that you speak with your financial adviser before you make a decision to split your contributions with your spouse.

Superannuation guarantee or award contributions

Your fund can accept Superannuation guarantee or award contributions made on your behalf.

Salary sacrifice contributions

Following negotiations with your employer about how you would like to structure your remuneration, you may request that additional contributions, in excess of your employer's award or Superannuation guarantee obligations, are made to your fund on your behalf. Called salary sacrifice contributions, this type of contribution is made from your pre-tax salary and considered to be an employer contribution.

Government superannuation co-contributions

If you make personal after-tax contributions to your super account, the Commonwealth Government may make a co-contribution to your account, subject to certain requirements, including your total 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 must relate to employment or business income.

There are two Government co-contribution income thresholds per financial year. For incomes between these two thresholds the maximum entitlement reduces progressively:

	2018/2019	2019/2020
Lower income threshold *	$37,697	$38,564
Higher income threshold **	$52,697	$53,564

* Below the lower threshold you will receive the maximum entitlement ($500).

** Above the higher threshold you will not receive any entitlement.

To be eligible for the super co-contribution you must satisfy the following:

- Be under 71 years of age at the end of the financial year.
- Pass the income tests described above.
- Lodged your income tax return for the relevant year.
- Not have held a temporary visa at any time during the financial year (unless you are a New Zealand citizen or it was a prescribed visa).
- Must have a total superannuation balance less than the transfer balance cap at the end of 30 June of the previous financial year
- Must not have contributed more than your non-concessional contributions cap.

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 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).

Downsizer contributions

Downsizer contributions are contributions made to your accumulation account after age 65 from the proceeds of selling your home. Downsizer contributions are not counted under the non-concessional contributions cap but have a separate limit of up to $300,000. To be eligible to make downsizer contributions, you must have sold your property after 1 July 2018 and made the contributions within 90 days of receiving the proceeds. You (or your spouse) must have owned your family home for at least 10 years before selling it and you must be able to claim the main residence capital gains tax exemption. You must submit the ATO approved form with your downsizer contributions.

If the ATO notifies us that the contributions do not meet the above requirements, the fund will treat the contributions as personal contributions. If the member is not eligible to make personal contributions, the fund will be required to refund the contributions.

First Home Super Saver Scheme

You can make voluntary contributions to your accumulation account and later withdraw those contributions with notional interest to help buy or build your first home. Voluntary contributions are personal contributions (concessional or non-concessional) and salary sacrifice contributions made after 1 July 2017.

The maximum that can be released is $15,000 of voluntary contributions per year ($12,750 if the contributions are concessional contributions) or $30,000 of voluntary contributions in total ($25,500 if the contributions are concessional contributions) plus interest calculated by the ATO.

When you are ready to buy or build your first home, you apply to the ATO to release those voluntary contributions (less 15% tax if the contributions are concessional contributions) plus an amount for earnings calculated by the ATO. You must be aged 18 or more and have not previously owned property. The ATO calculates how much can be released from your super, you then request a withdrawal up to that amount and the super fund pays this amount to the ATO. The ATO releases the amount to you after deducting withholding tax on the assessable amount (the concessional contributions and earnings). Once you receive this amount from the ATO you have 12 months to sign contracts to purchase/build a first home. If you haven't purchased a new home after the 12 month period you can either recontribute the released amount back to super as a non-concessional personal contribution or the ATO will levy additional tax on it. In extenuating circumstances, you may be able to apply for an extension, please contact us for more information.

Other types of contributions include:

- proceeds from the sale of qualifying small business assets
- certain compensation payments due to injury resulting in permanent disablement.

For information on the taxation of these types of contributions, please speak to your financial adviser.

In-specie contributions and off-market transfers

In-specie contributions are contributions of assets into an existing fund in place of cash.

Off-market transfers are the sale of assets to an existing fund in exchange for cash. The transfer must occur at market price. You can sell many different types of assets to your fund, subject to the investment rules and our approval.

For both these types of transfers, the assets you contribute or sell are subject to our approval as well as the investment rules of your fund and must be an acceptable asset for the purposes of superannuation law. All transactions must be at market price and occur at arm's-length.

The transfer of approved assets into your fund may trigger a capital gains tax or income tax liability for the transferor depending on the circumstances of the transfer. A stamp duty liability may also arise for unlisted assets. If you would like to make an in-specie contribution or sell assets to your fund off-market, you will need to complete the relevant standard transfer form or CHESS transfer form available from AET My Portfolio.

If you are transferring assets out of your fund, you will need to ensure that the receiving party will accept the asset and settle stamp duty if necessary. If the receiving institution cannot accept the asset, you may cancel your request, or we may elect to sell the asset and transfer the proceeds, transfer the asset to the trustee of another fund nominated by you or take such other steps as we consider appropriate in the circumstances. The transfer of assets out of your fund may, depending on the circumstances, trigger income tax and stamp duty consequences for your fund.

Processing asset transfers can take considerable time, sometimes up to several weeks. If you require further information about transferring assets or tax matters about the transfer of assets into or out of your fund, please speak to your financial adviser.

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

Once you have made contributions to superannuation (including personal, spouse and employer contributions), they must stay in superannuation until you retire after your preservation age (see the 'Accessing your superannuation savings' section of this guide on page 11) for more information. You can, however, choose to transfer to another complying superannuation fund at any time.

Fees and other costs

Additional explanation of fees and costs

This section explains the fees and costs set out in the fee table in Section 6 'Fees and costs' of the AET SAF PDS and also provides a brief explanation about any additional transactional fees and charges that may apply to your fund.

Administration Fee

The Administration Fee represents the annual fees and costs charged by us for operating and managing your fund. This fee includes all administration and other expenses we incur, excluding the member advice fees (outlined below), brokerage and the fees and costs charged by the fund managers for each managed investment (the indirect cost ratio, any buy-sell spread and any performance fee).

Financial adviser remuneration

You and your financial adviser can select the most appropriate remuneration arrangement from the following fee payment options:

- Member Advice Fee – Upfront
- Member Advice Fee – Ongoing
- Member Advice Fee – One-Off

While you may agree to one or more of these options, you and your financial adviser must agree on the amount of each member advice fee.

The net amount of any member advice fee(s) (after allowing for reduced input tax credits [RITCs]) that we pay your financial adviser, as agreed by you, will be an additional cost to you and charged against your account. We shall not charge a member advice fee unless you tell us to do so.

Any agreed member advice fee(s) will be charged by us to your account and paid in full to your financial adviser until you instruct us to cease payment.

Where you change your nominated financial adviser, you will need to advise us by completing a Change of financial adviser remuneration form.

Member Advice Fee – Upfront

We deduct the net cost from your Cash Account as instructed by you at the time of your initial contribution and we then pay the full amount of the fee to your financial adviser for the financial advice and services they provide in relation to the establishment of your fund.

This fee is not applied to:

- any income distributions credited to your Cash Account
- executed buy and/or sell instructions.

Member Advice Fee – Ongoing

We deduct the net cost from your Cash Account as instructed by you. We then pay the full amount of the fee to your financial adviser for the ongoing financial advice and services they provide to you in relation to your fund.

Where the fee is a percentage-based fee the amount of this fee is calculated on the net value of your fund on the last day of the month and is deducted from each member's account monthly in arrears.

Member Advice Fee – One-Off

We deduct the net cost from your Cash Account as instructed by you. We then pay the full amount of the fee to your financial adviser for the one-off financial advice and services they provide in relation to your fund.

A new request must be supplied each time you would like this fee to be applied.

Increase or alteration in a financial adviser's remuneration

In line with the ongoing financial planning services being provided to your fund, you and your financial adviser may negotiate to change the financial adviser remuneration.

Apart from the charges mentioned, we undertake not to remunerate your financial adviser out of your fund in any way without your specific written consent.

Please refer to the financial services guide provided to you by your financial adviser for more information about the remuneration that they will receive relating to this product.

Administration Service Fee

If you ask us to undertake reconstruction work on your fund, we may charge an Administration Service Fee. Reconstruction work will generally involve the re-work of fund transactions and reporting where you or your financial adviser made or provided incorrect fund information to us. We will provide you with an estimate of the Administration Service Fee before any reconstruction work is undertaken. The estimate will be based on the time we anticipate it will take to reconstruct your fund. The current rate is $220 per hour.

This fee is not negotiable and your financial adviser will not receive any remuneration from this activity. Once your request is complete, the fee is payable in arrears.

Non-standard Asset Fee

This fee relates to additional costs incurred by the Trustee for the administration of non-standard assets. Non-standard assets are those where automated pricing feeds and market valuations are generally unavailable. The fee will be charged annually on the first business day of each financial year that you hold the asset. If the asset is held across multiple member accounts, the fee will be apportioned based on the portion each account holds.

Please refer to page 9 of the **investment guide** for more information about non-standard assets.

Brokerage

Brokerage fees may be payable to your broker or your financial adviser for undertaking a transaction for the acquisition or disposal of a listed security. The rate payable will vary depending on the broker you select and can be a flat fee or a percentage of the transaction. Any brokerage fees are an additional cost to you and payable from your fund's Cash Account on completion of the transaction.

There may be additional fees payable for trades that do not complete and you may be charged for these. This could occur if you or your financial adviser incorrectly place a trade for your fund or if your fund holds insufficient cash to settle the trade. Your broker or financial adviser can provide you with more information regarding any additional fees.

A flat brokerage fee of $29.50 is charged when your financial adviser trades on behalf of your fund through our preferred broker via AET My Portfolio.

Indirect cost ratios

This represents the fees and costs charged by the fund managers for the managed investments and is generally calculated daily as a percentage of the amount you have invested in each managed investment. It is not deducted directly from your account but is generally incorporated into the unit price of the investment.

Please refer to the relevant managed investment product disclosure statement for specific details.

Performance fees

We do not charge any performance fees. However, a fund manager may charge a performance fee for a particular managed investment when the investment return generated by the managed investment exceeds a specific criteria or benchmark, referred to in the Fee Table in the PDS as a 'performance related fee'.

The performance related fee (if applicable) is generally calculated daily as a percentage of the amount you have invested in the managed investment. The fee is generally deducted on a monthly, quarterly or annual basis. A fund manager would normally incorporate the cost into the unit price of the managed investment. If a fund manager charges a performance fee, details will be outlined in the relevant product disclosure statement for that managed investment. Please refer to the relevant product disclosure statement for specific details.

Transaction Costs – Managed investments

Some managed investments have a difference between their entry (purchase) and exit (sale) unit prices and this is referred to as the buy-sell spread. This difference is an allowance for the transaction costs (such as brokerage, clearing and settlement costs and stamp duty, if applicable) of buying and selling the underlying securities/ assets incurred by the fund manager of the particular managed investment.

The buy-sell spread (if applicable) is incurred when you purchase or redeem units in a managed investment (at the time of a switch or when you move money in or out of your account) and is in addition to indirect cost ratios and performance fees. However, the buy-sell spreads are not charged separately to your account – they are generally included in the unit prices of each managed investment. The buy-sell spread that applies to each managed investment can change from time to time. Details of the buy-sell spread (or how to obtain the current buy-sell spread) applicable to each managed investment are outlined in the product disclosure statement issued by the fund manager for the particular managed investment.

Other transaction costs may also be incurred in managing the underlying funds of the managed investments selected by you. These transaction costs may include brokerage, settlement costs, clearing costs, stamp duty, custody transaction costs and government charges incurred by the underlying funds. The costs of trading in over the counter (OTC) derivatives may also give rise to transaction costs.

These transaction costs are in addition to the management indirect costs but are not charged separately to your account – they are generally included in the unit prices of each managed investment. The transaction costs that apply to each managed investment can change from time to time. Details of the net transaction cost applicable to each investment option are outlined in the product disclosure statement issued by the fund manager for the particular managed investment.

Insurance remuneration

Your financial adviser may receive remuneration or fees from the issuer of any insurance products held by your fund. Your financial adviser will disclose these to you.

Other fees or costs

Other fees or costs may be payable for your fund's investments. Examples include, but are not limited to, wholesale entry fees and transaction costs for the investment that you select.

Expenses properly incurred by your fund are payable by your fund. These are not payments to us. Examples include, but are not limited to, stamp duty, GST, CHESS tariffs or government charges.

Please refer to page 15 for general information about taxation costs that may apply to your fund.

GST

The fees quoted in this section are inclusive of GST, less RITCs unless otherwise stated. The benefits of any available input tax credits are passed on to investors in the form of reduced fees or costs.

All AET SAFs are registered for GST and, on a quarterly basis, we will lodge your fund's Business Activity Statement with the ATO.

For more information on tax, refer to page 15 of this guide.

Fee changes

The investment management fees for managed fund investments can change at any time and without notice from us.

The audit fee and actuarial service fee may change at any time without notice from us if the costs charged by the relevant service provider increase.

The APRA Levy is set by the Government and may change at any time without notice from us.

The other dollar amounts shown in the 'Other fees and costs' table in the PDS on page 5 may be indexed annually in line with inflation. Any fee variation due to indexation will be posted on AET My Portfolio.

The other fees and costs shown in the table on page 5 of the PDS may be increased following 30 days' notice.

Accessing your superannuation

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

When can you access your superannuation?

Once you meet a condition of release you can generally convert up to $1,600,000 of your accumulated benefits into a retirement income stream such as an account-based pension. This is a particularly tax-effective way to invest your benefits because the investment assets supporting the pension may be held in a tax-free environment. After age 60, all withdrawals from superannuation, including payments from pensions, are tax-free.

Even if you are still working, once you reach your preservation age you can commence a pension using the TTR pension option. Under this option, you can receive income through your pension while continuing to contribute to your accumulation account however the earnings on TTR assets are taxed the same as monies in accumulation phase.

Withdrawals from accumulation accounts

Generally, subject to meeting a condition of release you can request a full or partial withdrawal of your benefits. You can also ask us to transfer your fund's balance to another complying superannuation fund at any time.

Preservation category	When can you withdraw your superannuation benefit?
Unrestricted non-preserved benefits	At any time.
Restricted non-preserved benefits	When you: • terminate employment with an employer who has contributed to your accumulation account • retire on or after reaching your preservation age • reach age 65 • meet another condition of release noted below.
Preserved benefits	When you: • retire on or after reaching your preservation age • reach age 65 • meet another condition of release noted below.
All categories	Can be transferred to another complying superannuation fund at any time.

Important note
Contributions made by you or on your behalf to a superannuation fund and any investment income earned on those contributions are preserved benefits.

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

- permanent retirement after you reach your preservation age
- ceasing employment after age 60
- reaching age 65
- total & permanent disablement
- terminal medical condition
- death.

Once one of the above conditions of release has been satisfied, no cashing restrictions apply, and your benefits may generally be paid as a lump sum or pension or a combination of both. Before accessing your superannuation you should seek professional advice about which option best suits your circumstances and needs.

For further information about each type of pension, please refer to the 'Pension options explained' on page 4.

To request a full or partial lump sum withdrawal from your account, please complete a Withdrawal form available from AET My Portfolio or from the Client Services Team. The minimum amount you can withdraw is $5,000 or your remaining account balance. This may trigger minimum cash requirements whereby we will be required to sell assets to restore the minimum cash account balance, please refer to 'Contributing to your fund' on page 5 of this guide.

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

Other conditions of release may be available in limited circumstances. 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
- the fund receives a release authority from the ATO, which allows you to withdraw an amount related to releasing or paying tax on excess contributions or paying additional tax on concessional contributions for higher income earners.
- make a withdrawal under the First Home Super Saver Scheme.

Under superannuation 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 roll over an existing preserved benefit, this will also be preserved in your accumulation 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 after age 60. Note, this only provides access to funds in superannuation at that time – future contributions and earnings will remain preserved until a new condition of release is met.

Preservation age

Generally, you cannot access your superannuation until you retire on or after reaching your preservation age. Under superannuation law, your preservation age is determined as follows:

Date of birth	Preservation age
Before 01/07/60	55
01/07/60 – 30/06/61	56
01/07/61 – 30/06/62	57
01/07/62 – 30/06/63	58
01/07/63 – 30/06/64	59
After 30/06/64	60

Can you transfer your benefit?

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

Commencing a pension

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
- you are cashing a death benefit. Only certain dependants (such as a spouse) can receive death benefits as an income stream.

Frequency of pension payment

Pension payments are paid on the fifteenth day of a month and you can choose for your pension to be paid:

- monthly
- quarterly
- half-yearly, or
- annually.

Your payment will be paid to the Australian financial institution account that you nominate. It is a legislative requirement that your pension payments be paid at least annually.

What happens if you close your fund?

If you request for your fund to be wound up, at the time of closure we will calculate any fees or costs outstanding and estimate the tax payable. After the final tax return has been prepared and the amount of tax payable has been calculated, tax will be remitted to the ATO as necessary and any remaining balance will be transferred to another complying superannuation fund nominated by you or paid to you as permitted by law.

Income and dividends received after your notification of closure will be invested in the fund's Cash Account and will earn interest at the at-call rate. This amount will then be transferred to the complying superannuation fund nominated by you or paid to you, once the fund's annual regulatory and tax returns have been finalised. Any securities received under dividend reinvestment plans after your fund has been terminated will be sold or redeemed and the cash proceeds will be paid to your chosen complying superannuation fund.

If you have chosen investments with long withdrawal periods (for example many hedge funds have monthly, quarterly or six-monthly withdrawal periods) or there are delays receiving proceeds from the sale or redemption of your investments, payment of the proceeds may be delayed.

How is superannuation treated for Centrelink/ Department of Veterans' affairs purposes?

The Commonwealth Government applies two tests to assess whether you are eligible for a Centrelink or DVA pension or allowance payment, 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.

Assets in accumulation accounts

Benefits held in accumulation 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), 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.

Assets in pension accounts

An investment in an account-based pension is assessed under both the Centrelink/DVA income and assets tests regardless of age. The account balance is counted as an asset under the assets test and is generally deemed to earn a set rate of income under the income test. Income streams in place before 1 January 2015 may be assessed differently under the income test. For more information about the Centrelink/DVA means tests, please contact your financial adviser.

Death benefit nominations

In the event of your death, your accumulated benefits must be either paid directly to the dependants you nominated (provided they are a dependant at the time of your death) or to your Legal Personal Representative.

Any dependant you nominate must be a dependant as defined by superannuation 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 or in accordance with the laws that govern those persons who die without a Will.

If you do not nominate any dependants, or you nominate a person who does not meet the definition of a dependent as at the date of your death or your nomination is ineffective for any other reason, then your accumulated benefits will generally be paid to your Legal Personal Representative.

Not all persons who are 'dependants' for superannuation purposes are 'death benefit dependants' for tax purposes and entitled to concessional taxation of death benefits. Please refer to page 19 of this guide for information on the tax treatment of death benefits.

Eligible dependants

For superannuation purposes, your dependant(s) are:

- your spouse or de facto
- 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 have a close personal relationship, and
- they live together, and
- one or each of them provides the other with financial support, and
- one or each of them provides the other with domestic support and personal care.

Two people may still satisfy the interdependency definition if they have a closer personal relationship but do not live together due to disability or temporary absence (for example overseas employment). Otherwise it is important to note that all four of the interdependency conditions must be met.

A financial adviser can help you decide how to allocate your death benefit and whether your fund should hold life insurance for you.

Payment of death benefits

In the event of your death, your accumulated benefits will be paid either directly to the dependants you nominate, provided they are a dependant at the time of your death, or to your Legal Personal Representative. The benefits in your accumulation account can be paid either as a lump sum or pension. A death benefit may only be paid as a pension to a dependent who is:

- a spouse, or
- a child under the age of 18 years, or
- a child 18 years or over who is disabled (as defined by law), or
- a child under 25 years who was financially dependent on you.

All other recipients of your death benefits must receive a lump sum payment.

Reversionary pension

At the commencement of a pension, as a fund member (the primary beneficiary) you may choose whether the pension is to be payable for your life only (a non-reversionary pension) or whether the pension is to continue to your chosen reversionary beneficiary following your death (reversionary pension).

You can nominate a reversionary beneficiary who is:

- a spouse, or
- a child under the age of 18 years, or
- a child 18 years or over who is disabled (as defined by law), or
- a child under 25 years who was financially dependent on you.

If you select a reversionary pension, upon your death, your pension continues until the reversionary beneficiary dies, at which time the remaining capital is paid to the reversionary beneficiary's dependants or Legal Personal Representative.

If you select a non-reversionary pension, the balance of your account passes to your nominated dependants tax free if paid as a lump sum payment, provided the nominated dependants meet the definition of a death benefit dependant at the time of your death. If the dependant is not a death benefit dependant for tax purposes (eg an adult child who was not financially dependent on you at the date of your death) the benefit will be assessable to the dependant.

If you do not nominate any dependants, or if you nominate a person who does not meet the definition of dependant as at the date of your death or your nomination is ineffective for any other reason, then your remaining pension benefits will generally be paid to your Legal Personal Representative.

Choosing between a reversionary and non-reversionary pension and nominating your dependants are important decisions, which may have significant financial and taxation consequences. Before making any decisions, you should seek professional advice.

For more information on the taxation of death benefits, please refer to page 19 of this guide.

How superannuation is taxed

This information is of a general nature only and is based on the latest taxation legislation as at the date of this guide. The laws relating to superannuation, including tax laws, are complex and subject to change from time-to-time.

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

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

Seek advice

The application of tax laws to your investment in the fund depends upon the complying status of the fund and your individual circumstances. Individual circumstances may result in this information not being applicable to your particular investments, contributions or benefits. We strongly recommend you seek professional advice on the consequences before investing.

Residency requirements

Generally, only superannuation funds of Australian residents are entitled to receive concessional tax treatment. An Australian superannuation fund must be established in Australia and have the central management and control of the fund ordinarily based in Australia.

Additionally, if more than 50 per cent of members' accumulated entitlements in a fund are held by active non-resident members, the fund may no longer be eligible for the complying fund status and the associated concessional tax treatment. A member is an 'active member' if they are a contributor to the fund or contributions (including rollovers) to the fund have been made on their behalf. If your fund becomes non-complying then it will be taxed at the highest marginal tax rate (currently at 45 per cent) rather than the 15 per cent tax rate.

If any fund member is, or becomes, a non-resident, you should seek advice about the impact on your fund and you must inform the Trustee.

Tax on contributions going into superannuation

Most contributions are categorised into two distinct types:

- Concessional contributions (also known as 'before-tax' contributions), and
- Non-concessional contributions (also known as 'after-tax' contributions).

The most common examples of each are listed below:

Concessional contributions	Non-concessional contributions
Employer contributions (including superannuation guarantee (SG) contributions)	Personal after-tax contributions where no tax deduction is claimed
Salary sacrifice contributions (these are technically also employer contributions)	Spouse contributions
Tax deductible personal contributions	

Concessional contributions are taxed at 15 per cent in the fund. However, those on incomes of $37,000 or less may benefit from a refund of this tax (up to a maximum of $500) through the low income superannuation tax offset. Non-concessional contributions are not taxed in the fund.

As superannuation is a low taxed environment, the Commonwealth Government sets a maximum limit that you can contribute in each financial year for each type of contribution before additional tax is payable. The table below shows the maximum amount you can contribute before the additional tax applies.

The table below sets out these caps for 2018/19 and 2019/20:

Concessional contributions cap	Non-concessional contributions cap
A maximum total of $25,000 a year.	A maximum total of $100,000 a year[2].

The remainder of this section provides details of the contributions caps to ensure you do not end up paying more tax than you expected. This section also contains information on special arrangements for larger contribution amounts.

You are assessed personally for any tax on excess contributions. Therefore, it is your responsibility (with your employer) to ensure that you do not exceed the caps.

Contributions to superannuation

Tax deductions for contributions to superannuation

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

1. Employer contributions

These include:

- salary sacrifice contributions
- voluntary employer contributions, such as matching contributions
- compulsory employer contributions such as SG contributions.

2. Personal contributions where you can claim a tax deduction

These are personal contributions you make which you notify the super fund that you intend to claim as a tax deduction.

If you are aged 18 to 64, you can make personal contributions and claim a tax deduction for those contributions if you have sufficient assessable income to claim the deduction. For those aged 65 to 74, tax deductions for personal contributions are still available but you must meet a work test to make the contributions or contribute under the one-off work test exemption. If you are aged 75 or more, you cannot make personal contributions.

The table below summarises the types of contributions that can be made to your fund:

Contribution type	Taxation payable on contribution	Contributions cap
Concessional contributions		
Employer contributions	15%	For the 2018/19 and 2019/20 financial years the general concessional contributions cap is $25,000 for all individuals regardless of age.
Salary sacrifice contributions	15%	
Tax-deductible personal contributions	15%	
Non-concessional contributions		
Personal after-tax contributions	Nil	For the 2018/19 and 2019/20 financial years the non-concessional contributions cap is $100,000[3].
Spouse contributions	Nil	
Other contributions		
Downsizer contributions	Nil	For the 2018/19 and 2019/20 financial years the contribution cap is up to $300,000.
Proceeds from the sale of qualifying small business assets – CGT exempt amounts	Nil	Exempt until CGT cap exceeded and then excess is classed as a non-concessional contribution. The CGT cap for the 2018/19 financial year is $1,480,000 and $1,515,000 for the 2019/20 financial year[4].
Certain compensation due to injury resulting in permanent disablement	Nil	Exempt
Government superannuation co-contribution	Nil	Exempt

How to claim a personal tax deduction for your contributions to superannuation

To be able to claim a deduction, you must provide us with a notice, in an approved form (such as the ATO approved 'Notice of intent to claim or vary a deduction for personal superannuation contributions'), either by:

- the time you are required to lodge your personal income tax return, or
- to the end of the financial year following the year in which the contribution was made, whichever is the earlier.

We are required to provide you with an acknowledgement of receipt of your notice. You will not be able to claim a personal tax deduction for your contributions if, before we acknowledge receipt of the notice, you:

- leave the fund
- make a partial withdrawal including some of your contributions
- transfer your benefits to a pension within the fund
- split any contributions with your spouse.

3 If you are over age 65 at the start of the financial year or have total superannuation assets of more than $1.4m, you can choose to bring forward up to two years' entitlements and contribute up to $300,000 of non-concessional contributions in any three-year period. Additionally, individuals who have a total superannuation balance of $1.6m or more at 30 June the previous financial year have their non-concessional contributions cap reduced to nil.

4 The CGT cap is indexed annually.

If you are under 18 years of age, you must derive income in the relevant financial year from certain activities (such as employment) before you can claim this deduction. This deduction generally only applies to contributions made on or before the 28th day after the end of the month in which you turn 75.

Are any tax offsets available for superannuation contributions?

If you have a spouse (including a de facto partner) who makes contributions to your accumulation account these contributions are not tax deductible. However, your spouse may be eligible to receive the spouse contributions tax offset if their taxable income is less than $40,000. General eligibility conditions apply to claiming this tax offset. The offset is claimed through your personal income tax return.

Important note

We generally only deduct tax from your account at the time we need to pay it to the ATO. This means your fund receives earnings on investments right up until the time tax is paid.

Contribution caps

Caps on concessional contributions to superannuation

As noted above, the cap on concessional contributions is $25,000.

From 1 July 2018, any unused concessional contributions cap amount from this date may be carried forward and used in a later year, for up to five years. However, you will only be able to contribute additional carried-forward amounts if your total superannuation balance is less than $500,000 on 30 June of the previous year.

For example, if you make $20,000 of concessional contributions during the 2018/19 tax year, you can make up to $30,000 of concessional contributions in the 2019/20 tax year ($25,000 cap plus $5000 of carried forward cap), if your total superannuation balance on 30 June 2018 is less than $500,000.

Contributions that exceed the concessional contributions cap will be included in your assessable income and taxed at your marginal rate. To take into account the 15 per cent 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 will also be liable for an excess concessional contributions charge on any additional tax payable.

The ATO will notify you if you have excess concessional contributions and you can elect to have your excess contributions released from your superannuation fund. If you make this election, the superannuation fund is required to pay 85% of the excess contributions (or the amount in the release authority) to the ATO. The ATO will make the appropriate tax adjustments and refund the net amount to you personally. Otherwise the excess will remain in the fund and will count towards your non-concessional contributions cap.

The rules relating to concessional and non-concessional contribution 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.

Caps on non-concessional contributions to superannuation

From 1 July 2017 and onwards you can make up to $100,000 of non-concessional contributions each year before additional tax is payable if your total superannuation balance is under $1,600,000 on 30 June the previous financial year. Until you are age 65 at the start of the financial year or your total superannuation balance is greater than $1.4m, you can choose to bring forward up to two years' entitlements and contribute up to $300,000 of non-concessional contributions in any three-year period[5]. The non-concessional cap is calculated as four times the concessional contributions cap and will therefore increase in line with the concessional contributions cap.

Your ability to bring forward any future years' non-concessional contributions cap entitlements may be restricted by your total superannuation balance.

Total superannuation balance on previous 30 June	Non-concessional contributions cap
Under $1,400,000	$300,000 over 3 years
$1,400,000 to $1,499,999	$200,000 over 2 years
$1,500,000 to $1,599,999	$100,000

Non-concessional contributions included in the cap include:

- personal contributions that are not tax deductible
- spouse contributions
- transfers from foreign superannuation schemes.

Excess concessional contributions that you elect not to have refunded are also counted in the non-concessional contributions cap.

The contributions which are not included in this cap include:

- transfers from other Australian superannuation funds or schemes
- downsizer contributions
- personal injury compensation payments contributed to superannuation 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 superannuation up to a lifetime limit of $1,480,000 for the 2018/19 financial year and $1,515,000 for the 2019/20 financial year. This limit (known as the CGT cap) is indexed annually
- the Government co-contribution.

5 Prior to 1 July 2017, the non-concessional contributions cap was $180,000. Therefore if you had triggered the 'bring-forward' provisions during the 2015/16 year or the 2016/17 year, you may have a higher cap over three years. Note transitional provisions restrict how much of this previous bring forward cap is available post 1 July 2017.

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 using the specific form relevant to the contribution you are making. If we do not receive this form at the appropriate time, the contribution will be considered a non-concessional contribution.

If your non-concessional contributions exceed the cap, the ATO will issue you with a release authority where you can make an election to withdraw the excess plus 85% of the associated earnings, which are calculated based on the general interest charge rate and are not related to the actual earnings of the fund. The full amount of associated earnings will be included in your assessable income and you are entitled to a tax offset of 15% of the earnings. If you choose to leave the excess in superannuation it will be taxed at the highest marginal tax rate.

Tax paid on contributions received by the fund

Tax is paid on the following contributions (generally at a 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 transfer of the untaxed element from an unfunded 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 fund. No tax is payable on:

- personal contributions that are not tax deductible
- spouse contributions
- downsizer contributions
- monies received from a contribution splitting arrangement
- transfers from other taxed superannuation funds
- low income superannuation tax offset and the Government co-contribution.

Section 293 tax on concessional contributions for high income earners

If you have income above $250,000 per annum, you will pay an additional 15 per cent 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 high incomes seek professional advice on their particular circumstances.

Tax on investment income

The great advantage of superannuation is that you can grow your investments in a low tax environment and take your retirement benefits tax-free once you retire after age 60 or reach age 65.

Tax payable by your fund – accumulation accounts

Your fund's earnings, including realised capital gains, are taxed at a maximum of 15 per cent. However, the effective tax rate may be less than this due to any available deductions and tax offsets. For example, if your fund's investments include listed shares then franking credits attached to dividends can be used to reduce the amount of tax payable.

If your fund realises a capital gain on an asset that has been held for at least 12 months prior to disposal, then one-third of the capital gain may be exempt from tax under the CGT discount rules.

Tax payable by your fund – pension accounts

The tax treatment of investment earnings will depend on whether your pension is in retirement-phase or is a TTR pension.

- If you have a TTR pension, the investment earnings on your pension account are taxed on the same basis as investments in your accumulation account as above. When you turn age 65, retire or become permanently incapacitated, your pension automatically becomes a retirement-phase pension.
- If you have a retirement-phase pension, the investment earnings that relate to your pension account are exempt from tax.

Your retirement phase 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 an asset.

Transfer balance cap

The Government limits the total amount that a person can transfer to the tax-exempt retirement-phase. This limit is called the transfer balance cap and is currently $1.6 million. The general transfer balance cap of $1.6 million is indexed to CPI in $100,000 increments. If you have already had pension benefits assessed against the cap, indexation will only apply to that proportion of the cap that is yet to be used.

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

If you had one or more pensions in retirement-phase on 30 June 2017, the value of these pensions would have been assessed against the transfer balance cap at that time. For each new pension or reversionary pension, the account balance will be assessed against your remaining personal transfer balance cap on commencement (or date of death for a reversionary pension). Special valuation rules apply for term allocated pensions and complying defined benefit pensions.

If you choose to make a lump sum withdrawal from your pension account (either in cash or rollover to another superannuation product), this amount will be debited against amounts already assessed against your personal transfer balance cap. Additionally any amounts that relate to compensation payments or structured settlements are excluded from assessment under the cap. Investment earnings and pension payments do not impact the amounts which count towards your transfer balance cap.

What happens if the account balance of the new retirement-phase pension exceeds the transfer balance cap?

If the account balance exceeds the cap, the ATO will issue a determination and also direct that the excess be commuted and either taken in cash or rolled back into an accumulation account. The ATO will calculate an amount of earnings on the excess, and 15 per cent tax is payable by the member on this amount. For a second excess assessment after 1 July 2018, tax rate on earnings increases to 30 per cent. If the individual does not commute the excess within 60 days, the ATO will issue a commutation authority to the fund. If the Trustee receives a commutation authority, the excess will generally be rolled back into an accumulation account in the member's name.

How are reversionary and death benefit pensions treated under the transfer balance cap?

If you are commencing a new death benefit pension, either on the death of another member of the fund or on the rollover of a death benefit from another complying superannuation fund, the transfer balance cap applies to the new death benefit pension in the same way as it would had you commenced a new retirement pension. The death benefit pension is assessed against your personal transfer balance cap on commencement.

If you are a reversionary pensioner, the amount assessed against your transfer balance cap is the account balance on the date of death of the primary pensioner. However the ATO does not count this value towards your cap until 12 months after the date of death. This is to provide reversionary pensioners time to decide an appropriate course of action should they exceed their transfer balance cap.

Where the death benefit pension beneficiary or reversionary beneficiary is a child (other than a disabled child) of a deceased member the transfer balance cap assessment is different. The treatment of child death benefits is complex and professional advice should be sought.

Excess amounts from death or reversionary pensions can only be paid out of superannuation.

Deductions for death or disability insurance

The cost of providing certain types of death or disability insurance can be claimed as a tax deduction by your fund. Your financial adviser can provide further information about insurance.

Tax on lump sum withdrawals

For tax purposes, there are two components within your superannuation: 'taxable' and 'tax free'.

The taxable component is the total value of your superannuation benefit less the tax-free component. The tax-free component consists of personal contributions where a deduction has not been claimed and certain tax-free benefits accrued in superannuation before 1 July 2007.

When you elect to receive your superannuation benefits, you cannot specify the component from which your benefit will be drawn. Your benefit will be paid to you proportionately from your taxable and tax-free components. For example, if your tax-free component represents 40 per cent of your superannuation benefits in the fund and you receive a lump sum payment of $1,000 then $400 will be paid from your tax-free component and $600 from your taxable component.

The tax-free component is received tax-free regardless of your age.

The tax treatment of the taxable component depends on your age when you receive the lump sum payment. The following table broadly outlines the tax treatment that applies to the taxable component of any lump sum payment you may receive from the fund:

Tax treatment		
Under preservation age	Preservation age to 59 years	Aged 60 and over
Assessable at 20% plus Medicare levy	Amount up to low rate cap is tax-free[6] 2018/19 Cap is $205,000 20119/20 Cap is $210,000 Amount above the low rate cap assessable at 15% plus Medicare levy	Tax-free

Note: the same tax treatment applies to lump sums paid from accumulation or pension accounts.

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

Tax on pension payments

Provided you satisfy superannuation law requirements, you may commence a pension within your fund.

Each pension payment you receive (whether it's from a TTR pension or an account-based pension) will comprise a tax-free component and a taxable component. The tax-free and taxable percentages of your pension will be determined at the commencement of your pension and the proportions fixed at this time. Each pension payment you receive will include the same proportion of tax-free and taxable monies.

Similar to lump sum payments, the tax-free component is always paid free of tax.

The tax treatment of the taxable component of the pension payment depends on your age when you receive the payment and is outlined in the following table.

Tax treatment		
Under preservation age	Preservation age to 59 years	Aged 60 and over
Assessable at marginal tax rates plus Medicare levy, no tax offset[7]	Assessable at marginal tax rates plus Medicare levy, less a 15% tax offset	Tax-free

Lump sum death benefit payments

Lump sum death benefit payments may also comprise a tax-free component and are calculated using the same approach for lump sum payments made to you while you are alive. However, if your death benefit includes life insurance and the fund has claimed a tax deduction on the premium, part of the taxable component may become an 'untaxed element' which is subject to additional taxes. The remainder of the taxable component creates the 'taxed element' of the benefit.

A recipient of a lump sum death benefit payment will not be assessed on the tax-free component of the payment, regardless of whether they are a death benefit dependant.

The tax treatment of the taxable component of the payment in the recipient's hands depends on whether the recipient is a death benefit dependant and whether the payment includes an untaxed element of the taxable component.

The following table broadly summarises the tax consequences for a recipient of the taxable component of a death benefit:

	Death benefit dependant recipient	Non-dependant recipient
Tax-free component	Tax-free	Tax-free
Taxable component – tax element	Tax-free	Assessable to recipient at the rate of 15% plus Medicare levy
Taxable component – untaxed element	Tax-free	Assessable to the recipient at the rate of 30% plus Medicare levy

If a death benefit is received by the Legal Personal Representative of your deceased estate, the tax will be determined according to who is intended to benefit from the proceeds paid to the estate.

Death benefit pensions

Each death benefit pension payment will comprise a tax-free and taxable component.

The tax treatment of the pension depends on your age at the date of your death and your recipient's age at the time they receive a pension payment. The following table summarises the tax treatment of the pension received by a death benefit dependant.

	Both original owner and beneficiary under age 60	Either owner or recipient over age 60
Tax-free component	Tax-free	Tax-free
Taxable component – taxed element	Assessable at the recipient's marginal tax rate less a 15% tax offset	Tax-free

Note: If you die when you are under 60 and the pension recipient is under 60 in the financial year in which they receive a pension payment, the pension payment is assessable income. However, once the pension recipient turns 60, the taxable portion of any further pension payments will not be assessable.

7 If the pension is commenced due to permanent disability, a 15% tax offset will be available.

Tax file numbers

Under superannuation law, we are authorised to ask you for your tax file number (TFN).

We only use your TFN for certain purposes such as:

- providing it to the ATO for the purpose of calculating any excess contributions tax
- providing it to another superannuation provider if your account balance is transferred (unless you ask us not to)
- identifying your superannuation benefits where other information is insufficient
- helping you re-connect with lost superannuation accounts
- calculating tax on benefit payments you may be entitled to.

Even though we are authorised to ask you for your TFN, it is not an offence if you choose not to provide it to us, but providing it has advantages, including:

- we will be able to accept all permitted contributions to your account
- other than the tax that may ordinarily apply, you will not pay more tax on your superannuation than you need to
- it will be easier to find different superannuation accounts in your name.

More about risks

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

What are the risks?

If you leave the product shortly after joining, or sell an investment shortly after selecting it, you could get back less than the amount you invested because of the level of investment returns and the effect of fees, costs and taxes.

Other key risks that may adversely affect your investment in an AET SAF include the possibility of negative investment returns, insufficient diversification of investments and changes to superannuation and taxation law. There are also investment risks that may affect the funds' investments, like market risk or credit risk and general risks associated with changing economic conditions. In the case of an investment in an illiquid investment, your ability to make a lump sum withdrawal from that illiquid investment may be delayed, reduced or unavailable until sufficient assets from that investment can be redeemed to fund the withdrawal.

Risks when investing in superannuation 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 superannuation, 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 accumulation or pension account or of any investments 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 TTR pension option, access to your capital is restricted under Commonwealth Government regulations until you satisfy a condition of release.

Risks that may affect your investments

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.

How can investment risk be reduced?

An important way to help reduce your investment risk is to spread your investments over a number of assets, asset classes and even different fund managers. This process is called diversification. It is designed to help you achieve more consistent investment returns over time. The AET SAF offers you a choice of investments across all the major asset classes. When determining your investment strategy, this choice allows you to create a level of diversification in your investment portfolio. A financial adviser can help you understand the various types of investment risk and assess which investments are appropriate for your specific requirements considering your risk tolerance and risk/return investment objectives.

Other general information

Incomplete applications

Incomplete application forms will be returned to your financial adviser.

In accordance with the provisions of the Corporations Act, money received relating to an incomplete or out-of-date application form is deposited into a trust account on behalf of the payer, pending receipt of a completed application form.

If a completed, current application form is not received within 30 days, we will return the application monies plus any interest accrued, to you within seven days.

Cooling-off period

You have 14 days to request the cancellation of your fund application and obtain repayment of your contribution or rollover. The 14 day period starts from the later of:

- the time you receive confirmation that your application has been accepted
- 5 days after your fund has been established.

Your written request must be sent to us at:

AET
GPO Box 546
Adelaide SA 5001

If you exercise your cooling-off rights, the amount refunded may be less than the amount you contributed or rolled over. The amount refunded may be adjusted to reflect any movements in the value of your fund and any applicable tax (including any tax or surcharge, for which you are assessed, relating to contributions or benefit payments) and reasonable administration and transaction costs.

Any preserved benefits and restricted non-preserved benefits may only be rolled over to another complying superannuation entity of your choice or otherwise dealt with in accordance with the superannuation laws. They cannot be paid to you.

If you have selected a TTR pension option, we cannot repay your initial contribution directly to you. You must nominate another complying income stream or a provider that offers a TTR pension option so that your initial contribution can be transferred.

You cannot exercise your cooling-off rights if you have exercised any other right or power you have in relation to your fund, ie if you have commenced trading from your fund.

Your instructions to us

We will act in accordance with instructions from you or your appointed representative (including your financial adviser).

You agree to release us from, and indemnify us against, any and all losses and liabilities arising from any payment or action we make based on any written or electronic instruction, as allowable by us that we receive bearing your account number and a signature (where applicable) we reasonably believe is yours, that of your representative or your financial adviser. You also agree that neither you, nor anyone claiming through you, has any claim against us or the fund in relation to these payments or actions.

However, please note that we are not required to effect any instructions if:

- it would make your account balance fall below the minimum holding requirement
- giving effect to the instruction is contrary to our agreement with you, the law or any market practice
- the instructions are incomplete or are, in our opinion, unclear
- you do not have sufficient investments or funds in your Cash Account for us to carry out the instruction
- we are not reasonably satisfied that the instructions are genuine
- you have not provided us with relevant documents or information we consider necessary to act on your instructions.

We do not accept any liability whatsoever for an instruction not being implemented in these circumstances.

Keeping track of your investments

We provide you with comprehensive reporting and information on all the investments in your fund via AET My Portfolio. You can view this information at any time or alternatively contact your financial adviser or the Client Services Team.

By requesting access to AET My Portfolio your Annual fund package and quarterly statements will be made available for you to download throughout the year. We will send an email to your financial adviser when these reports are available for you to access. If you do not request access, we will send your Annual fund package to your preferred postal address.

What you will receive from us

Welcome letter

- New funds
  - Once your fund is established we will send a letter confirming this and also include:
  - Deed of establishment
- Transferred funds
  - Once the trusteeship of the fund has been transferred to us we will send a letter confirming this and also include:
  - Portfolio valuation report – confirming your fund assets at a designated date – Deed of retirement and appointment, and – Deed of amendment.

Each year, you will receive an Annual fund package which includes:

- Member benefit statement for the member
- Detailed member transaction statement for the member
- Statement of financial position for the fund
- Operating statement for the fund
- Other management costs for the member (if applicable)
- Notes to the financial statements – summary of significant accounting policies.

Every quarter, a quarterly statement will be available at AET My Portfolio which includes:

- Investment strategy portfolio valuation report
- Cash Account statement
- Income and expense summary
- Unrealised capital gain (loss) on assets report
- CGT sales report
- Summary of assets purchased or sold.

What other information is available to you?

Trustee's Annual Report:

- The Trustee's Annual Report for the fund is provided within six months of the end of each financial year. A copy will be available via www.aetlimited.com.au or you can request a copy from the Client Services Team.

Internet access and functionality:

- AET My Portfolio is a secure online portal operated by AETL, part of the IOOF Group. AET My Portfolio provides convenient access to your fund's details, including the value of your investment options. An extensive suite of reports is available for you to download at any time including:
  - Portfolio valuation report
  - Operating cash statement
  - CGT sales report
  - Income and expense summary.
- You can also download a copy of your current and historical quarterly and annual statement(s).

Portability of superannuation benefits

If you provide us with a request to transfer your benefits out of the fund, superannuation law requires that we transfer your benefits within 30 days of receiving all relevant prescribed information (including all information necessary to process your request).

However, restricted (illiquid) 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. This may restrict your ability to redeem or transfer these investments and transfer under the portability rules.

Before you invest in restricted investments, you may be required to sign an indemnity form confirming that you accept that a period longer than 30 days may be required to sell those investments and so affect the transfer because of the illiquid nature of those investments. For investments that fall into the category of restricted investments please refer to the 'Investment guidelines' section of the **investment guide** (if applicable).

Restricted investments 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 superannuation will depend on the investments chosen.

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

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

Lost members

If we 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 an Eligible Rollover Fund (ERF). An ERF is a fund established under superannuation law specifically for the purpose of receiving such benefits.

Eligible Rollover Fund

We may roll over your benefit to an Eligible Rollover Fund (ERF) in the event that:

- you are deemed to be a lost member, or
- your account balance falls below the applicable product account balance minimum, or
- you decide to seek the return of your initial investment and do not notify us of a recipient superannuation fund for the receipt of your benefits (if necessary) or the nominated superannuation 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 AET SAF 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 may 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 fund.

Contact details for the SMF ERF
SMF Eligible Rollover Fund
GPO Box 264 Melbourne VIC 3001
Phone: 1800 677 306

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
  - we have not received any contributions for you for at least two years
  - we have been unable to contact you for five years despite our reasonable efforts.
- you have died
- we have not received any contributions for you for at least two years

- 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 $6,000 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.

Privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of the IOOF group privacy policy, please contact the Client Services Team on 1800 254 180 or visit www.aetlimited.com.au/privacy.

We collect your personal information from the application form you complete when applying for this product for the purpose of providing you with the products and services that you request and for related purposes, including providing you with financial advice and ongoing services in relation to your account with us, or providing information about other products and services that may be of interest to you. If you do not provide all the information requested in your application form, we may not be able to process your application.

To verify your identity for Know Your Customer (KYC) legislation purposes, we may also solicit personal information about you from reliable identity verification service providers.

We may disclose your information to our related bodies corporate or external parties, including your financial adviser or employer, banks or other financial institutions, medical professionals, insurers, legal or accounting firms, auditors, mail houses, or when required or authorised to do so by law. It is generally unlikely that we will disclose your personal information overseas, however any overseas disclosure does not affect our commitment to safeguarding your personal information and we will take reasonable steps to ensure any overseas recipient complies with Australian privacy laws.

Anti-money Laundering (AML) and Counter-Terrorism Financing (CTF) legislation

We are required to carry out proof of identity procedures under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act). Where you have not already provided us with appropriate identification, we will be required to collect and verify customer identification information when you request a withdrawal. If you do not provide the information or we are unable to verify the information, payment of benefits may be delayed or refused. We may be required to report information about you or your fund to the relevant authorities without informing you.

Superannuation and family law

Superannuation and family law allow for the 'splitting' and 'flagging' of superannuation interests.

Under the Family Law Act 1975, an interest in your fund may be split when parties to a marriage separate. The law determines how superannuation interests will be valued and split in these circumstances.

Superannuation interests may also be flagged, which prevents the Trustee from making certain payments while the interest is flagged. Splitting and flagging can be achieved by agreement between the parties to a marriage, or by court order.

If, as Trustee, we receive a request in the form prescribed by law, certain information about your interest in your fund must be provided to:

- your spouse
- a person who intends to enter into an agreement with you about splitting your superannuation interests in the event of a separation of marriage or divorce.

The law prevents us from informing you of any such request.

Superannuation and bankruptcy

Under the Bankruptcy Act 1966, superannuation contributions in order to defeat creditors can be recovered by the Trustee of a bankrupt member's estate. In certain circumstances, a superannuation trustee can be served with freezing orders and payment orders from the official receiver in respect of a bankrupt's superannuation 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.

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

What if you have a complaint?

If you have a complaint about your super account (or you wish to obtain further information about the status of an existing complaint) please contact the Manager, Customer Care:

Post: Manager, Customer Care
IOOF Investment Management Limited
Reply Paid 264,
Melbourne VIC 8060

Phone: 1800 254 180

Where possible, concerns will be resolved immediately. If further investigation is required, the Customer Care Team will acknowledge your complaint in writing and will consider and respond to your complaint as quickly as possible. We are required by law to respond to your complaint within 90 days.

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

Website: www.afca.org.au
Email: info@afca.or.au
Tel: 1800 931 678 (Free call)
Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Key words explained

If you find some of the terms used in the PDS and/or the guides difficult to understand, don't worry. This section helps to explain some of these 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 Client Services Team.

Activity fees	A fee is an activity fee if: (a) the fee relates to costs incurred by the Trustee of the superannuation entity that are directly related to an activity of the Trustee: (i) that is engaged in at the request, or with the consent, of a member, or (ii) that relates to a member and is required by law, and (b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.
Administration fee	An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than: (a) borrowing costs; and (b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and (c) costs that are otherwise charged as an investment fee, a buy sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.
Advice fees	A fee is an advice fee if: (a) the fee relates directly to costs incurred by the Trustee of the superannuation entity because of the provision of financial product advice to a member by: (i) a trustee of the entity, or (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity, and (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

Account-based pension	A pension arrangement where a person regularly draws down an amount from that account within prescribed limits set by the Commonwealth Government. The pension will continue until death, commutation or until the pension capital is exhausted.
Actuarial Service fee	The fee an Actuary charges for the preparation of your fund's actuarial certificates.
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.
Australian Prudential Regulation Authority (APRA) Levy	A fee payable to APRA for prudential regulation of your fund.
Audit fee	The fee charged to audit your fund as incurred.
Australian Financial Services Licence (AFS Licence)	A licence issued by the Australian Securities and Investments Commission (ASIC) under the *Corporations Act 2001* which, among other things, permits the issuing of a financial product or the giving of financial advice.
BAS fee	A fee applied as incurred for the preparation of your fund's Business Activity Statement (BAS). All funds registered for GST are required to lodge BASs with the ATO.
Benefit	The amount of money in your account to which you (or in the event of your death, your dependant(s) and/or Legal Personal Representative) are entitled to be paid in relevant circumstances.
Beneficiary Nomination (Nominated dependant)	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.
Business day	A day other than a Saturday, Sunday or a public holiday in Adelaide.
Buy-sell spread	A buy-sell spread is a fee to recover the transaction costs incurred by you in relation to the sale and purchase of underlying managed investments.
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.
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.
Complying income stream	An income stream which meets certain minimum operating standards set by the Commonwealth Government and may be (partly or wholly) exempt from the Centrelink/Department of Veterans' Affairs Assets Test.
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 superannuation each year before additional tax applies. The cap on concessional contributions and the tax penalties that apply if you breach the cap are set out in the 'How superannuation is taxed' section of this guide.
Condition of release	These are restrictions placed on superannuation funds on how and when preserved benefits can be paid. A condition of release must be met before a benefit is paid. The following conditions of release have no cashing restrictions: • retirement • reaching age 65 • reaching preservation age and permanently retired • death • permanent incapacity • termination of employment and the benefit is less than $200 • terminal illness.

Contribution	Represents any amount that is a concessional or non-concessional contribution or a 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, step child, 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.
Death benefit pension	This is a new pension that commences on the death of a superannuation fund member. A Death benefit pension can be paid to a Death Benefit Dependent other than a child aged 25 or over (unless the child is disabled).
Dependant	A dependant (for superannuation purposes) means: • a spouse • any child (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 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.
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.
Eligible rollover fund	An eligible rollover fund (ERF) is a special type of public offer superannuation fund that accepts member benefits from other superannuation funds for people who may have been lost by that fund or are no longer eligible for membership of that fund.
Financial institution	A bank, building society or credit union.
Fund	AET small APRA fund.
Goods and Services Tax (GST)	A broad-based tax of 10% on the supply of most goods, services and other items sold or consumed in Australia.
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, for an investment option offered by a superannuation entity, 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. Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.
Insurer	The term 'the Insurer' refers to the insurance provider under the group life and income protection policies and any retail insurance policies.
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.

Investment fees	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, other than indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee [OR the trustees] of the entity or in an interposed vehicle or derivative financial product that: (i) borrowing costs; and (ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and (iii) costs that are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.
Legal Personal Representative	The executor of your Will or the administrator of your estate. In some cases this can refer to a person who holds an Enduring Power of Attorney over you.
Non-concessional contributions	These include 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 applies. Some personal contributions, such as those attributable to the sale of small business assets up to the lifetime limit of $1,480,000 for the 2018/19 financial year, $1,515,000 for the 2019/20 financial year 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 superannuation is taxed' section of this guide.
Non-standard asset	Asset type are those where automated pricing feeds and market valuations are generally unavailable.
Pensions	Pensions are provided by superannuation 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.
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 investments).
Preservation age	The age at which retired individuals can access their superannuation. A person's preservation age will be between ages 56 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 superannuation 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 TTR pension • on death • on permanent incapacity • on severe financial hardship grounds • on compassionate grounds approved by the ATO. They may also be paid out to satisfy a release authority from the ATO.
Reduced input tax credits (RITCs)	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 or for additional tax calculated on concessional contributions of higher income earners.
Restricted investment	An illiquid investment for the purposes of superannuation law relating 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.
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 superannuation fund on your behalf, your restricted non-preserved benefits become unrestricted non-preserved benefits.
Retirement-phase pension	This is a pension payable when the member has met a condition of release (such as retirement after preservation age or reaching age 65).
Reversionary Beneficiary	The person nominated by the primary beneficiary to continue the pension after the death of the primary beneficiary.
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 superannuation fund.
Spouse	A spouse includes an opposite-sex or a same-sex de facto partner. 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.
Superannuation law	Includes the Superannuation Industry (Supervision) Act 1993 (Cth), Corporations Act 2001 (Cth), Income Tax Assessment Act 1997 (Cth) and associated regulations.
Superannuation fund	A complying fund whose Trustee has elected that the fund be regulated by the Superannuation Industry (Supervision) Act 1993 (Cth).
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 interest.
Taxable component	Tax may be payable on this 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 superannuation account. • Tax-free components previously transferred into the superannuation account or crystallised within the account as at 30 June 2007.
Tax Return Preparation fee	The fee payable as incurred for the preparation of your fund's tax return.
Terminally ill or Terminal illness	Under superannuation law, two registered 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 24 months after the date of the certificate (and the period of 24 months has not yet expired).
Term investment	Term deposits and fixed-term annuities.
Total superannuation balance	This is the total value of all your benefits in superannuation and pensions. You cannot make further non-concessional contributions if your total superannuation balance on the previous 30 June are $1.6 million or more.

Transfer/rollover	A lump sum paid within the superannuation environment between superannuation funds, between superannuation products or into an income stream.
Transfer balance cap	This is the maximum amount of pension benefits that can transfer to the tax-free investment environment. Retirement-phase pensions, Reversionary pensions and Death benefit pensions are generally assessed against the recipient's personal transfer balance cap. Reversionary and Death benefit pensions paid to children are assessed against the child's share of the deceased parent's transfer balance cap. TTR pensions are not assessed against the transfer balance cap until the member meets a condition of release.
Transition to retirement (TTR) pension	A pension that enables persons who have reached their preservation age 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 superannuation fund after allowing for taxes, fees and charges (if any). The payment can be made to another superannuation fund or taken in the form of a lump sum cash payment (Commonwealth Government restrictions may apply; see the 'Accessing your superannuation' section of this guide for further information). Cash withdrawals and in specie transfers are only permitted in certain limited circumstances under the TTR pension option and for term allocated pensions.

General advice warning

The information provided in this guide is general information only and does not take into account your individual objectives, personal financial situation or needs. We recommend that you consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

Updated information

Information in this guide is subject to change from time-to-time. Where a change is not materially adverse to you, updated information about your fund can be obtained by:

- referring to www.aetlimited.com.au
- emailing us at aetclientservices@aetlimited.com.au
- calling us on 1800 254 180.

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