

## Your Pension Guide

Combined Financial Services Guide and  
Product Disclosure Statement



# TransPension



*Helping your super go further  
in retirement*



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This booklet contains important information you need to know about TransPension before you join.

It includes information about our pensions, payments, investment options, fees and tax and social security.

This is an important document, so please read it carefully.

## General information warning

The information contained in this Product Disclosure Statement (PDS) is general information only and does not take into account your individual financial objectives, financial situation or needs. You should, before acting on the advice, consider the appropriateness of the advice having regard to your objectives, financial situation and needs.

We recommend that you seek financial advice if you need help in making any investment or financial decision.

## The Trustee

TWU Nominees Pty Ltd (ABN 67 002 835 412) is the trustee of TWUSUPER (ABN 77 343 563 307) and the issuer of this Product Disclosure Statement (PDS). TransPension is a division of TWUSUPER.

Australian Financial Services Licence (AFSL) 239163  
SPIN: TWU0003AU.

Throughout this PDS, TWU Nominees Pty Ltd is referred to as the 'Trustee', 'we' or 'us'. Any reference to 'financial adviser' means a licensed or appropriately authorised financial adviser.

## Changes to the PDS

This PDS may be updated or replaced at any time and you will be provided with the updated PDS on request, free of charge by calling **1800 222 071**. You can also download the PDS at [www.transpension.com.au](http://www.transpension.com.au). If you are printing an electronic copy of this PDS, please ensure that you print all pages, including the application form.

## Contact TransPension

Locked Bag 5042  
Parramatta NSW 2124  
Telephone: 1800 222 071  
Email: [pensions\\_team@aas.com.au](mailto:pensions_team@aas.com.au)  
Web: [www.transpension.com.au](http://www.transpension.com.au)



# Getting started

# 1

## TransPension is part of TWUSUPER, the industry super fund for people in transport.

TWUSUPER was established in 1984 and is the leading industry super fund for people in transport. Today, TWUSUPER has over 130,000 members across the transport and logistics industry, and manages more than \$2.4 billion in assets.

We pride ourselves on understanding the needs of all people in transport, as well as providing our members with help whenever, and wherever, they need it.

Industry super funds are run only to benefit members.

## TransPension is open to everyone

You don't need to be a member of TWUSUPER (or any of our other divisions) to join TransPension.

You don't even need to have worked in the transport industry.

Anyone can join.

## How super pensions work

Superannuation pensions turn your super into regular, tax effective income, whether you are retired or still working. You can choose how much money you'd like to receive (within limits) and how often, which can help you manage your finances more effectively.

Keeping most of your retirement savings in the superannuation system can help you stretch your savings, because you continue to earn tax effective investment returns on the money you aren't spending.

Superannuation pensions offer significant tax advantages, which means more of your super stays in your pocket. Pension payments are tax free once you reach 60 and are taxed at a concessional rate if you are under 60 and permanently retired for superannuation purposes. Investment earnings from pensions are also tax free.

Many Australians now choose to reduce their working hours and gradually ease into retirement. Transition to retirement rules mean that from age 55, you can use a pension to top up your salary with payments from your super pension.

The tax advantages of a Transition to Retirement Pension can help you boost your super and reduce your tax while you are still working.

# Our two pension options at a glance

	<b>TRANSITION TO RETIREMENT PENSION</b>	<b>ACCOUNT BASED PENSION</b>
Who can join?	TransPension is open to anyone who has reached their preservation age (generally age 55 or older) or satisfies another applicable condition of release.	
How old do you have to be?	You must be 55 or over.	Any age (provided you have met an applicable condition of release under superannuation law).
Do I have to be retired?	No, you can still work.	Generally yes, however, some exceptions apply - see page 8.
Is a minimum deposit required?	A minimum deposit of \$10,000 is required to start your pension	
How long will my pension last?	Your pension will last as long as you have money in your TransPension account.	
Can I choose my payment amount?	You can choose your payment amount, subject to the minimum and maximum payment limits set by the Government.	You can choose your payment amount, subject to the minimum payment limit set by the Government.
How often can I receive payments?	You can choose to receive pension payments twice-monthly, monthly, quarterly, half-yearly or yearly. Normally you must receive at least one pension payment a year.	
Are pension payments flexible?	You can change payment details as long as the minimum and maximum payment limits are met.	You can change payment details as often as you want as long as the minimum payment limit is met.
How much are the fees?	There are no establishment or termination fees. There is no fee for regular pension payments deposited directly into your bank account. The member fee is \$1.50 per week plus management costs which vary depending on your investment choice.	
Can I withdraw a lump sum?	Yes, but only in very limited circumstances. \$50 withdrawal fee applies.	Yes, minimum of \$1,000 (or your account balance if it is less than \$1,000, conditions apply - see page 15). \$50 withdrawal fee applies.
Can I make contributions?	You can't make contributions to your TransPension account. This is a Government requirement.	
Investment choice	You can choose from our three investment options. Switch up to once a week. Investment switches are free of charge.	
Tax	15% tax offset on the taxable part of pension payments (PAYG Income tax rates apply) if you are under 60 and above your preservation age, or you are totally and permanently disabled. 0% tax on all pension payments if you are 60 or older. 0% tax on investment earnings.	
What happens to my pension if I die?	If you die, your remaining pension can be paid as a reversionary pension to an eligible dependant or as a lump sum to your dependants or your Estate.	
What impact does it have on social security?	100% of your account balance is counted towards Centrelink's Assets Test. Your total annual payments, less a deductible amount, count towards Centrelink's Income Test.	

## Why choose TransPension?

### An industry super fund

TransPension is a division of TWUSUPER, an industry super fund.

Industry super funds are run only to benefit members. Other benefits include low fees and no commissions to financial advisers.

On average, industry super funds have consistently produced stronger returns for their members than retail super funds.

### Face to face help with super

Our Client Relations Officers can help you make sense of super and your pension by answering your general questions, talking to you about our products and services or helping you complete forms and paperwork.

It's a free service for our members and prospective members.

Find the contact details for your local Client Relations Officer on the **back page** or call us on **1800 222 071**.

### Access to low-cost banking

ME Bank\* has been specifically created to provide everyday Australians with innovative, low cost banking services.

ME Bank products are simple and easy to understand. They are committed to keeping banking costs low while delivering exceptional customer service.

To see if ME Bank could save you money on banking fees or interest payments go to [www.membersequity.com.au](http://www.membersequity.com.au) or call 13 15 63.

### Straightforward financial advice - one question at a time

TransPension has partnered with Money Solutions\* (AFSL 258145) to provide you with reliable financial advice.

Money Solutions specialise in providing straightforward, single-issue financial advice over the phone.

Your Money Coach will always discuss fees up front, which means no surprises at statement time. Money Solutions does not accept commissions so you can trust that their advice is given with your best interests in mind.

For low cost advice that's simple, clear and effective, call us on **1800 222 071** and we'll put you through to a Money Solutions personal Money Coach.

Your first single-issue phone call with a Money Solutions Money Coach is on us!

\*The Trustee is not responsible, and does not accept liability, for the products or services or actions of ME Bank or Money Solutions. You should use your own judgement before taking up a product or service offered by ME Bank or Money Solutions.

### Once you send us your application form

When we receive your application form, we will create a TransPension account in your name and arrange for your money to be rolled across or deposited from other sources based on what you have told us in the form.

Your pension commences on the date we receive your super (or other eligible benefits). Where your pension is established with more than one rollover, the date the last rollover is received will be the commencement date.

If you are a TWUSUPER member, it's important to know that investment earnings are applied to your super when it is transferred from TWUSUPER (or another of our divisions) into TransPension. **See page 25** for more information.

### How we keep in touch with you

When you join TransPension, you will receive a welcome letter which sets out the details of your membership and your pension payments.

You will also receive regular updates about your account balance as well as regular updates, including:

- in September each year, a statement showing the balance of your pension account and any transactions (including investment earnings credited or debited to your account and any fees and charges) made during the year
- in February each year, a half-yearly pension statement that shows pension payments deducted from your account between 1 July and 31 December; this statement does not show your investment earnings for the period
- regular copies of TransPension's member magazine *Changing Gear*
- (If you are under 60) a payment summary at the end of each financial year, which you will need to help you to complete your tax return.

An Annual Report, detailing the performance of the Fund for the previous financial year, is available on the website from late August each year and a hard copy is available on request.

### Manage your pension online

It's simple, easy and efficient.

You can manage almost everything to do with your pension using TransPension's website.

Visit [www.transpension.com.au](http://www.transpension.com.au) to:

- read up on changes to your pension and super law
  - download brochures and forms.
- Once you log in to *MemberAccess*, you can also:
- view your account balance
  - view your transaction history
  - view your statements online (if you have registered)
  - withdraw a lump sum amount (between \$1,000 and \$10,000) from your account
  - update your personal details
  - switch investment options.

To register for *MemberAccess* go to [www.transpension.com.au](http://www.transpension.com.au) and click on the *MemberAccess* link or call **1800 222 071**.

# Joining TransPension is easy - follow these steps.

## Step 1: Talk to a professional

It's easy to start a superannuation pension, but it's harder to know if a pension is the best way to manage your retirement savings. Talking to a professional financial adviser before you get started is a great way to maximise your savings in retirement so you can enjoy the lifestyle you want. See page 5 for more information.

## Step 2: Get to know TransPension

Read this booklet in full to understand the features and benefits of TransPension membership.

## Step 3: Sort out your super

You can't add to your pension once it's opened, so it's important to get your super together before you sign up. We can help you track down lost super or roll your super together.

See page 10 for more information.

## Step 4: Make some decisions

### Still working or already retired?

Choose between a Transition to Retirement Pension and an Account Based Pension.

### Investment amount

Decide how much money you want to put into your pension, and where the money will come from.

You need a minimum deposit of \$10,000 to start a pension.

See pages 8 and 9.

### Make an investment choice

Invest your pension in one of our three investment options or choose a mix that suits your personal investment strategy. See page 20.

### Pension payments

Consider how much income you would like to receive from your pension (within Government limits), how often you want to be paid and when you want your payments to start. See page 12.

### What do you want to happen to your pension if you die?

You can nominate whether you want your pension paid as a reversionary pension to an eligible dependant or as a lump sum to your dependants or your Estate. See page 34.

## Step 5: Complete your application form

Your membership application form is at the back of this booklet. Don't forget to send proof of your identity with your application. See page 38.

Send your completed *Membership application* form to:

TransPension  
Locked Bag 5042  
Parramatta NSW 2124



## Our pensions

# 2

Our pension options can help your savings go as far as possible in retirement, so you can enjoy the good years ahead.

We offer two pension options:

### If you are still working

If you're 55 or over and still working, our **Transition to Retirement Pension** could help you:

- boost your super as you approach retirement by reducing your income tax
- cut back on your working hours without reducing your income

### If you have retired

If you're 55 or over and retired, our **Account Based Pension** could help you:

- invest your savings in a tax-effective way
- maximise the duration of your super

# Account Based Pension

Our Account Based Pension is a flexible way of turning your super into regular income.

## Ready to permanently retire?

To start an Account Based Pension, you must meet an applicable condition of release under super law.

These conditions generally mean you need to:

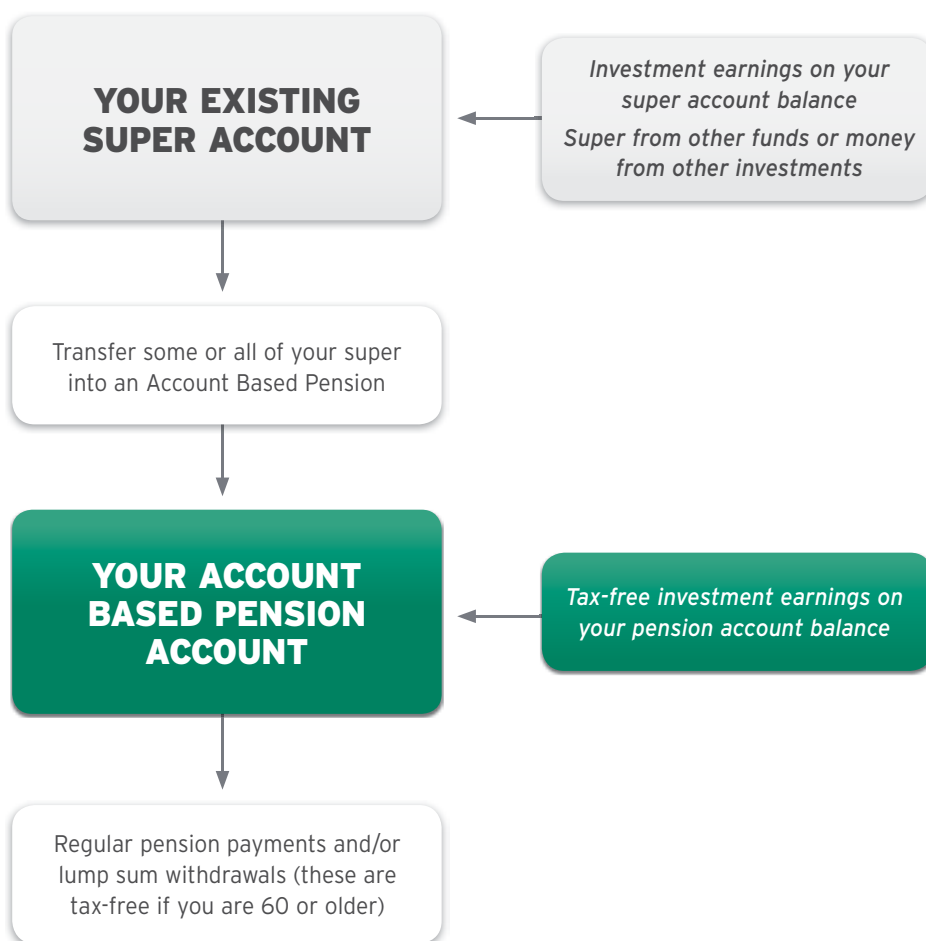
- have reached your preservation age (generally age 55) and do not intend to work 10 hours or more per week ever again
- have ceased employment with an employer since you turned 60
- be aged 65 years or over
- be permanently incapacitated at any age.

Meeting any of these conditions means that your super can be withdrawn at any time.

An Account Based Pension can also be started with a termination payment from your employer.

The minimum amount required to start an Account Based Pension is \$10,000.

## How our Account Based Pension works...



## Transition to Retirement Pension

Our Transition to Retirement Pension can help you ease into retirement by giving you access to your super while you are still working.

### Boost your super and pay less tax

A Transition to Retirement Pension gives you the option of accessing some or all of your super while you continue working full time or part time.

Transition to retirement strategies are designed to give you more financial flexibility as you begin the transition to retirement.

Once you reach your preservation age (generally 55), you can access some of your super through a Transition to Retirement Pension, which is a regular income stream drawn from your super savings.

With a Transition to Retirement Pension, you decide how much money you want to receive (subject to minimum and maximum Government limits) and how often. Lump sum withdrawals are restricted - see page 15 for more information.

The minimum amount required to start a Transition to Retirement Pension is \$10,000.

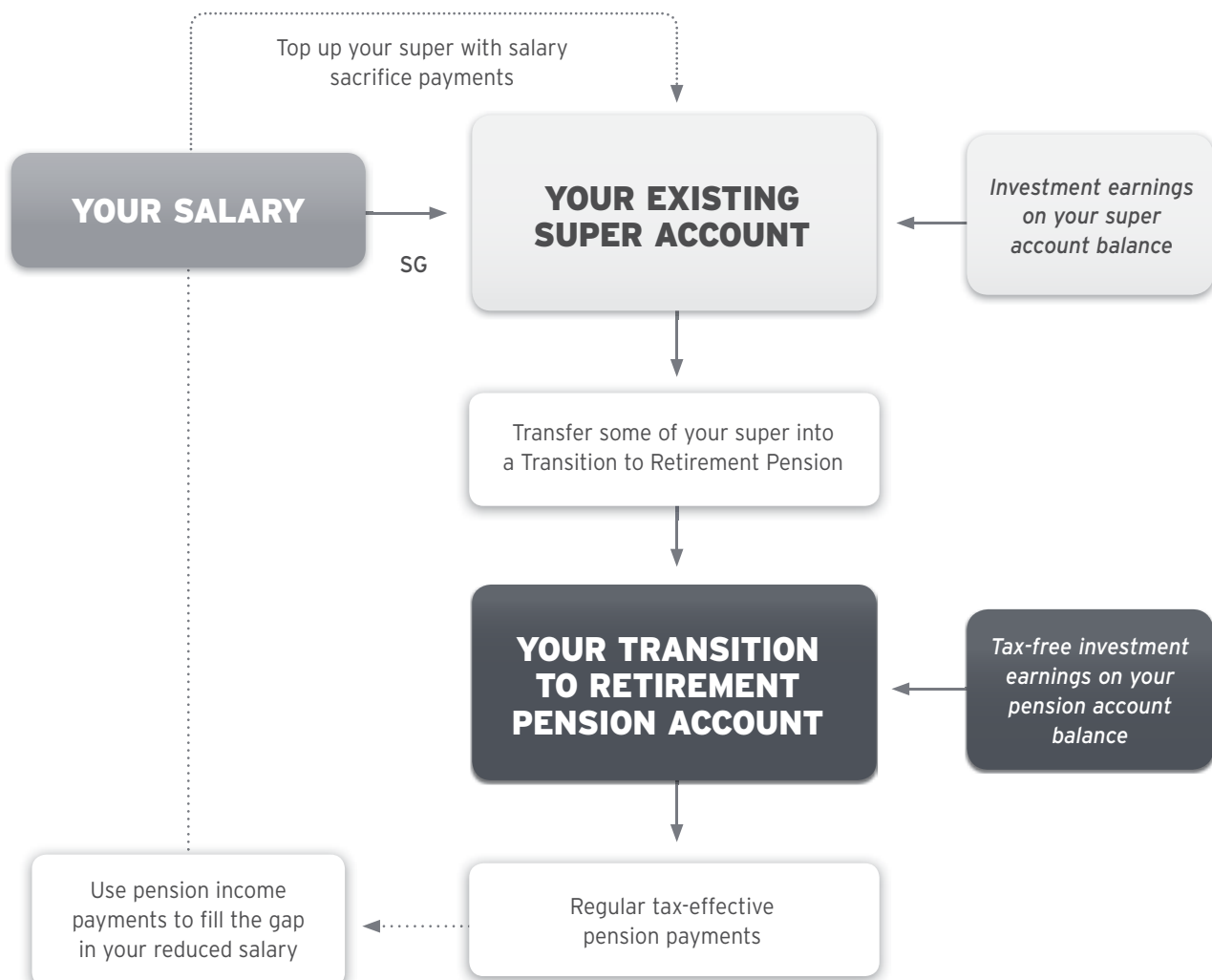
### Boost your super by combining a Transition to Retirement Pension with salary sacrifice

Combining salary sacrifice and a Transition to Retirement Pension can help you reduce tax and boost your super ahead of retirement.

Simply salary sacrifice some of your salary into super and replace that income with income from a Transition to Retirement Pension. See page 11 for an example.

It could make a big difference to your account balance by the time you are ready to retire.

### How our Transition to Retirement Pension works...



# More information about our pensions

## Preservation age

Your preservation age depends on your date of birth and can be between age 55 and age 60 (see the following table).

In most circumstances, you cannot commence a superannuation pension until you meet your preservation age.

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

## Adding to your pension

Once your pension payments start, you cannot make any other superannuation fund payments to your pension account.

If you want to add to your pension, you have two choices:

- 1 close your existing pension account and create a new pension with your combined monies
- 2 start a new pension with the additional amount and hold two separate pension accounts. We don't recommend this approach because it means doubling up on fees and charges.

You can hold as many pensions with TransPension as you like, however, you must make an initial deposit of \$10,000 and complete a *Membership application* form for each pension. Separate fees, charges and withdrawal limits apply to each pension.

## Switching between pensions

Generally, an Account Based Pension offers more tax concessions and payment flexibility than a Transition to Retirement Pension.

Pension payments from an Account Based Pension are not subject to a maximum payment limit, which means more choice.

If you hold a Transition to Retirement Pension with TransPension, you may be better off switching to an Account Based Pension once you:

- permanently retire
- reach age 60 and leave your current employment.

When you reach age 65, we will automatically transfer you across to an Account Based Pension. At this age, your superannuation benefit is payable to you without restriction.

If you would like to know more about switching between pensions, please visit [www.transpension.com.au](http://www.transpension.com.au) or call us on 1800 222 071.

## Combine your super before you get started

Most Australians have super in more than one super fund.

It's usually in your best interests to roll all of your super together before you start a pension, it will make your pension paperwork easier and help reduce fees.

If you are a TWUSUPER member, simply go to [www.twusuper.com.au](http://www.twusuper.com.au) and find our online rollover tool. It automatically generates rollover paperwork once you enter a few simple details. You can also use the *Transfer* form at the back of this booklet.

It's important to know that a timeframe of 30 days is allowed by law for funds to complete the rollover process and transfer your super to us. Because you can't add funds to your pension account once it is established, we must delay opening your pension account until we have received all of the money you are transferring or rolling in.

Lump sum payments by cheque from a super fund, approved deposit fund or retirement savings account can be rolled over into TransPension to start your pension. No tax is payable on this money, except where a component comes from an untaxed source (e.g. an untaxed employer termination payment). This type of payment will be taxed at super's concessional tax rate of 15%.

## What about Employer Termination Payments?

Generally, the only Employer Termination Payment that can be rolled into a complying fund such as TransPension is a termination payment paid before 30 June 2012 under a contractual entitlement that existed at 9 May 2006.

## When will a pension stop?

Your pension payments will continue until your account balance reaches less than \$1,000, at which time we will make a final payment and close your account.

## Salary sacrifice and pensions

Salary sacrifice (before tax) contributions can be a smart way to boost your super while reducing your income tax.

Salary sacrifice is where you arrange with your employer to have additional contributions to your super taken out of your salary before tax, rather than making personal contributions from your after tax salary. This can reduce your taxable income, which can reduce the amount of income tax you pay.

Your employer makes the contributions for you, so salary sacrifice is an easy way to add to your super. Your salary sacrificed contributions are generally taxed at the concessional tax rate of 15% which in most cases will be lower than your personal income tax rate. The tax benefits of salary sacrifice may be reduced if your total contributions to super (SG plus salary sacrifice) exceed the concessional contributions cap.

For someone aged 50 or older, the concessional cap is currently \$50,000 per annum. This is a transitional cap that applies until 30 June 2012.

The Government has announced that from 1 July 2012, the transitional concessional contributions cap will return to \$25,000 for people aged 50 and over. An indexed concessional contributions cap of \$50,000 will be introduced from 1 July 2012 on a permanent basis for individuals aged 50 and over with a total superannuation balance of less than \$500,000.

Amounts over this cap will be taxed at the top income tax rate plus the Medicare Levy.

Because salary sacrificing into super reduces before tax pay, there are some important things for you to consider before you enter into a salary sacrifice arrangement.

### Salary sacrifice, tax and social security

Salary sacrificed contributions are counted as part of your total assessable income for the purposes of social security, tax and the Government co-contribution.

## Salary sacrifice and other benefits

Reducing your before tax salary using salary sacrifice could affect the level of your other entitlements, like Superannuation Guarantee payments or other benefits. We recommend you check with your employer before entering into a salary sacrifice arrangement.

## Is it right for you?

We recommend you seek financial advice if you are considering salary sacrificing into super. This way, you will be presented with all of the pros and cons. Turn to **page 5** for more information about advice and your super.

## Combining salary sacrifice with a Transition to Retirement Pension can help you turn income tax into extra super.

### Case Study

Joe is 60 and has a yearly taxable income of \$65,000. He chooses to transfer \$210,000 of his super (of a total account balance of \$215,000) into a Transition to Retirement Pension. Joe also elects to salary sacrifice \$30,000 to reduce his taxable income to \$35,000 and receive \$19,200 in payments from TransPension so that there is no change to his income.

The tax savings from this strategy mean that Joe's super account will be worth \$48,729 more in five years' time.

	Current position	With Transition to Retirement Pension & salary sacrifice strategy
Salary	\$65,000	<b>\$65,000</b>
9% SG contributions	\$5,850	<b>\$5,850</b>
Salary sacrifice to super	\$0	<b>\$30,000</b>
Super pension payments	\$0	<b>\$19,200</b>
Tax paid (including Medicare levy)	\$14,025	<b>\$3,225*</b>
Total income	\$50,975	<b>\$50,975</b>
Increase in super after 1 year	\$18,022	<b>\$25,513</b>
Increase in super after 5 years	\$101,590	<b>\$150,319</b>

\* Allowance is made for Low Income Tax Offset (\$1,150) and Mature Age Worker Tax Offset (\$500)

Assumptions: no income other than from salary, no salary increases, standard Medicare Levy of 1.5%, tax rates and offsets as applicable for the year to 30 June 2011, pension drawdown is the amount required to produce same total after tax income, contributions and pension drawdown occurs in the middle of the year, investment return of 6% p.a. on the super account and 6.5% p.a. on the pension account and no additional expenses are associated with moving to and maintaining a pension.



# 3

## Pension payments

Pension payments are flexible and can be adjusted to suit your needs.

You can choose how much income you want to receive from your pension each financial year, from 1 July to 30 June.

You can also choose how often you want to receive your pension payments.

See page 30 for more information about how your pension payments are taxed.

We recommend that you seek professional financial advice to help you decide how much to receive in payments each year.

### Payment rules

A few basic rules apply to pension payments.

#### Transition to Retirement Pension

- you must receive at least one pension payment each year
- pension payments in a financial year must be at least equal to the minimum limit set by the Government

- pension payments in a financial year must not exceed the maximum limit set by the Government
- if your pension commences after 31 May, no minimum payment is required in that financial year
- pension payments are first made from any unrestricted non-preserved money in your pension account, then from any restricted non-preserved amount, and finally from any preserved amount transferred.

#### Account Based Pension

- you must receive at least one pension payment each year
- pension payments in a financial year must be at least equal to the minimum limit set by the Government
- if your pension commences after 31 May, no minimum payment is required in that financial year.

### Government payment limits

The Australian Government has set limits on the minimum (and maximum, if you have a Transition to Retirement Pension) amount of pension payments you are allowed to receive from your pension account each financial year.

### Your minimum payment

Minimum payments are determined by your age and the value of your pension account balance at the time your pension is established, then at 1 July every year.

Minimum payments are pro-rated for the first year of your pension, if your pension starts after 1 July (see 'Pension payments in your first year' below).

The following tables show the percentage of your account balance ('percentage factor') that is used to calculate your minimum payment each year.

#### Standard percentage factors

Age at commencement, then at each 1 July	Minimum % of account balance that must be taken
Under 65	4%
65 to 74	5%
75 to 79	6%
80 to 84	7%
85 to 89	9%
90 to 94	11%
Over 95	14%

In response to the impact of the global financial crisis on superannuation pension accounts, the Australian Government extended its 50% reduction on minimum pension payment limits applied in the 2009/10 financial year to the end of the 2010/11 financial year.

The following table shows the percentage factor that is used to calculate your minimum payment for the 2010/11 financial year.

From 1 July 2011 the percentage factors may revert to their original values.

#### Percentage factors (2010/11)

Age at commencement, then at each 1 July	Minimum % of account balance that must be taken
Under 65	2%
65 to 74	2.5%
75 to 79	3%
80 to 84	3.5%
85 to 89	4.5%
90 to 94	5.5%
Over 95	7%

Use the examples and worksheet on page 14 to calculate your minimum payment limit.

#### Example

##### Minimum payment limit

David, who is aged 65, has a pension account balance of \$80,000. His pension commences on 1 October. Based on his age and account balance, David's **minimum** payment limit for 2010/11 is:

$$A = \$2,000$$

To calculate his first year **minimum** payment limit, David multiplies A X 273

$$= \$546,000$$

and divides this by 365

$$= \$1,495.89$$

which is rounded to the nearest \$10.

The pro-rated **minimum** payment limit for the first year of David's pension is:

$$= \$1,500$$

#### Your maximum payment

Maximum payment limits apply only to Transition to Retirement Pensions.

The maximum amount of payments you can receive in any one financial year is 10% of your account balance as calculated at the beginning of that financial year (1 July).

This limit applies until you meet a condition of release, such as permanently retiring from the workforce after you reach your preservation age (currently 55 years) or reaching age 65.

Use the examples and worksheet on page 14 to calculate your maximum payment limit.

#### Pension payments in your first year

If your pension doesn't start on 1 July, your minimum pension payment limit will be adjusted ('pro-rated') for the first financial year. Maximum limits are not pro-rated.

To calculate your minimum payment limit for your first year, calculate your full minimum limit and multiply it by the number of days left in the financial year when you purchased your pension. Then divide the total by 365 and round to the nearest \$10.

#### Payment frequency

You can choose the timing of your pension payments from the following options:

- **twice-monthly payments**  
paid into your bank account by the first and fifteenth working days of each month
- **monthly payments**  
paid into your bank account by the first working day of each month
- **quarterly payments**  
paid into your bank account by the first working day in August, November, February and May
- **half-yearly payments**  
paid into your bank account by the first working day in June and December
- **annual payment**  
paid into your bank account on or after the first working day of whichever month you choose (except in July or August for Transition to Retirement Pensioners and annual payments for Account Based Pensions requested in July will be paid at the end of the month due to end of financial year processing restrictions).

# Pension payment examples

These examples use 2010/11 percentage factors which may change from 1 July 2011. See page 13 for more information.

## Account Based Pension

Joe's account balance is \$50,000 on 1 July 2010. He is 66 years old.

### Joe's minimum payment limit:

What is Joe's account balance?

$$A = \$50,000$$

What is the percentage factor for Joe's age? (see tables on page 13)

$$B = 2.5\%$$

He multiplied  $A \times B$

$$= \$1,250$$

This is the **minimum** that Joe must take for the year.

Because Joe's pension takes effect on 1 July 2010, there is no pro-rata necessary as the pension will be paid for the full financial year. Therefore, Joe can take an income equal to or greater than \$1,250 for the 2010/11 financial year.

## Transition to Retirement Pension

Anne's account balance is \$25,000 on 1 July 2010. She is 58 years old.

### Anne's minimum payment limit:

What is Anne's account balance?

$$A = \$25,000$$

What is the percentage factor for Anne's age? (see tables on page 13)

$$B = 2\%$$

She multiplied  $A \times B$

$$= \$500$$

This is the **minimum** amount that Anne must take in pension payments for the year.

### Anne's maximum payment limit:

She multiplied  $A \times 10\%$

$$= \$2,500$$

This is the **maximum** amount Anne is allowed to take in pension payments for the year.

## Now it's your turn.

### Your minimum payment limit:

What is your TransPension account balance?

$$A =$$

What is the percentage factor for your age?

$$B =$$

Multiply  $A \times B$  and round to the nearest \$10

$$=$$

### Pro rata this amount for your first year of payments

(i.e. multiply by the number of days in the financial year after your purchase date, and then divide by 365)

$$= \text{days}$$

$$= / 365$$

$$=$$

This is the **minimum** amount that you must take in pension payments for the first year of your pension.

### Your maximum payment limit:

(only for Transition to Retirement Pensions)

Multiply  $A \times 10\%$

$$=$$

This is the **maximum** amount you are allowed to take in pension payments for the year.

Maximum limits are not pro-rated in your first year of pension payments.

## Changing your pension payments

You can change the amount and frequency of your pension payments as often as you like, provided that your annual pension payment amounts fall within the Government payment limit(s).

Download a *Change member details* form from [www.transpension.com.au](http://www.transpension.com.au) or call us on 1800 222 071 to request a copy.

We will write to you before the start of each new financial year to ask you if you want to change your payments. Your revised minimum and maximum (if applicable) payment limits will be mailed to you with your Annual Statement in September each year. These limits will be based on your pension account balance (with investment earnings applied) at 1 July and you will again be given the opportunity to change your pension payments for the rest of the financial year.

If you don't nominate new pension payment details for the new financial year, your current arrangement will be carried over to the next year. In the event that your new payment arrangements do not satisfy the Government's payments limit or limits, the Trustee will make adjustments as necessary.

## Lump sum withdrawals

If you want to withdraw an amount that would leave your account with insufficient funds for your minimum payment (see page 13) for that year, then you first have to draw your minimum payment before making your lump sum withdrawal.

### Account Based Pension

Account Based Pensioners aged 60 and over can withdraw a minimum lump sum of \$1,000 at any time. A \$50 withdrawal fee applies to all full or partial withdrawals (excluding regular pension payments).

### Transition to Retirement Pension

Generally, people with a Transition to Retirement Pension are not eligible to make lump sum withdrawals unless the money is paid from an unrestricted non-preserved benefit (a minimum of \$1,000 applies) or the money is used to:

- pay a superannuation surcharge debt
- give effect to a Family Law payment split
- pay an excess contributions tax assessment.

This is a Government requirement.

Lump sum withdrawals are not counted toward the 10% maximum payment limit (see page 13).

If you are under age 60, lump sum withdrawals will be taxed at standard lump sum rates (see page 30) and made in proportion to your tax free and taxable components (see page 30).

## Making a withdrawal

Call us on 1800 222 071 to request a copy of TransPension's withdrawal form.

TransPension members with unrestricted non-preserved benefits can now withdraw a lump sum amount (between \$1,000 and \$10,000) from TransPension online using *MemberAccess*. Lump sum withdrawals are paid to the same account nominated for regular pension payments, within 7 working days.

If you are under age 60, lump sum withdrawals (if any) will be included in your PAYG payment summary for tax purposes.



# 4

## Fees and other costs

This section explains the fees and costs you'll pay as a TransPension member.

TransPension is a division of TWUSUPER, the industry super fund for people in transport and logistics.

TransPension is run only to benefit members.

Our fees are used simply to cover the running costs of the Fund. Any profits made by the Fund go back into members' accounts.

We do not pay commissions to financial advisers.

### Did you know?

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

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### To find out more

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

Please note that the Consumer Advisory Warning above is a Government prescribed warning. It is not relevant to the Fund in relation to its claims that you may be able to negotiate to pay lower contribution fees and management costs where applicable.

## Fees and other costs table

This table shows the fees and other costs that may apply to your TransPension account.

Some fees and costs are paid directly from your account, while others are deducted from the returns on your investment before they are credited to your account, or from the Fund assets as a whole. You should read all the information about fees and costs because it is important to understand the impact they have on your super.

### Get more information

See page 30 for information about tax and social security.

### Fees and other costs from 27 November 2010

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund</b>		
<b>Establishment fee</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	\$50 for each full or partial withdrawal (plus \$5 if payment is made by cheque).	The fee is applied to your account when your withdrawal is processed. Your regular pension payments do not incur a withdrawal fee when they are deposited directly into your nominated bank account.
<b>Termination fee</b> The fee to close your investment	Nil	Not applicable
<b>Management costs – the fees and costs for managing your investment <sup>1</sup></b>		
<b>Member fee</b> The fees and costs for managing your investment	\$1.50 per week	The member fee is calculated weekly at \$1.50 and deducted monthly from your member account balance.
<b>Expense recovery fee</b>	0.41% per annum of your account balance	The expense recovery fee is deducted from the total gross assets of the Fund before crediting rates are declared. An allowance for non-investment related fees (including the expense recovery fee and the member protection fee) is applied to members' accounts when investment earnings are credited (or debited) to members' accounts or when a member exits the Fund or switches investment options.
<b>Member benefit protection fee</b>	0.01% per annum of your member account balance	The member benefit protection fee is deducted from the total gross assets of the Fund before crediting rates are declared.
<b>Investment management fee</b>	Equity Plus 0.65% per annum Balanced 0.60% per annum Cash Plus 0.11% per annum	These fees are payable by the Fund and deducted from the before tax earnings of the relevant investment option. Investment management fees are generally calculated daily. Some of these costs are deducted directly by the investment manager before the value of the underlying investments is determined. The investment management fees exclude performance-based fees (see below).
<b>Performance-based fees</b>	Equity Plus 0.04% per annum Balanced 0.05% per annum Cash Plus 0.00% per annum The above fees are based on investment manager outperformance of 1%.	If these fees are payable, they are deducted from the before tax earnings of the relevant investment option. Some of these costs may be deducted directly by the investment manager before the value of the underlying investments is determined.
<b>Service fees</b>		
<b>Investment switching fee</b> The fee for changing investment options	Nil	Not applicable

1. Please refer to the Additional explanation of fees and costs section on page 18.

## Example of fees and costs for the Balanced investment option

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

### Fees from 27 November 2010

Example - the Balanced investment option		
Fee type	Amount	Balance of \$50,000
Contribution Fees	Not applicable	Not applicable
<b>PLUS</b> Management Costs	1.07%* per annum + \$78.00 per annum	For every \$50,000 you have in the fund, you will be charged \$535.00 each year plus a fixed member fee of \$78.00, regardless of your balance.
<b>EQUALS</b> cost of fund	\$613.00	If your balance is \$50,000, then for that year you will be charged total fees of: \$613.00
<b>What it costs you will depend on the investment option you choose.</b>		

\* This percentage is made up of 0.41% per annum expense recovery fee, 0.01% per annum member benefit protection fee and 0.65% per annum investment management cost. Investment management costs include an allowance for performance-based fees of 0.05% per annum.

The investment management cost and performance-based fee vary for each investment option and are deducted from the before tax investment earnings of the Fund before crediting rates are determined. Investment management costs and performance-based fees are not deducted from members' accounts. These fees change each year.

For illustrative purposes, the above example assumes that management costs were calculated on a year-end balance of \$50,000 and that no lump sum withdrawals were made for the period. If you make a withdrawal or leave the Fund, you will also be charged a withdrawal fee of \$50 for every payout (including any partial or full payout).

## Additional explanation of fees and costs

### Revision or adjustment of fees

All fees are current as at the date of this PDS and may be revised or adjusted by the Trustee from time to time. We may also introduce new fees.

### Expense recovery fees

These fees include expenses like administration charges, legal fees, office expenses, consulting fees, marketing expenses and other miscellaneous Fund expenses. These fees are based on estimated costs for the 2010/11 financial year. The Fund uses current and prospective information in determining fees, in line with ASIC best practice.

### Investment management fees

The investment management fee for each investment option will change throughout the year due to timing, cash flow, changes in the investment manager line-up, changes in asset allocation and other factors.

Investment-related expenses (such as investment manager fees, brokerage, government duties, taxes and performance fees) are deducted from the investment returns of each investment option before the returns of our investment options are determined.

These fees are estimated for the 2010/11 financial year and are based on investment manager information and the Fund's strategic asset allocation at 30 June 2010.

### Performance fees

If an investment manager charges a performance fee, it will be passed on to members as an adjustment to the investment performance of the relevant investment option.

Performance fees are only charged when higher returns (relative to a specified target for a particular investment manager) are achieved.

As agreed performance targets vary between investment managers, it is not possible to provide a precise figure for the performance fees that will be applicable to the relevant investment options. Estimated performance fees for the Balanced and Equity Plus investment options are calculated based on:

- the strategic asset allocation of the Fund as at 30 June 2010
- outperformance of 1% by the investment managers, based on indicative annualised calculations using fee information provided by underlying investment managers for periods up to approximately 30 June 2010.

The use of this estimate is not an indication or guarantee of future performance. The actual performance fee will vary depending on the Fund's agreements in place with relevant investment managers. A performance fee will not always be payable.

### Withdrawal fee

A \$50 fee applies for every full or partial withdrawal, including transfers out of the Fund.

TransPension does not charge a withdrawal fee if a member transfers their super between divisions of the Fund.

### Pension payment fees

There is no fee payable when your regular pension payments are deposited into your nominated bank account.

A \$5 fee applies for each pension payment made by cheque.

### Family Law valuation fee

A fee of \$50 applies for every request made by an eligible person for information about your account under family law legislation. The fee is charged to the person requesting the valuation and is payable to TransPension by cheque.

### Family Law account splitting fee

If your account must be split to effect a Family Law splitting order or arrangement, a fee of \$50 will apply. The fee will be split and deducted evenly from the TransPension member's account and the former spouse's entitlement.

### Superannuation advice fee

This fee is agreed between you and TransPension's advice provider Money Solutions (see page 5) for financial advice about super, if you elect to receive advice and have the advice paid from your TransPension account.

### Goods and Services Tax (GST)

The GST disclosures in this PDS are of a general nature only. GST will not be payable on investments purchased in the Fund. GST will apply to most fees charged to the Fund. Generally, we cannot claim full input tax credit for these fees, but the Fund may be entitled to reduced input tax credits (currently equal to 75% of the GST paid) for part of these fees. All fees and costs shown in the 'Fees and other costs' table are inclusive of GST and any applicable reduced input tax credits.

### Member benefit protection fee

The Fund protects members' superannuation accounts, when they are less than \$1,000, from erosion by fees. We do this by ensuring that fees deducted (excluding insurance costs and taxes) do not exceed the investment earnings credited to the account.

When the investment earnings credited or debited to a member's superannuation account are insufficient to cover the administration fee, then the administration fee will be capped at \$10 (plus an amount equal to any investment earnings credited). This administration fee is applied at the annual review date and to all account closures throughout any year.

This fee is based on the cost of member benefit protection in the last financial year, and is deducted from the total gross assets of the Fund before crediting rates are finalised.



# 5

## Investing your pension

This section explains your investment options and how your pension is invested.

To keep things simple, TransPension offers a choice of three investment options that correspond to commonly chosen investment strategies. You can choose any one investment option or any combination of options.

For each investment option, we have selected a mix of asset classes and professional investment managers. All you need to do is pick the investment options that best suit your needs.

If you do not make an investment choice, your pension will be invested in our Balanced investment option.

**A quick look at your three investment options**

### **Equity Plus**

In the Equity Plus option, most of your money will be invested in Australian and international shares. History shows that returns from this option are likely to move up and down from year to year but, over the long term, are expected to be higher than those of the Balanced and Cash Plus options.

### **Balanced**

In the Balanced option, approximately three quarters of your money will be invested in growth assets such as shares and property, with the remainder in defensive assets, such as fixed interest and cash. Over the long term, the Balanced option returns are expected to be lower than those of the Equity Plus option but higher than those of the Cash Plus option. Balanced option returns are expected to be more stable than those of the Equity Plus option.

The Balanced option is where your pension will be invested if you do not make an investment choice.

### **Cash Plus**

In the Cash Plus option, all of your money will be invested in a combination of short term interest-bearing securities and cash.

Each investment option is described in more detail on [page 24](#).

As with any investment, the value of your TransPension account may rise and fall from time to time.

The investment performance of TransPension is not guaranteed. See [page 21](#) for more information about investment risk.

## Risk versus return

One of the fundamental concepts of investing is understanding the relationship between risk and return.

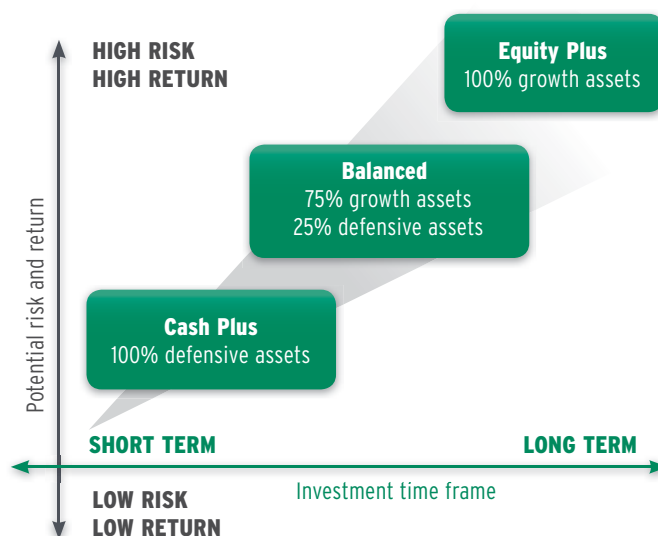
Risk is the chance of losing money you have invested and return is how much money your investment earns.

In order to get higher returns, you generally need to assume a higher level of risk.

Likewise, if you want to reduce risk then you generally accept lower returns.

When you look at historical returns for higher-risk strategies, there may be years when returns are lower and years when returns are higher.

Understanding your risk profile can be complicated. We recommend you talk to your financial adviser before you make an investment decision.



## Investment performance

This table shows the performance of TransPension's three investment options for the last ten financial years to 30 June 2010 and the compound average returns for five and ten years to 30 June 2010.

These compound average and yearly returns are based on TransPension's annual crediting rates and are net of tax, fees and expenses.

Please remember that past performance is not necessarily an indication of future performance.

The returns earned in the future will not necessarily follow the pattern of returns in the table and may be negative in some years.

TransPension's historical investment performance

Period	Equity Plus	Balanced	Cash Plus	CPI (measures inflation)
<b>10 year compound average</b>	<b>4.54%</b>	<b>4.88%</b>	<b>5.46%</b>	<b>3.2%</b>
<b>5 year compound average</b>	<b>3.47%</b>	<b>3.90%</b>	<b>5.41%</b>	<b>3.0%</b>
Year ending 30 June 2010	10.73%	10.92%	7.61%	3.1%
Year ending 30 June 2009	-20.0%	-14.8%	5.3%	1.5%
Year ending 30 June 2008	-10.1%	-6.8%	3.7%	4.5%
Year ending 30 June 2007	20.9%	17.4%	5.4%	2.1%
Year ending 30 June 2006	23.2%	17.1%	5.1%	4.0%
Year ending 30 June 2005	15.1%	12.8%	5.1%	2.5%
Year ending 30 June 2004	18.4%	13.5%	3.6%	2.5%
Year ending 30 June 2003	0.0%	1.6%	6.4%	2.7%
Year ending 30 June 2002	-8.2%	-3.8%	4.5%	2.8%
Year ending 30 June 2001	5.1%	6.3%	8.0%	6.0%

# Get to know some investment basics

Before we start explaining TransPension's investment options and how they work, here are a few investment basics.

We all save in different ways. Many of us are paying off our home, some of us have shares and all of us have a bank account.

Like your personal investments, superannuation funds invest too. They just do this on a much larger scale.

There are four main types of investments that super funds have – shares, property, fixed interest and cash. Generally speaking, these are grouped as either growth assets or defensive assets.

## Growth assets

These are types of investments that have the potential to grow over the long term, but are also likely to experience volatility (ups and downs) in performance from year to year.

Growth assets include:

- shares
- property
- unlisted equities
- infrastructure.

## Shares

When you buy shares you are actually buying part of a company. Your investment return will depend on how the company performs over time, on economic factors and on investors' views of the company.

By investing in international shares, you are investing in companies based in different countries, which may assist in reducing overall volatility (ups and downs in returns) of your total investment portfolio through increased diversification (spreading your risk across a range of investments).

International share investments may also be subject to currency movements which can add to, or take away from, the share investments returns.

Over the long term, returns from shares have in the past been higher than those achieved by property, fixed interest and cash. However, over shorter periods, performance tends to have more ups and downs.

## Property

Buying office buildings, shopping centres, industrial estates and other similar property investments is known as direct property investment. Investors can also buy units in property trusts which, in turn, buy a variety of properties. These trusts may be listed on the Australian Securities Exchange or on an international securities exchange, or they may be unlisted.

Like shares, property investment is suitable for long term investment as it is expected to grow in value, but also experiences some ups and downs.

## Unlisted equity

Unlisted equity (also known as private equity) investments are investments in shares in companies that are not traded on the share market. We invest in unlisted equity by investing in venture capital funds (offering interests in private businesses in their early stage of development), buyout funds (offering interests in more established companies with positive cash flow) and mezzanine funds (offering interests in companies just before they are publicly listed).

We have chosen to minimise the risks involved in unlisted equities by investing in funds that specialise in this sector. These funds take large stakes in unlisted equity investments, as well as having an active role in monitoring and advising the private companies in the portfolio.

## Infrastructure

Infrastructure funds give investors exposure to a professionally managed portfolio of infrastructure assets like:

- toll roads
- airports
- communication assets like broadcasting towers
- rail facilities and other transport assets
- utilities such as electricity power lines and gas pipelines.

Infrastructure funds are managed by specialist fund managers who make all the investment decisions.

Returns from infrastructure funds have a combination of capital growth and income. The income generated by infrastructure assets is expected to be fairly predictable, as these funds operate in environments with low levels of competition and high barriers to entry.

For growth orientated funds, the absence of stable income in the near-term is expected to be compensated with capital growth in the medium term. On the other hand, some infrastructure funds have more mature assets that are generating steady income streams. We invest in both income-orientated assets and growth-orientated assets. Changes in demand, interest rates, development costs and Government regulation can also affect returns from infrastructure assets.

## Defensive assets

These are types of investments used when trying to protect assets against the chance of a negative return (in other words the value of assets falls).

Defensive investments tend to produce lower long term, but more stable, returns than growth investments.

Defensive assets include:

- fixed interest
- cash
- absolute return funds.

## Fixed interest

Fixed interest investments are issued to investors by the Australian and foreign Governments, semi-Government authorities and companies in return for cash.

Interest is paid to investors over the life of the investment, usually at a fixed rate. These investments can generally be bought or sold before they mature, potentially resulting in capital gains or losses.

International fixed interest investments are normally fully hedged to remove the effect of currency movements. Hedging is a process of protecting investments against, or reducing the risk of, a loss resulting solely from adverse currency movements.

Fixed interest investments are less volatile than shares and property but have a lower expected return in the long term.

Over shorter periods, returns can be negative, particularly in situations where interest rates rise significantly.

## Cash

Cash includes short term, interest-bearing investments.

Generally, the likelihood of losing the initial investment in cash is minimal. While volatility (the chance of ups and downs in value) with cash is low, the returns are also likely to be lower than those available from fixed interest, property and shares over the long term.

## Absolute Return Funds

Absolute return or hedge funds generally aim to produce returns in both rising and falling investment markets.

The investment techniques adopted by an absolute return fund vary from methods employed by a traditional fund manager. Rather than the traditional 'buy and hold' approach, absolute return funds have greater scope to use sophisticated trading strategies to benefit from opportunities in the market.

Although every fund is different, the underlying investments in an absolute return fund may include shares, bonds, currencies, options, futures, commodities, real estate securities, and other financial instruments and strategies.

The performance of absolute return funds is not generally correlated to the performance of traditional assets such as shares, property or fixed interest. While the risk profile of absolute return funds can range from very conservative to aggressive, we only invest in conservative fund of fund vehicles.

A fund of fund refers to a fund which invests in a number of absolute return funds.

## Investments and risk

Historically, growth assets have tended to give higher returns over the long term than defensive assets, but have experienced more frequent and larger ups and downs, or risks, in the short term.


Historically, defensive assets have tended to give lower returns over the long term, but have experienced fewer and smaller ups and downs than growth assets in the short term.

By having different mixes of growth and defensive assets in investment options, the characteristics of those investment options change.

If an investment option has a high proportion of growth assets compared to defensive assets, you would generally expect higher long term returns with more short term volatility, or ups and downs, than in the opposite case of a low proportion of growth assets and a high proportion of defensive assets.

# Your investment options

Equity Plus	
Mix of investments (strategic asset allocation)	Strategic Benchmark
<b>GROWTH ASSETS</b>	<b>100%</b>
Australian shares	44%
International shares	34%
Property	7%
Unlisted equity	10%
Infrastructure	5%
<b>DEFENSIVE ASSETS</b>	<b>0%</b>
Cash/Interest bearing securities	0%
Australian fixed interest	0%
International fixed interest	0%
Absolute return funds	0%



### Primary return objective

To earn an annual return that is 4% a year higher than the Consumer Price Index (CPI) over rolling five-year periods.

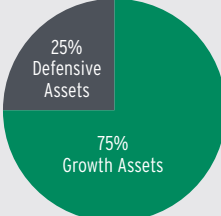
### Risk objective

To limit the likelihood of a negative return, on average, to approximately one year in every four.

### Strategy

Invests mostly in Australian and international shares. History shows returns from this option are likely to move up and down from year to year with short term risk of capital loss, but over the longer term should perform better than the Balanced or Cash Plus investment options.

Balanced	
Mix of investments (strategic asset allocation)	Strategic Benchmark
<b>GROWTH ASSETS</b>	<b>75%</b>
Australian shares	30%
International shares	20%
Property	12%
Unlisted equity	5%
Infrastructure	8%
<b>DEFENSIVE ASSETS</b>	<b>25%</b>
Cash/Interest bearing securities	4%
Australian fixed interest	4%
International fixed interest	7%
Absolute return funds	10%



### Primary return objective

To earn an annual return that is 3% a year higher than the CPI over rolling five-year periods.

### Risk objective


To limit the likelihood of a negative return, on average, to approximately one year in every five.

### Strategy

Invests approximately 75% in growth assets such as shares, property and infrastructure (see page 27), with the rest in defensive assets such as fixed interest and cash.

Investments are expected to have less risk of loss of capital and less short term fluctuations in returns than investments in the Equity Plus option. Over the long term, Balanced investment option returns are expected to be lower than Equity Plus returns but higher than Cash Plus returns.

Cash Plus	
Mix of investments (strategic asset allocation)	Strategic Benchmark
<b>GROWTH ASSETS</b>	<b>0%</b>
Australian shares	0%
International shares	0%
Property	0%
Unlisted equity	0%
Infrastructure	0%
<b>DEFENSIVE ASSETS</b>	<b>100%</b>
Cash/Interest bearing securities	100%
Australian fixed interest	0%
International fixed interest	0%
Absolute return funds	0%



### Primary return objective

To earn an annual rate of return that is greater than the UBS Bank Bill Index.

### Risk objective

Negative monthly returns are generally not expected.

### Strategy

Invests in cash and short term interest bearing securities. Investments are more stable than in Equity Plus or Balanced with low risk of capital loss, but also a low potential for higher investment returns over the long term.

# Other things you should know about investments

## Understanding TransPension's crediting rates

### What are crediting rates and how do they work?

At the end of each financial year, investment earnings are applied to your pension account.

Investment earnings are also applied during the year if you:

- switch investment options
- make a withdrawal (other than your pension payments) from your pension account or transfer your pension to another fund
- transfer all or part of your pension account balance to another division of the Fund.

Crediting rates are based on the investment earnings for each investment option (adjusted for estimated tax, investment management fees and other costs).

Crediting rates can be positive or negative depending on investment performance.

Crediting rates are declared monthly for each investment option. Interim crediting rates are updated on a weekly basis. The Trustee reserves the right to declare crediting rates more or less often.

Current crediting rates can be viewed at [www.transpension.com.au](http://www.transpension.com.au) or by contacting us on 1800 222 071.

### Crediting rate adjustments

We recognise that errors may sometimes occur in the calculation of crediting rates.

Where we find an actual error has been made in respect of your account or benefits, the amount will be adjusted to reflect the actual rate, provided that the adjustment is considered to be material. An amount is generally considered to be material if the adjustment is at least 0.3% of your account balance. The Trustee may apply a lower threshold at its discretion. In the case of exited members, the Trustee may apply a fixed dollar minimum before it pays compensation. The fixed dollar minimum is currently \$20.

### How are monthly crediting rates calculated?

Monthly crediting rates are declared for each investment option.

These crediting rates are based on the investment earnings for each month, taking into account estimates for tax, investment management fees and other fees.

The crediting rates for the month of June are generally reviewed to take account of any difference between estimates for taxes and fees and actual tax and fees incurred by the Fund during the year, once those taxes and fees are known. This is to ensure that TransPension's net assets cover members' total account balances at the end of the financial year (30 June). The June crediting rates are usually declared in August each year.

The Trustee reserves the right to change any monthly crediting rate. Monthly crediting rates may be positive or negative because they depend on the performance of investments held in each investment option.

### How are interim crediting rates calculated?

Interim crediting rates are based on estimated investment earnings for the period since the last monthly crediting rates, taking into account estimates for tax and fees.

For the Balanced and Equity Plus options, the estimated investment earnings are calculated using the benchmark asset allocation for each investment option and movements in market indices (e.g. Australian and overseas share markets) from the beginning of the month.

During 2011, the performance calculations supplied by the Fund's custodian may change. This will enable the Fund to replace the use of benchmark allocations and market indices with actual performance returns for some investment managers.

For the Cash Plus option, actual investment earnings are normally available and updated on a weekly basis.

For any investment option, for periods when market indices are not available or, in the case of the Cash Plus option, when the unit prices or the investment performance figures of the underlying investments are not available (e.g. when setting an interim crediting rate in advance for the first week of a new month), a cash rate (e.g. the AFMA rate) may be used in the calculations.

When the monthly (final) crediting rates are declared for each option, they replace the monthly interim crediting rates.

Interim crediting rates may be positive or negative because they depend on the performance of investments held in each investment option.

For more information about crediting rates, visit [www.transpension.com.au](http://www.transpension.com.au).

### **Investment switches, withdrawals and transfers**

Investment earnings are also applied to your pension account when you switch investment options, make a withdrawal or transfer any of your pension account balance to another division of the Fund during the year. In any of these events, the crediting rate(s) applicable at the time the transaction is processed is used to calculate investment earnings based on the amount switched, withdrawn or transferred.

Crediting rates may be positive or negative because they depend on the performance of investments held in each investment option.

If you switch investment options before the final crediting rate for June is declared (usually August), investment earnings will be applied to your pension account at the time of the switch. In addition, when the final crediting rate for June is declared, investment earnings will be recalculated and applied to your pension account if the final June crediting rate is different to the interim June crediting rate. The investment earnings applied may be positive or negative.

All investment option switches, withdrawals and transfers are processed using the crediting rates for the relevant investment option(s) since the previous 1 July or the last investment option switch, withdrawal or transfer, whichever is later.

Investment earnings to be applied to your switch, withdrawal or transfer are calculated on a daily pro-rata basis by applying the relevant monthly crediting rates for the investment option(s) your money was invested in.

If you are leaving the Fund, the monthly crediting rates (as at the date of payment) for the investment options your account is invested in are applied to your account on a daily pro-rata basis up to the date your benefit is paid from the Fund.

### **Our investment philosophy**

Our investment philosophy is to enhance the benefits available to members by seeking to maximise the returns on assets without exposing the assets to unnecessary risk.

### **Investment objectives**

The Equity Plus and Balanced options both have a performance objective based on expected returns compared with inflation. The Cash Plus option has an investment return objective based on expected returns relative to a short term cash rate.

All three options also have a risk objective relating to the expectation of negative returns. These risk objectives are based on historical data and should not be considered to be guarantees. Just because a negative return occurs in one year does not mean it will be followed by a positive return in the next year.

In setting the overall objectives, we ensure that the objectives contain quantifiable and measurable performance targets, including defined timeframes and ways of measuring whether the objectives have been met.

However, we recognise that the nature of most investments is such that these objectives are intentions only and may not be achieved in any particular timeframe. The goal will be to achieve the investment objectives as frequently as possible.

### **Investment strategy**

Each investment option has an investment strategy to achieve the stated objectives. The strategy includes the selection of a long term mix of investments (asset classes), called a strategic asset allocation, that supports the option's objectives. These strategic asset allocations are chosen after considering professional advice and we believe that the chosen strategies give the investment options a reasonable chance of meeting their objectives. However, there is no guarantee that a particular objective will be met over a particular period.

The current benchmark strategic asset allocation for each investment option is shown in the summary table on **page 24**. Please note that the mixes of investments making up the benchmarks may change from time to time.

### **Sector specialist approach**

We appoint specialist managers to invest assets in each sector (or asset class). Often, more than one manager is appointed in an asset class to provide diversification.

For example, a number of managers may be appointed to manage Australian shares and different managers appointed for international shares. Because no single investment manager is likely to be among the best in more than one asset class, investment options involving a number of asset classes will typically be managed by a range of different managers.

### **Choosing and monitoring investment managers**

We receive professional advice on the selection and ongoing review of investment managers, including the monitoring of their performance against investment objectives.

We may remove, replace or add investment managers from time to time.

## Actual asset allocation

Over time the Trustee reviews the benchmark strategic allocation of its investment in various asset classes. The Trustee reserves the right to vary the strategic asset allocation at its discretion without prior notice to members. We will, however, communicate with members regarding material changes. The actual asset allocation will vary from year to year. The Trustee reserves the right to vary the actual asset allocations for all or any of the investment options without prior notice.

In response to changing investment markets, over a period of time starting on 1 July 2009, the Fund's default Balanced investment option is being adjusted to a short term tactical asset allocation of up to 80% in growth assets and 20% in defensive assets.

This adjustment allows the Fund to take advantage of investments that offer attractive returns on a risk-adjusted basis, without changing the long term strategic asset allocation of the Balanced option. As at September 2010, the Balanced option has a short term tactical asset allocation of 77% in growth assets and 23% in defensive assets. The long term strategic asset allocation of the Balanced option remains as 75% in growth assets and 25% in defensive assets (see page 24).

In October 2010, the Trustee resolved to gradually sell down all of the longer term credit rated securities held in the Cash Plus portfolio over the next 12 months. While the exposure to these credit rated securities has been the main reason for the strong investment performance of the Cash Plus option over the last two years, this adjustment is being made to address changing market conditions and to better align the risk/return profile of the Cash Plus option with member expectations. It is the intention of the Trustee to re-name the investment option 'Cash' once all these credit rated securities are sold. The Trustee will keep members advised of these developments.

The actual asset allocation as at 30 June 2010 is detailed in TransPension's 2010 Annual Report which is available at [www.transpension.com.au](http://www.transpension.com.au).

## Changes to our investment options

We may add new investment options, remove existing investment options or alter any investment option from time to time.

Members will be informed of these changes if they are judged to be material.

## Reserves

The Fund can hold reserves due to the rounding of the earning rates credited to each member's account at 30 June each year and year end adjustments. The Trustee also maintains a reserve of \$250,000 as required by its RSE Licence.

The Board has deemed it prudent to establish an Operational Risk Reserve (ORR), which is designed to protect members' investments against adverse events, resulting from failed processes or systems, or external events, such as fraud. The Cooper Review into superannuation recommended that all superannuation funds establish an ORR. The Board has decided to act upon this recommendation in advance of any potential legislative changes.

TWUSUPER has set a target ORR reserve equal to 0.75% of assets. The reserve will be built up over a period of approximately 5 years.

## Use of derivatives

We do not undertake day-to-day investment of derivative instruments (such as futures or options).

External investment managers may use derivatives in:

- managing individual investment portfolios for the Trustee
- pooled funds in which we invest
- rebalancing the asset mix of the Equity Plus and Balanced investment options closer to their benchmark asset mix.

Derivative investments are not used for borrowing, leveraging or speculative purposes.

There are limits on the amount of derivatives that can be used in individual investment portfolios, which are stated in the Investment Management Agreements with the managers. Each manager that uses derivatives has a Derivative Risk Statement that describes the risks and controls in place.

We receive regular reports of each manager's compliance with their Derivative Risk Statements.

The Trustee has adopted a Derivative Risk Statement in which the management of derivatives is described.

## Socially Responsible Investment (SRI)

We take environmental, social and ethical considerations (SRI Considerations) into account when deciding whether to buy, hold or sell investments. We have informed all existing investment managers that it expects a responsible approach to investment to be taken which includes environmental, social and ethical considerations. We do not take labour standards into account.

Our SRI Considerations policy will be taken into account in appointing new investment managers and, where otherwise appropriate, in investing in new collective investment schemes. Decisions about SRI Considerations will be delegated to such investment managers and scheme trustees. We have no predetermined view about what they regard as environmental, social or ethical considerations and will take account of SRI Considerations they become aware of, but only to the extent that they financially affect the long term performance of the investment.

The Fund is a signatory to the United Nations' Principles for Responsible Investment (UNPRI). The UNPRI provides a framework of global standards, recognising the direct link between environmental, social and governance practices and investment performance. The principles include voluntary actions related to investment decision-making, active ownership, transparency and collaboration. The investment managers will report to the Fund on their SRI Considerations on an ongoing basis. Our approach in respect of an investment which no longer adheres to its policies on SRI Considerations will be determined on a case-by-case basis.

## Making your decision

Choosing the right investment strategy for your pension account is extremely important.

Your choice needs to be based on your individual objectives, financial circumstances and needs.

In this section, we cover the things you should think about before selecting your initial investment strategy or making a change to your investment options.

We recommend that you consider whether you need financial advice before making an investment decision.

Some points you may wish to consider before making your choice:

- the level of risk you are comfortable with
- your investment timeframe
- whether you have any investments outside of your pension and if they are growth or defensive assets
- if you haven't already retired, how much longer you intend to earn an income.

### Who can make an investment choice

You can make an investment choice as long as you hold a minimum of \$1,000 in your pension account.

To nominate your investment options when you join TransPension, complete the investment options section in your *Membership application* form.

### You do not have to make an investment choice

If you do not make an investment choice, your pension account will be automatically invested in our Balanced investment option.

## How much risk are you comfortable with

All investments involve some level of risk, which is the chance that the return from your investment will be different from the return you expect. Because some investment options are more volatile than others (often depending on the mix of growth and defensive assets), having a choice of investment options helps you control the level of risk you are comfortable with.

Investing in defensive assets also carries potential risks over the long term, in particular, the risk that your investment will not keep up with inflation.

If your pension account does not grow as fast as inflation, it will lose its buying power and you may end up with a smaller nest egg than you expect.

### Your investment timeframe

If you have a long investment timeframe, then you may want to consider investments that have a high proportion of growth assets. With time on your side, you might feel that you can afford to ride out the inevitable ups and downs of investment markets, in the expectation of higher long term returns.

On the other hand, if you have a short timeframe and it is important for you to avoid short term falls in the value of your pension account, a more conservative, defensive approach may be better.

Remember that any investment choice you make should be based on your own objectives, financial circumstances and needs.

### Different investment fees apply to each investment option

Each investment option is managed by professional investment managers. Their fees, which are included in the investment management fees section (see page 17), vary between investment options.

### Changing your investment strategy

TransPension allows you to switch your investment options weekly, free of charge.

If your pension is a long term investment (as it is for most people), you should view your investment strategy over the long term.

Consider your options before changing your investment strategy in reaction to negative returns or short term investment performance.

It's important to note that changing your investment strategy can have a big impact on your pension account balance over the long term. You should seek financial advice before making any change to the way your pension account is invested.

### You can switch your investment options in two ways:

- log in to *MemberAccess* at [www.transpension.com.au](http://www.transpension.com.au) and change your investment options online
- complete a *Changing your investment option(s)* form. Download a copy at [www.transpension.com.au](http://www.transpension.com.au) or call us on 1800 222 071.

If we receive your completed form by 5pm on a Friday, or you complete your switch online before midnight on a Friday, your investment choice will normally be effective on the following Wednesday. We will send you a letter confirming your switch. You can switch investment options up to once a week. If you try to make more than one switch in the same week, only the last switch request received before that week's deadline will apply.

When you switch investment options, investment earnings will be credited or debited to your account using the relevant monthly crediting rates on the effective date of the switch (see page 25).

Crediting rates can be positive or negative depending on investment performance.

### A warning about investment switches

It's important to know that, generally, you lock in investment gains or losses for the financial year-to-date on the part of your account that is switched between investment options.

See page 25 for more information about how TransPension calculates and applies investment returns or visit [www.transpension.com.au](http://www.transpension.com.au) for worked examples.



# 6

## Tax and social security

This section explains the tax and social security rules that apply to your pension.

Understanding how tax and your pension work together can help you make the most of your retirement savings.

This section is a guide only and assumes that you are an Australian citizen for tax purposes.

Tax can be complicated, so we recommend you talk to a professional adviser if you have questions about tax and need advice about your personal finances.

### Tax if you are 60 or over

If you are 60 or over, your initial deposit, investment earnings and pension payments are all tax free.

You do not need to report your pension payments, pension investment earnings or lump sum withdrawals in your tax return. Please turn to page 32.

# Tax if you are under 60

If you are under 60, pension income (your pension payments) will be reportable in your personal income tax return.

We will send you a payment summary at the end of each financial year, which you will need to help you to complete your tax return.

## Tax concessions

The amount of tax you pay on your pension payments may be reduced by a number of tax concessions.

### The tax free threshold

If your total income, including the taxable component of your payments from TransPension, falls below the tax threshold of \$6,000, then you will not pay any tax on your pension payments.

To receive these tax concessions you must meet the pension payment rules described on page 12.

### A 15% tax offset

You are generally entitled to a tax offset of 15% on the taxable component of your pension payments if you are 55 or over or if you are totally and permanently disabled.

### The tax free component of your pension

If you are under age 60, tax will be deducted from your pension payments. These payments are made in proportion to the amount of money held in your tax free and taxable components.

The tax free component includes voluntary contributions made from your post tax income and the part (if any) of your superannuation benefit that accrued before 1 July 1983.

The tax free component of your pension payments is calculated as a percentage of your opening pension account balance. This percentage does not change over time.

If you are under 60, your pension payments will be classified as pay-as-you-go (PAYG) income by the ATO.

We therefore request that you complete a Tax File Number Notification Form when you join TransPension.

## Example

John is aged 56 at 1 July 2010, with a super account balance of \$60,000. His tax free component is \$15,000 (25%) and \$45,000 (75%) is taxable.

If John decided he wanted to move \$10,000 of his \$60,000 into a pension, 75% of each pension payment would be taxable and 25% would be tax free.

John's pension payments will continue to be taxed in this way until his 60th birthday, when all payments become tax free.

## Tax when you move money into a pension account

You don't generally pay lump sum tax when you move your super from your regular super account into a superannuation pension account. This tax is only payable when your money is withdrawn from the superannuation system.

If your superannuation contains an untaxed component (post June 1983), then tax will apply to this amount.

## Tax on your investment earnings

Investment earnings on your pension are tax free (this includes any capital gains).

You do not need to declare these investment earnings in your tax return.

## Tax if we don't have your Tax File Number (TFN)

If we don't have your TFN on record, tax will be deducted from your pension payments at the highest marginal income tax rate (45%) plus 1.5% Medicare Levy.

### Why we need your TFN

Under the *Superannuation Industry (Supervision) Act 1993*, your superannuation fund is authorised to collect your TFN, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. We may disclose your TFN to another superannuation provider when your benefits are being transferred, unless you request in writing that your TFN not be disclosed to any other superannuation provider.

It is not an offence not to quote your TFN.

However, giving your TFN to your superannuation fund will have the following advantages:

- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits
- it will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

### Tax on lump sum withdrawals

Lump sum payments are tax free if you are aged 60.

If you are under age 60 and meet a condition allowing you to make a lump sum withdrawal (see page 15), your withdrawal will be taxed in proportion to your tax free and taxable components.

The taxable component of your withdrawal will be taxed at the following rates:

#### Lump sum tax rates

Age	Taxable Component
Up to 55	20%
55-59 (up to \$160,000)	Nil
(over \$160,000)	15%
60 or over	Nil

The lump sum tax rates shown in the above table are for the taxed element of the taxable component and assume you have supplied TransPension with your TFN.

Lump sum tax rates do not include the Medicare Levy (1.5%) which is payable. Different tax rates are payable on the untaxed element of the taxable component.

The tax free limit shown in the age 55-59 row of the table above is indexed from 1 July each year to Average Weekly Ordinary Time Earnings (AWOTE) in increments of \$5,000.

The \$160,000 limit is a lifetime limit applicable to all superannuation payments made after you reach your preservation age.

### Tax when you transfer your pension

You pay no tax when you transfer your TransPension account balance to another Australian complying super fund or to another division of the Fund.

You also pay no tax if you close an existing pension in your name for the purpose of creating a new pension with additional money (see page 10).

### Tax on death benefits

If you die while you are a member of TransPension, your pension will be taxed based on the age of the recipient (see page 34).

#### If your pension is paid to a reversionary beneficiary - Option 1

If you are aged 60 or over when you die, pension payments to a reversionary beneficiary, regardless of their age, are tax free.

If you are under the age of 60 when you die and your reversionary beneficiary is 60 or older, their pension payments will generally be tax free.

If you and your reversionary beneficiary are under the age of 60, the benefit will be taxed as follows:

Your age at death	Your tax free component	Your taxable component
Under 60	Tax free	Taxed at a beneficiary's marginal tax rate minus the 15% tax offset

#### If your pension is paid as a lump sum - Option 2

The tax a beneficiary will pay will depend on whether or not they are classified as your 'dependant' (see page 35):

Is your beneficiary a dependant?	Your tax free component	Your taxable component
Yes	Tax free	Tax free
No	Tax free	Taxed at 15% plus 1.5% Medicare Levy

# How does a superannuation pension affect the Age Pension and Centrelink benefits?

Under Australia's Social Security system, you may be entitled to Government benefits including the Government Age Pension in addition to your superannuation pension.

By taking out one of our pensions you may qualify for an increase in your Age Pension and be entitled to associated travel and health concessions. On the other hand, the amount of pension payments you receive may reduce your social security entitlements.

The rules governing social security are complex and the following information is of a general nature only.

## The Age Pension

To qualify for the Australian Government's Age Pension, you are assessed under the following two Centrelink tests. The test that results in the lowest pension amount is used to determine the value of the Age pension payments (if any) you receive from the Government.

### Assets test

Your TransPension account balance is considered an asset under the Assets test. Other assets you have may also be counted. Account balances are re-evaluated by Centrelink every six months or each year if you have elected to receive pension payments annually. Check with your financial adviser or Centrelink for more information.

### Income test

Generally, regular payments from your account, less a deduction for the non-assessable amount are counted as income under the Income Test. The deduction for the non-assessable amount is calculated by dividing your pension's purchase value by your unrounded life expectancy.

Please note that if you make a nomination for your spouse to receive a reversionary pension, the deductible amount for Centrelink income test purposes may change.

We recommend you discuss your personal circumstances with your financial adviser or Centrelink before investing in a superannuation pension.

Contact Centrelink on 13 23 00 or go to [www.centrelink.gov.au](http://www.centrelink.gov.au).



# 7

## Other information

Other things you should know before you join TransPension.

### What happens if you die?

If you die while you are a member of TransPension, you may leave behind what is called a death benefit. This term refers to any money that is left in your TransPension account at the time of your death.

You can choose for your death benefit to be paid to your beneficiaries in one of two ways.

The Trustee makes the final decision about who receives your death benefit and how it is paid.

### Option 1:

#### Reversionary pension

You can nominate for your death benefit to be paid as a pension to your surviving spouse or other eligible person.

This is known as a reversionary pension and the person you nominate to receive it is known as a reversionary beneficiary. You can only nominate one person to receive a reversionary pension.

**Spouse** includes your husband or wife or a person (whether of a different sex or the same sex) who, although not legally married to you, lives with you on a genuine domestic basis as your husband or wife.

Other eligible people include a child (normally under the age of 18).

If you select this option, TransPension will continue to pay your pension to your spouse or other eligible person unless it is unable to do so (e.g. if your spouse dies before you). Your reversionary beneficiary retains the

right to draw down any unused money as a lump sum.

If you are aged 60 or over when you die, pension payments to a reversionary beneficiary will be tax free, regardless of the age of the recipient.

If you are under 60 when you die, pension payments will be taxed at the recipient's marginal tax rate (less any tax free amount and pension rebate), unless or until they are 60 or over.

Nominating your pension to be paid to your reversionary beneficiary on your death also has implications for the Centrelink Income test.

See page 33 for more information.

See page 32 to understand how death benefits are taxed.

The Trustee makes the final decision about who receives your benefit and how it is paid.

### Choosing a reversionary beneficiary

An income stream (pension) can only be paid to your spouse or dependant.

In the case of a child, it cannot commence to be paid to a child over 18 years unless they are financially dependent on you (in which case, an income stream can be paid up to age 25) or the child suffers a disability of a kind described in subsection 8(1) of the *Disability Services Act 1996* (in which case, there is no age limit).

### Option 2:

#### Lump sum

You can nominate for your death benefit to be paid to a dependant.

A **dependant** is defined as:

- your spouse (see previous section)
- your child (including a step child, adopted child, ex-nuptial child or child of your spouse)
- any other person who was wholly or partially financially dependent on you at the time of death
- any other person with whom the Trustee considers you had an interdependency relationship at the time of your death.

An **interdependency relationship** is a relationship where two persons:

- have a close personal relationship
- live together
- 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, or one or each of them provides the other with support and care of a type and quality normally provided in a close personal relationship, rather than by a mere friend or flat mate.

If the two persons have a close relationship but do not meet the other criteria listed above because:

- either one or both of them suffer from a disability, or
- they are temporarily living apart they will still be regarded as having an 'interdependency relationship'.

An 'interdependency relationship' is not one where one person provides domestic support and personal care to the other either:

- under an employment contract or a contract for services, or
- on behalf of another person or organisation such as a Government agency, body corporate or a benevolent or charitable organisation.

If you have no dependants, the Trustee will pay your benefit to your legal personal representative (your 'Estate'). If you also have no legal personal representative, the Trustee has the discretion to pay your benefit to some other person, such as a relative.

You can nominate more than one beneficiary.

While you can nominate your beneficiaries, the Trustee makes the final decision about who receives your benefit and how it is paid.

TransPension will take into account your nominated dependant's wishes when deciding whether to pay your death benefit as a lump sum or income stream.

See page 32 to understand how death benefits are taxed.

### If you do not nominate a beneficiary

If you do not nominate a beneficiary to receive your death benefit, the Trustee will pay the balance of your pension to your surviving dependants or to your estate.

### Changing your beneficiaries

It is very important that you keep your beneficiaries up to date if your circumstances change.

Changing your reversionary beneficiary may affect your deductible amount for Centrelink income test purposes.

Your nomination can be changed at any time by downloading a *Change member details* form from [www.transpension.com.au](http://www.transpension.com.au) or by calling us on 1800 222 071.

### If we lose touch with you

Please ensure that your contact details and banking details remain up to date at all times.

If your pension payments are rejected and we cannot contact you using the personal contact details you have provided, we may transfer your benefit to an Eligible Rollover Fund.

### TransPension does not provide you with insurance cover

TransPension does not provide members with insurance cover.

If you are considering a Transition to Retirement Pension and you or your employer are still contributing to super, our other divisions can provide you with death, terminal illness and total and permanent disablement (TPD) cover, depending on your age. Go to [www.twusuper.com.au](http://www.twusuper.com.au) or call us on 1800 222 071 for more information.

## Important notes

Your pension payments cannot be split with your partner to reduce tax.

Your pension is not exempt from Centrelink's asset test.

Just like any other super account, you cannot have a pension account in joint names.

## Cooling off period

If you apply to join TransPension, you have a 14-day cooling off period during which you can cancel your membership and obtain repayment of your investment.

The cooling off period starts on the earlier of:

- the day you receive confirmation of your membership of TransPension
- five days after you become a member of TransPension.

If you wish to exercise your rights of cooling off, you must do this in writing to the Trustee, addressed to:

The Fund Administrator  
Locked Bag 5042  
Parramatta NSW 2124

If you cancel your application during the cooling off period, the refund of your investment will be adjusted to reflect any investment earnings (positive or negative) on your selected investment option(s), any Government taxes and charges paid by TransPension on your behalf and reasonable administrative or transaction costs incurred while your investment was held with TransPension.

The cooling off period ceases immediately if you exercise a right under TransPension during the 14 days, such as electing to change your investment options or receiving a pension payment.

## Protecting your privacy

Your personal information that we collect is used to:

- process your application and requests
- administer your account and provide you with benefit options
- correspond with you in relation to your super account, benefits and options
- pay your benefits
- conduct research about how to improve our services and products.

We may arrange to provide other services to you. These services may include information on other products.

We may arrange for a financial planner to contact you to offer to assist you with your financial planning in relation to your superannuation.

We may arrange for a service provider or the Australian Tax Office (ATO) to cross match your personal details with other superannuation funds to help locate any other superannuation accounts in your name.

If you choose not to give us your personal information or provide us with incomplete or inaccurate personal information, we may not be able to provide you with all the benefits of membership and may not be able to process your claim or pay the benefit.

Unless required or authorised by law, we will only provide your personal information to authorised advisers, service providers or Government agencies that use the information to administer your account and provide services to you or to the Trustee relating to your TransPension account.

You are able to gain access to your personal information or get a copy of our Privacy Policy by contacting us on **1800 222 071**. In doing so, you can correct any personal information that may be incorrect.

## Enquiries and complaints

Most queries can be answered over the telephone by contacting us on **1800 222 071**, but depending on the type of issue involved, you may be asked to put your query in writing.

If you have a complaint about the services we provide, please contact TransPension's Complaints Officer by:

- calling **1800 222 071** and making the complaint verbally to the Complaints Officer
- putting the complaint in writing, writing 'Notice of Complaint' on the envelope and addressing it to:  
The Complaints Officer  
TransPension  
Locked Bag 5042  
Parramatta NSW 2124

The Trustee prefers written complaints, marked as such, as it helps to better deal with the complaint.

By law, we are required to have in place arrangements to properly consider and deal with complaints within 90 days.

If you are not satisfied with the outcome, or the matter cannot be resolved, you may be able to refer the matter to the Superannuation Complaints Tribunal (SCT). The SCT is an independent Government body which was set up to help resolve disputes between super funds and their members. Complaints must be lodged with the SCT within certain time limits.

The SCT will not deal with a matter until it is satisfied that the complaint:

- has already been made to TransPension through its complaints procedures
- is not subject to litigation in court
- does not relate to the general management of TransPension
- is not about the distribution of death benefits, where the beneficiaries have been notified of how the money is to be distributed but have not objected within 28 days of being notified.

For more information, you can contact the SCT on 1300 884 114 or write to:

Superannuation Complaints Tribunal  
Locked Bag 3060  
Melbourne VIC 3001

If your complaint relates to a breach of privacy, you can contact the Commonwealth Privacy Commissioner on 1300 363 992.

### Monitoring enquiries

The Trustee may, at its discretion, monitor or record enquiries or dealings made by telephone. This is done for reasons of accuracy, security and service.

### Information you can request

As well as sending you regular information and answering your questions (see page 5), the Trustee will provide you with further information or documents on written request, including the Fund's:

- trust deed
- latest annual report
- latest audited accounts
- privacy policy statement
- risk management plan, and
- enquiries and complaints procedures.

If you would like to see or receive copies of any of these documents free of charge, please call us on 1800 222 071 or visit [www.transpension.com.au](http://www.transpension.com.au).

### When we will ask you for ID

TransPension requires proof of identity before we make benefit payments to members.

Pension payments are considered to be benefit payments, so you are required to provide us with certified proof of your identity when you establish your pension.

We may also ask you for additional identification from time to time.

The Trustee has certain reporting obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*. The legislation prevents the Trustee from informing members that any such reporting has taken place. Where legally obligated to do so, the Trustee may disclose the information gathered to regulatory and/or law enforcement agencies, including the Australian Transaction Reports and Analysis Centre (AUSTRAC), banks, service providers or other third parties.

### Direct marketing

From time to time, TransPension may send members direct marketing material (including marketing material by third parties), about special offers and promotions that are available only to members of TransPension.

If you do not want TransPension to use your personal information to send you direct marketing material by post or by email, then please call us on 1800 222 071. You can also choose to opt out of receiving direct marketing material when you complete your Membership application form.

### Family law and your pension

Government legislation allows couples other than in Western Australia (whether of a different sex or the same sex) in a relationship that is registered under a law of a State or Territory as prescribed for the purposes of s22B of the *Acts Interpretation Act 1901* to make binding agreements or obtain orders from the Family Court, in respect of how each partner's super will be divided on marriage or relationship breakdown.

Your pension benefit may need to be adjusted to reflect any agreements or Court orders which may be binding on the Trustee. Splitting entitlements with your spouse will also affect the preserved components of your super and may have tax consequences.

You should seek professional advice as to the consequences that separation may have on your super and your pension.

Please note that, under the *Family Law Act*, the Trustee is required to provide certain information about a member's benefit in TransPension to eligible persons, where the information is required to negotiate a superannuation agreement or to assist with a Court order. For the purposes of the *Family Law Act*, an eligible person means a member, the spouse of a member, or a person who intends to enter a superannuation agreement with the member. In some instances, the law prevents us from telling you about enquiries made about your super by other eligible persons. We are also not legally allowed to give your home address to your spouse if it is requested.

TransPension will charge fees for the valuation and the splitting of superannuation accounts undertaken under the *Family Law Act*. These fees cover the administration expenses of providing information and splitting a benefit. See page 19 for details of these fees and how they are paid.

### You cannot borrow from TransPension

Under law, you cannot borrow money from TransPension or use your super as security for a loan from any form of lender. You also cannot give (or assign) your benefits in TransPension to someone else.



# 8

## Forms

1. *Membership application form*
2. *Request to transfer whole balance of superannuation benefits between funds (ATO rollover form and instructions)*

# Membership application

Use this form to apply for a Transition to Retirement Pension (if you are still working) or an Account Based Pension (if you are retired).

If you have any questions or need help completing this form, please call us on 1800 222 071.

Issued with a PDS

## Proof of identity

**By law, we have to confirm your identity before we can establish your pension. This protects your money against fraud or theft. A certified copy of one or more of these documents must be sent with your form:**

### A CERTIFIED COPY OF ONE OF THE FOLLOWING:

- photographic driver's licence
- passport (with English translation where appropriate)
- photographic proof of age card
- photographic national identity card (with English translation where appropriate)

**OR**

### A CERTIFIED COPY OF ONE OF THE FOLLOWING:

- birth certificate or birth extract (with English translation where appropriate)
- citizenship certificate issued by the Commonwealth or foreign government (with English translation where appropriate)
- pension card issued by Centrelink that entitles the person to financial benefits

**AND**

### A CERTIFIED COPY OF ONE OF THE FOLLOWING (SHOWING YOUR NAME AND CURRENT RESIDENTIAL ADDRESS):

- notice issued by the Commonwealth, State or Territory Government within the last 12 months which records the provision of financial benefits (eg, a Government assistance payment)
- notice issued by the Australian Tax Office within the last 12 months which records a debt payable or refund due (eg, a Notice of Assessment)
- notice issued by a local council or utility provider within the last 3 months (eg, a rates notice from your local council)

## 1. Type of pension (Please tick one box)

Account Based Pension    OR     Transition to Retirement Pension

## 2. Your details (Please use CAPITAL LETTERS and a black pen)

Surname										Mr Mrs Miss Ms Dr			
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<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>				<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>									
Suburb/Town/City								State			Postcode		
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Telephone number						Mobile number							
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>						<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>							
Date of birth						Sex M/F							
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Email address													
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## 3. Tax file number declaration

Pension payments are classified as income by the Australian Taxation Office (ATO).

If you are under 60 years of age, please complete and attach an ATO tax file number declaration form. You can request a copy by calling us on **1800 222 071**.

- I am under 60 and I have attached a completed ATO tax file number declaration form.
- I am under 60 and I have not attached a completed ATO tax file number declaration form.  
I understand that my pension payments will be taxed at the highest marginal tax rate plus the Medicare Levy until I provide an ATO tax file number declaration form to TransPension.
- I am over 60 and do not need to complete an ATO tax file number declaration form.

## 4. Residency declaration

Please tick the box that applies to you.

I declare that:

I am an Australian citizen, New Zealand citizen or permanent resident of Australia.

OR

I am not an Australian citizen, New Zealand citizen or permanent resident of Australia.

If you ticked the second box above, please call us on **1800 222 071** before completing this form.

## 5. Investing your pension

Your pension will be 100% invested in the Balanced option unless you nominate otherwise. You can choose one, two or a combination of the three investment options listed below.

We recommend that you seek professional advice before you choose an investment strategy for your pension.

Please invest my TransPension balance as follows:

Equity Plus  % + Balanced  % + Cash Plus  % = TOTAL  100%

## 6. Pension payments

The Australian Government has set a **minimum** limit on the pension payments you must take each year.

A **maximum** payment limit also applies to transition to retirement pensions.

Before you complete this section, please see the 'Pension payments' section of your Member Guide for information about pension payment dates and calculating your personal payment limits. Please note that annual Transition to Retirement Pension payments cannot be made in July or August.

### A. How often would you like to receive your pension payments?

Twice-monthly  Monthly  Quarterly  Half-yearly  Annually

### B. When would you like your payments to start?

On the next standard payment day after my application is processed.

OR

On the next standard payment day after

/

/

(specify date).

### C. Please pay:

The **minimum** allowed percentage of my account balance

The **maximum** allowed under government rules (if you are applying for a Transition to Retirement Pension)

Please pay:

(A) 10% of my account balance

OR

(B) the lower pro-rata equivalent payment amount, for a part-year period

The following amount which is within government limits \$

Multiply the amount you want paid each period by the number of periods in each year to give the annual figure (e.g. \$1000 paid twice-monthly = \$1000 X 24 = \$24,000).

### D. Which investment options would you like your pension payments to be drawn from?

If your pension is invested in one investment option, you don't need to complete this section.

If you don't specify the investment options you want your pension payments drawn from, they will be drawn in the same proportions as the investment options you chose in Section 5.

Please draw my pension payments in the following proportions:

Equity Plus  % + Balanced  % + Cash Plus  % = TOTAL  100%

### E. Bank account details

Name of account holder (must be in your name or a joint account to which you are a party)

Name of financial institution

Name of branch location

BSB number

Account number

## 7. Nominate your beneficiaries

See the 'Other things you should know' section of your Member Guide for more information about choosing beneficiaries and payment of a death benefit.

### Option 1 – Paid to your surviving spouse or other eligible person as a reversionary pension

Upon my death, I elect for my surviving spouse or other eligible person (nominated below) to continue to receive my pension.

Please note limits on eligibility apply to a child over 18 years old.

Surname																			Mr Mrs Miss Ms Dr	
Given names																				
Street number			Street name																	
Suburb/Town/City											State			Postcode						
Telephone number					Mobile number															
Date of birth			Sex	M/F	Relationship (eg spouse)															

### Option 2 – Paid to a surviving dependant as a lump sum or pension

Upon my death, I elect for any remaining pension account balance to be paid, at the discretion of the Trustee, to my surviving spouse or dependant as nominated below.

Each nominated person must be your dependant – meaning your spouse, child or other wholly or partially financially dependent person or other person with whom you have an interdependency relationship. The Trustee will take your nominated dependants' wishes into account when deciding to pay your benefit as a lump sum or an income stream.

1.

Surname																			Mr Mrs Miss Ms Dr
Given names																			
Street number			Street name																
Suburb/Town/City											State			Postcode					
Telephone number					Mobile number					How much?					%				
Date of birth			Sex	M/F	Relationship (eg spouse)														

2.

Surname																			Mr Mrs Miss Ms Dr
Given names																			
Street number			Street name																
Suburb/Town/City											State			Postcode					
Telephone number					Mobile number					How much?					%				
Date of birth			Sex	M/F	Relationship (eg spouse)														

You can nominate more beneficiaries. Attach a separate signed sheet with all of the information requested above. Make sure that the total allocation of your benefit adds up to 100%.

## 8. Funding your pension

I am starting my pension with money from an existing account with TWUSUPER (or other TWUSUPER division). **OR**  I am starting my pension with money from another super fund. Complete the *Request to transfer whole balance of superannuation benefits between funds* form, or arrange with your other super fund to transfer your benefits into TransPension.

Complete the information below.

Go to Section 10.

Your existing member number

Name of TWUSUPER contributing employer

Street/PO Box number

Street name

Suburb/Town/City

State

Postcode

### Transfer details

You must leave a minimum of \$5,000 in your TWUSUPER (or other TWUSUPER division) account when making a partial transfer.

Please fund my pension with a full transfer of my existing account (not available for Transition to Retirement Pensions), which will close my account. Note that your application may be delayed until all outstanding contributions in your name have been received from your employer and applied to your superannuation account.

Please transfer the maximum allowable amount to fund my pension and keep my existing super account open.

Please transfer the following dollar amount \$  to fund my pension.

**To start an Account Based Pension, your super must be classified as 'unrestricted non-preserved'. You must meet a condition of release for this to occur.**

Please complete the relevant section below (for Account Based Pensions only).

By ticking the relevant box below, you acknowledge that the relevant statement is true:

**A.**  I was between age 55 and 59 at the time of my retirement and I have permanently retired from the workforce. I do not intend to resume full time or part time work ever again.

*You must also complete a Statutory Declaration to verify this information. GO to Section 9.*

**B.**  I am aged 60 or older and I ceased employment either permanently or temporarily on or after age 60.

*You must also complete a Statutory Declaration to verify this information. GO to Section 9.*

**C.**  I am aged 65 or older.

**D.**  I have met another condition of release (such as Total and Permanent Disablement) and therefore my super is already classified as 'unrestricted non preserved'.

## 9. Statutory Declaration

Only complete this Statutory Declaration if you ticked A or B in Section 8.

This Statutory Declaration must be witnessed. See the list of the people who can witness your Statutory Declaration on page 6.

A person who intentionally makes a false statement in a Statutory Declaration is guilty of an offence, the punishment for which is imprisonment for a term of 4 years – see Section 11 of the *Statutory Declarations Act 1959*. Chapter 2 of the Criminal Code applies to all offences against the *Statutory Declarations Act 1959* – see Section 5A of the *Statutory Declarations Act 1959*.

I (full name)

Occupation

of the address shown on page 1 of this form, declare under the *Statutory Declarations Act 1959* that the information provided by me in this form is true and correct. I understand that a person who intentionally makes a false statement in a Statutory Declaration is guilty of an offence under Section 11 of the *Statutory Declarations Act 1959* and I believe that the statements in this declaration are true in every particular.

Signature of person making the declaration (please sign here)

On

Declared at (place)

Witness official number or stamp affixed here

Before me (Signature of person before whom the declaration is made)

(Print name, qualifications and address of person before whom the declaration is made – refer to the list shown below)

## 10. Read and sign

- By completing and returning this form, I am applying to become a member of TransPension, a division of TWUSUPER, and agree to be bound by the terms of the trust deed, as amended from time to time, which governs the operation of the Fund.
- I declare that I have read the TransPension combined Financial Services Guide and Product Disclosure Statement.
- I declare that I accept responsibility for my choice of investment option(s) and acknowledge that the Trustee is not responsible for any inappropriate choice made by me.
- I understand that if I transfer my full superannuation benefits into TransPension, then any insurance cover I have with TWUSUPER (or another division) will cease and my account will be closed.
- The information that I have provided in this application is true and correct at the date of signing this application and I will notify the Trustee immediately if any of this information changes.

Signature (please sign here)

Date

### We respect your privacy

The *Other Information* section of your TransPension Member Guide explains how we collect, use and protect your personal information.

From time to time, TransPension may send members direct marketing material (including marketing material from third parties) about special offers and promotions which are available to members of TransPension only.

If you do not want TransPension to use your personal information to send you direct marketing material, please tick this box:

### Checklist

Use this checklist to make sure your application is complete.



- |   |   |
|---|---|
| <input type="checkbox"/> I have attached certified proof of my identity.              | <input type="checkbox"/> I have completed the Statutory Declaration (if required).                    |
| <input type="checkbox"/> I have completed all relevant sections of this form in full. | <input type="checkbox"/> I have attached a Tax File Number Notification form (if I am aged under 60). |

## Who can certify your identification documents?

All copied pages of your original proof of identification documents need to be certified as true copies. Below is a list of some of the people authorised to certify documents. For the complete list go to [www.transpension.com.au](http://www.transpension.com.au).

The person certifying documents must sight the original and the copy and make sure that both documents are identical, then certify all pages by writing or stamping 'certified true copy' followed by their signature, printed name, business hours telephone number, qualification (eg: justice of the peace, accountant etc), registration number (if applicable) and date.

- a TWUSUPER Client Relations Officer or other person with 2 or more continuous years of service with one or more organisations holding an Australian Financial Services Licence
- a person falling within any of the following categories:
  - police officer, Sheriff or Sheriff's officer
  - teacher employed on a full-time basis at a school or tertiary education institution
  - accountant who is a member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants
  - Judge, Registrar, Deputy Registrar, Master or Clerk of a court, Magistrate, Justice of the Peace or Bailiff
  - Minister of religion or Marriage celebrant registered under Subdivision A or C of Division 1 of Part IV of the *Marriage Act 1961*
  - Notary Public
- a person licensed under a current State or Territory law to practise in any of the following occupations:
  - chiropractor
  - dentist
  - legal practitioner
  - medical practitioner
  - nurse
  - optometrist
  - patent or trade marks attorney
  - pharmacist
  - physiotherapist
  - psychologist
  - veterinary surgeon

## Who can witness a Statutory Declaration?

A Statutory Declaration under the *Statutory Declarations Act 1959* may be made before:

- 1) a person who is currently licensed or registered under a current State or Territory law to practise in one of the following occupations:
    - chiropractor
    - dentist
    - legal practitioner
    - medical practitioner
    - nurse
    - optometrist
    - patent or trade marks attorney
    - pharmacist
    - physiotherapist
    - psychologist
    - veterinary surgeon
  - 2) a person who is listed on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described)
  - 3) a person who is in the following list:
    - agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public
    - bank officer with 5 or more continuous years of service
    - finance company officer with 5 or more years of continuous service
    - Justice of the Peace
    - member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the National Institute of Accountants
- Notary Public
  - permanent employee of the Australian Postal Corporation with 5 or more years of continuous service who is employed in an office supplying postal services to the public
  - police officer
  - teacher employed on a full-time basis at a school or tertiary education institution.

Any other person with authority in the State or Territory in which the declaration is made may also take the declaration.

For a full list of people who can witness your Statutory Declaration, please visit [www.transpension.com.au](http://www.transpension.com.au) or call us on 1800 222 071.



Send your completed form to: TransPension, Locked Bag 5042, Parramatta NSW 2124 or fax it to 1300 889 807.



# Request to transfer whole balance of superannuation benefits between funds under the Superannuation Industry (Supervision) Act 1993

**COMPLETING THIS FORM**

- Read the important information pages
- Refer to instructions where indicated with a
- This form is only for whole (not part) balance transfers.

**AFTER COMPLETING THIS FORM**

- Sign the authorisation
- Send form and certified proof of identity documents to either your **FROM** or **TO** fund.

## Personal details

Title: Mr  Mrs  Miss  Ms  Other

\*Family name

\*Given names

Other/previous names

\*Date of birth  Day  /  Month  /  Year

Tax file number

Under the Superannuation Industry (Supervision) Act 1993, you are not obliged to disclose your tax file number, but there may be tax consequences.

See 'What happens if I do not quote my tax file number?'

\*Gender Male  Female

\*Contact phone number

**Residential address**

\*Address

\*Suburb

\*State/territory  \*Postcode

**Previous address**

If you know that the address held by your **FROM** fund is different to your current residential address, please give details below.

Address

Suburb

State/territory  Postcode

## Fund details

**FROM**

\*Fund name

Fund phone number

Membership or account number

Australian business number (ABN)

Superannuation Product Identification Number (SPIN)

If you have multiple account numbers with this fund, you must complete a separate form for each account you wish to transfer.

**TO**

\*Fund name

\*Fund phone number

\*Membership or account number

Australian business number (ABN)

Superannuation Product Identification Number (SPIN)

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

## \*Proof of identity See 'Completing proof of identity'

I have attached a certified copy of my driver's licence or passport

**OR**

I have attached certified copies of both:

Birth/Citizenship Certificate or Centrelink Pension Card

**AND**

Centrelink payment letter or Government or local council notice (<1 year old) with name and address

## Authorisation

By signing this request form I am making the following statements:

- I declare I have fully read this form and the information completed is true and correct
- I am aware I may ask my superannuation provider for information about any fees or charges that may apply, or any other information about the effect this transfer may have on my benefits, and do not require any further information.
- If the **TO** fund is a self managed superannuation fund (SMSF), I confirm that I am a member, trustee or director of a corporate trustee of the SMSF.
- I discharge the superannuation provider of my **FROM** fund of all further liability in respect of the benefits paid and transferred to my **TO** fund.

I request and consent to the transfer of superannuation as described above and authorise the superannuation provider of each fund to give effect to this transfer.

\*Name (Print in BLOCK LETTERS)

\*Signature

\*Date  Day  /  Month  /  Year

\* Denotes mandatory field. If you do not complete all of the mandatory fields, there may be a delay in processing your request.



# Completing the request to transfer whole balance of superannuation benefits between funds form

By completing this form, you will request the transfer of the **WHOLE** balance of your superannuation benefits between funds.


This form can **NOT** be used to transfer part of the balance of your superannuation benefits.

This form will **NOT** change the fund to which your employer pays your contributions. The Standard Choice Form must be used by you to change funds.

## BEFORE COMPLETING THIS FORM

- Read the important information below.
- Check that the fund you are transferring your benefits **TO** can accept this transfer.

## WHEN COMPLETING THIS FORM

- Refer to these instructions where a question shows a message like this: 
- Print clearly in **BLOCK LETTERS**.

## AFTER COMPLETING THIS FORM

- Sign the authorisation.
- Attach the appropriately certified proof of identity documents.
- Review the checklist below.
- Send the request form to your fund.

## IMPORTANT INFORMATION

 This transfer may close your account (you will need to check this with your **FROM** fund).

### This form can **NOT** be used to:

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

## CHECKLIST

- Have you read the important information?
- Have you considered where your future employer contributions will be paid?
- Have you checked your **TO** fund can accept the transfer?
- Have you completed all of the mandatory fields on the form?
- Have you signed and dated the form?
- Have you attached the certified documentation including any linking documents if applicable?

## WHAT HAPPENS TO MY FUTURE EMPLOYER CONTRIBUTIONS?

Using this form to transfer your benefits will not change the fund to which your employer pays your contributions and may close the account you are transferring your benefits **FROM**.

If you wish to change the fund into which your contributions are being paid, you will need to speak to your employer about Choice. For the appropriate forms and information about whether you are eligible to choose the fund to which your employer contributions are made, visit [www.superchoice.gov.au](http://www.superchoice.gov.au) or call the Australian Taxation Office on **13 10 20**.

## THINGS YOU NEED TO CONSIDER WHEN TRANSFERRING YOUR SUPERANNUATION

When you transfer your superannuation, your entitlements under that fund may cease. You need to consider all relevant information before you make a decision to transfer your superannuation. If you ask for information, your superannuation provider must give it to you. Some of the points you may consider are:

- **Fees** – your **FROM** fund must give you information about any exit or withdrawal fees. If you are not aware of the fees that may apply, you should contact your fund for further information before completing this form. The fees could include administration fees as well as exit or withdrawal fees. Your **TO** fund may also charge entry or deposit fees on transfer. Differences in fees funds charge can have a significant effect on what you will have to retire on. For example, a 1% increase in fees may significantly reduce your final benefit.
- **Death and disability benefits** – your **FROM** fund may insure you against death, illness or an accident which leaves you unable to return to work. If you choose to leave your current fund, you may lose any insurance entitlements you have. Other funds may not offer insurance, or may require you to pass a medical examination before they cover you. When considering a new fund, you may wish to check the costs and amount of any cover offered.

## WHAT HAPPENS IF I DO NOT QUOTE MY TAX FILE NUMBER (TFN)?

You are not obligated to provide your TFN to your superannuation fund. However, if you do not provide your TFN, your fund may be taxed at the highest marginal tax rate plus the Medicare levy on contributions made to your account in the year, compared to the concessional tax rate of 15%. Your fund may deduct this additional tax from your account.

If your superannuation fund does not have your TFN, you will not be able to make personal contributions to your superannuation account. Choosing to quote your TFN will also make it easier to keep track of your superannuation in the future.

Under the *Superannuation Industry (Supervision) Act 1993*, your superannuation fund is authorised to collect your TFN, which will only be used for lawful purposes. These purposes may change in the future as a result of legislative change. The TFN may be disclosed to another superannuation provider, when your benefits are being transferred, unless you request in writing that your TFN is not to be disclosed to any other trustee.

## TRANSFERS TO SELF MANAGED SUPERANNUATION FUNDS

You may use this form to transfer your benefits to your own self managed superannuation fund (SMSF).

You should be aware that SMSFs are subject to the same rules and restrictions as other funds, when benefits are to be paid out. In particular, superannuation benefits in a SMSF are required to be 'preserved', meaning they are not generally able to be accessed until you are over age 55 and retired.

The trustee of your **FROM** fund may be able to request further information from you about your status as a member, a trustee or a director of a corporate trustee of your SMSF, if there are multiple transfer requests to your SMSF. Penalties may apply for providing false or misleading information.

## Completing proof of identity

You will need to provide documentation with this transfer request to prove you are the person to whom the superannuation entitlements belong.

### ACCEPTABLE DOCUMENTS

The following documents may be used.

#### EITHER

##### One of the following documents only:

- driver's licence issued under State or Territory law
- passport.

#### OR

##### One of the following documents:

- birth certificate or birth extract
- citizenship certificate issued by the Commonwealth
- pension card issued by Centrelink that entitles the person to financial benefits.

AND

##### One of the following documents:

- letter from Centrelink regarding a Government assistance payment
- notice issued by Commonwealth, State or Territory Government or local council within the past twelve months that contains your name and residential address. For example:
  - Tax Office Notice of Assessment
  - Rates notice from local council.

### HAVE YOU CHANGED YOUR NAME OR ARE YOU SIGNING ON BEHALF OF ANOTHER PERSON?

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

The following table contains information about suitable linking documents.

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

## CERTIFICATION OF PERSONAL DOCUMENTS

All copied pages of ORIGINAL proof of identification documents (including any linking documents) need to be certified as true copies by any individual approved to do so (see below).

The person who is authorised to certify documents must sight the original and the copy and make sure both documents are identical, then make sure all pages have been certified as true copies by writing or stamping 'certified true copy' followed by their signature, printed name, qualification (eg Justice of the Peace, Australia Post employee, etc) and date.

The following can certify copies of the originals as **true and correct** copies:

- a permanent employee of Australia Post with five or more years of continuous service
- a finance company officer with five or more years of continuous service (with one or more finance companies)
- an officer with, or authorised representative of, a holder of an Australian Financial Services Licence (AFSL), having five or more years continuous service with one or more licensees
- a notary public officer
- a police officer
- a registrar or deputy registrar of a court
- a Justice of the Peace
- a person enrolled on the roll of a State or Territory Supreme Court or the High Court of Australia, as a legal practitioner
- an Australian consular officer or an Australian diplomatic officer
- a judge of a court
- a magistrate, or
- a Chief Executive Officer of a Commonwealth court.

### WHERE DO I SEND THE FORM?

You can send your completed and signed form with your certified proof of identity documents to either fund.

#### MORE INFORMATION

For more information about superannuation, visit the:

- Australian Securities and Investments Commission website at [www.fido.asic.gov.au](http://www.fido.asic.gov.au), or
- Australian Taxation Office website at [www.ato.gov.au/super](http://www.ato.gov.au/super)

For more information about this form, phone the Australian Taxation Office on **13 10 20**.

This page has been left blank intentionally

## Product Disclosure Statement

The Fund is a public offer fund, and TransPension is open to anyone who has an amount from a superannuation fund, approved deposit fund or retirement savings account (or in certain limited circumstances, an employer termination payment) to invest. The minimum amount required to commence an investment in TransPension is \$10,000.

TransPension is managed on behalf of pensioners by TWU Nominees Pty Ltd (ABN 67 002 835 412), Australian Financial Services Licence (AFSL) No 239163, which is the trustee of TWUSUPER (ABN 77 343 563 307). TransPension is a division of TWUSUPER.

This Product Disclosure Statement ('PDS') provides in simple terms the main features, benefits, costs and risks of investing your money in TransPension, including the investment options available to you. This will help you to compare the benefits of TransPension with those of other funds offering similar products. It is an important document and should be read carefully.

This PDS also provides a guide to help you to make the decisions you need to make on joining, as well as details about:

- fees and charges applying to your pension
- recent investment performance
- other useful information.

TWU Nominees Pty Ltd is the issuer of this PDS and is referred to as 'Trustee', 'we' or 'us' throughout this PDS. The pension division of the Fund is referred to as 'TransPension'. Any reference to 'financial adviser' means a licensed, or appropriately authorised, financial adviser.

This PDS may be updated or replaced at any time, and you will be provided with the most up-to-date PDS on request, free of charge. If you are printing an electronic copy of this PDS, you must print all pages, including the application forms. A paper copy of this PDS can be obtained by calling TransPension on 1800 222 071. The information is general information only and does not take into account your individual financial objectives, financial situation or needs. Before acting on the advice, you should consider the appropriateness of the advice having regard to your objectives, financial situation and needs. We recommend that you seek professional advice if you need help in making any investment or financial decision.

The value of your investment in TransPension may rise and fall from time to time (as with any superannuation fund). Neither TWU Nominees Pty Ltd nor any person associated with it guarantees the investment performance of TransPension and its investment options.

The Fund, of which TransPension is a division, operates as a trust and is managed by a trustee company, TWU Nominees Pty Ltd.

The Fund is governed by a legal document called the trust deed which includes a set of governing rules. The trust deed provides for the rights, benefits and obligations of all of the Fund's members, as well as the rights, duties and obligations of the Trustee. If there is any disagreement between the trust deed and this PDS, the trust deed will be the final authority. By being a member of TransPension, you will be bound by the terms of the trust deed. The trust deed requires the Trustee to comply with the Superannuation Industry Supervision Legislation (SIS) which governs superannuation funds. Compliance with SIS means the Fund is eligible for concessional taxation treatment.

As circumstances change, it may be necessary for the trust deed to be amended. The Trustee can amend the trust deed at any time. However, no amendment made can reduce your TransPension account balance accrued up to the date of the amendment without your consent, unless the change is required or allowed by law. You will be advised, in writing, of the nature and effect of any amendment made to the trust deed.

The Board of the Trustee is made up of nine directors, being four directors from the Transport Workers' Union of Australia, who represent transport workers, and four directors nominated by the Australian Road Transport Industrial Organisation, who represent transport employers, as well as an independent chairman.

The Trustee is responsible for making sure:

- your rights and interests as a member are protected in accordance with the terms of the trust deed

- benefits are paid accurately and at the correct time
- TransPension's assets are invested properly
- the overall operation of the Fund is conducted in accordance with the trust deed and relevant legislation.

Professional independent advisers, such as investment managers, consultants, lawyers and auditors, are appointed by the Trustee to help it fulfil its responsibilities. Details of these advisers are set out in the annual report. Advisers' fees are paid from the Fund as an expense.

The Fund has a process in place for dealing with enquiries and complaints. Additional help may also be available to members through the Superannuation Complaints Tribunal (SCT).

For more information, you can contact the SCT on 1300 884 114 or write to:

The Secretariat  
Superannuation Complaints Tribunal  
Locked Bag 3060, Melbourne VIC 3001

Information in this PDS is subject to change from time to time. Certain information that is not materially adverse may be updated without issuing a supplementary PDS. Updated information can be obtained free of charge from TransPension on 1800 222 071 or the Fund's website at [www.transpension.com.au](http://www.transpension.com.au). A paper copy of the updated information will be available free of charge on request.

## Financial Services Guide

**TWU NOMINEES PTY LTD. ABN 67 002 835 412, AFSL No 239163, as Trustee of TWUSUPER (ABN 77 343 563 307) TransPension is a division of TWUSUPER.**

**Contact Details:**  
**Locked Bag 5042, Parramatta, NSW 2124**  
**Telephone: 1800 222 071**

**Financial Services Guide (FSG)**  
**Issued 27 November 2010**

**SPIN: TWU0003AU**

The purpose of this FSG is to assist you in deciding whether to use the financial services provided by TWU Nominees Pty Ltd ('TWU Nominees') in relation to superannuation interests in TWUSUPER ('The Fund') or any other superannuation fund.

This FSG provides information on:

- the services we offer employers, potential members and members
- any remuneration or commission which we, our employees, or anyone else may receive in relation to the financial services offered
- any potential conflict of interest we may have in providing the financial services
- our internal and external dispute resolution procedures, should a member have a complaint, and how to access them.

TWU Nominees is a holder of an Australian Financial Services Licence (AFSL). Under its AFSL, TWU Nominees is licensed to provide the following financial services:

- to provide general financial product advice in respect of superannuation. This means that TWU Nominees and its representatives (where permitted by TWU Nominees) are authorised to provide general financial product advice to employers, potential members and members about superannuation, and
- to deal in superannuation products. This means that TWU Nominees and its representatives (where permitted by TWU Nominees) are authorised to issue, apply for, acquire, vary or dispose of interests in superannuation funds and, in particular, interests in the TransPension division of the Fund (TransPension).

TWU Nominees is the trustee of the Fund, a public offer superannuation fund. TWU Nominees acts in its capacity as trustee of the Fund when it provides these financial services to employers, potential members and members. TWU Nominees holds professional indemnity insurance cover that satisfies the requirements for compensation arrangements as required by the *Corporations Act 2001*.

The Fund's account based income stream ('pension') benefits are available through TransPension. The non-pension divisions of the Fund also provide for employers to meet their superannuation obligations by contributing to the Fund, and allow members of the public to join and contribute to the Fund for their retirement.

In providing you with general financial product advice, we may also be required to provide you with a Product Disclosure Statement ('PDS'). This is because we are proposing that you become a member of TransPension. We need to give you all the information you need to know about becoming a member of TransPension, including the fees and charges that you will incur and the rights and obligations you have by becoming a member of TransPension. All this information is contained in the Product Disclosure Statement part of the Combined FSG and PDS.

When TWU Nominees and its employees provide you with general financial product advice, they do not receive any remuneration (such as commission) or other benefits for providing this advice to you.

The amount of salary the employee may receive is not linked in any way to the financial services provided or any decision made by an employer, potential member or member in respect of the financial services provided, such as any general financial product advice received. For example, the employee who provides general financial product advice does not receive any benefit if you decide to become a member of TransPension.

The Fund's external service providers may pay incentives to their staff for services provided to TransPension members.

Advice may be received about TransPension from, or interests in TransPension may be sold to members by, financial advisers who are not engaged by us. These persons may receive remuneration or commission for the financial service they provide to employers or members. However, they are required to give a Financial Services Guide which must disclose the level of remuneration or commission they may receive. TWU Nominees does not pay commission or pay other benefits to third parties for referring customers to us.

Except where TransPension's external service providers pay incentives to some of their staff, no fee or commission is payable to TWU Nominees, its Directors, employees or third parties when an interest in TransPension is issued (or when the interest is otherwise dealt with). The only benefit TWU Nominees receives for managing TransPension is a fee equal to the directors' fees that it pays to its directors. The costs and expenses of operating the Fund are paid out of the Fund itself. Details of the costs and expenses of operating TransPension and how these costs and expenses are recouped, such as by way of fees debited to member accounts, are set out in the Product Disclosure Statement.

TWU Nominees and its representatives do not have any associations or relationships with other entities or persons which may influence the financial services it provides. All the services that TWU Nominees provides are provided in TWU Nominees' capacity as trustee of the Fund and, accordingly, this will have some influence on the financial services we provide.

If there is a complaint about the services we provide, you should contact TransPension's Complaints Officer by:

- calling 1800 222 071 and making the complaint verbally to the Complaints Officer
- putting the complaint in writing, writing 'Notice of Complaint' on the envelope and addressing it to:

The Complaints Officer, TransPension, Locked Bag 5042, Parramatta NSW 2124

The Trustee prefers written complaints, marked as such, as it helps to better deal with the complaint. If you wish to make a verbal complaint, it must be made to the Complaints Officer on 1800 222 071.

By law, we are required to have in place arrangements to properly consider and deal with complaints within 90 days of receipt. An address to which the response can be mailed should be included. If the outcome is not satisfactory, or the matter cannot be resolved, the matter may be taken to a special government body called the Superannuation Complaints Tribunal (SCT). Any complaints must be lodged with the SCT within certain time limits. Further information about requirements and time limits can be obtained by calling the SCT on 1300 884 114. Any queries about any of the issues raised above should be directed to TransPension on 1800 222 071.

# Need help with super? We can come to you



**Rodney Nyols**

We offer our members one-on-one help with their super, for free.

Our Client Relations Team can answer your questions in person, on the phone or at your workplace.

#### Call our Client Relations Team direct:

*NSW, ACT*

**Michael Galey**

☎ 02 9912 0730 ☎ 0408 303 611  
✉ Michael\_Galey@twusuper.com.au

**Rodney Nyols**

☎ 02 9912 0710 ☎ 0417 213 063  
✉ Rodney\_Nyols@twusuper.com.au

*VIC, SA, TAS, NT*

**Stephen Shelton**

☎ 03 9635 5962 ☎ 0417 203 820  
✉ Stephen\_Shelton@twusuper.com.au

**Lou Stepanoski**

☎ 03 9635 5963 ☎ 0408 294 937  
✉ Lou\_Stepanoski@twusuper.com.au

*QLD, WA*

**Yvonne Jones**

☎ 07 3324 0487 ☎ 0418 218 655  
✉ Yvonne\_Jones@twusuper.com.au

#### Feel like you need to talk to someone?

The odds are that you know someone who is struggling with depression, anxiety, mental health or relationship problems. Sometimes it helps to just know that someone is listening. For confidential and anonymous help call:

**Lifeline 13 11 14**

**beyondblue 1300 22 4636**

**Mensline 1300 78 9978**

For general enquiries, 8am to 8pm weekdays

**Call 1800 222 071**

To manage your super online,  
visit [www.transpension.com.au](http://www.transpension.com.au)

TransPension  
Locked Bag 5042  
Parramatta NSW 2124



**TransPension**

→ Low fees → Run only to benefit members → No commissions