

# ANNUAL REPORT

to Members for the Year Ending 30 June 2012



## EmPlus

ABN 18 838 658 991 RSE Registration Number R1067880

This Annual Report should be read in conjunction with your Annual Benefit Statement for the year ended 30 June 2012. Together, they form your annual periodic statement.

Issued by the Trustee of EmPlus, Equity Trustees Limited

ABN 46 004 031 298

AFS Licence No 240975

RSE Licence No L0003094

RSE Registration Number R1067880



emplus<sup>™</sup>  
intelligently packaged super

This report is issued by the Trustee of the Fund, Equity Trustees Limited ABN 46 004 031 298 AFS Licence No 240975 RSE Licence No L0003094. Neither Equity Trustees Limited, any investment manager nor other service provider to the Fund guarantees the investment performance of any investment offered or the repayment of capital. Investment in the Fund is subject to investment risk including loss of income and capital invested. The information provided in this report is in accordance with the requirements of the Corporations Act 2001. The information is of a general nature only and has been prepared without taking account of your investment objectives, financial situation and needs. Before making any investment decisions in relation to the Fund you should consider obtaining professional financial advice from an appropriately licensed or authorised financial adviser.

The report contains reference to an internet facility for interactive access to information by members and a website for information about the Fund provided by the Administrator, Millennium3Financial Services Pty Ltd. The Trustee is not the provider of these facilities and therefore can not accept any responsibility for the provision of the services.

Whilst all due care has been taken in the preparation of this report, the Trustee reserves the right to correct any errors or omissions.

The terms of your membership in the Fund are set out in the Fund's trust deed. Should there be any inconsistency between this report and the Fund's trust deed, the terms of the Fund's trust deed will prevail.

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## *Greeting from your Trustee*

Equity Trustees Limited (the Trustee) is pleased to present the Annual Report for EmPlus (the Fund) for the year ending 30 June 2012.

This report provides you with information on the Fund's progress throughout the year, along with details of the Fund's financial position, its investment objectives and performance, and other issues relevant to your membership of the Fund.

The Taxation and Superannuation section of this report also includes updated taxation information, including revised benefit tax information. There have also been a number of important changes either introduced or proposed, and these are discussed in the Taxation section. These include:

- Monitoring contribution caps
- Reduction of tax concession on contributions for incomes above \$300,000
- Government Low Income Support Contribution (LISC)
- Superannuation Threshold for 2012/13 financial year

The General Information section of this report discusses important changes and announcements in relation to:

- Superannuation Guarantee
- Government co-contribution

Take the time to read this report as it will help you in increasing your understanding of how your Fund, and superannuation in general, works towards building an asset for your retirement. Should you have any questions regarding your participation in the Fund, please contact the Administrator, whose details can be found in the Directory at the back of this Report.

## How Your Fund Operates

### About EmPlus

The Fund is set up as a trust and is governed by a legal document called the Trust Deed. The Fund is run by the Trustee, Equity Trustees Limited, a professional trustee company whose sole purpose is to act as trustee of superannuation funds. The Fund is a "Regulated Fund" under the Superannuation Industry (Supervision) Act 1993.

At 30 June 2012, Fund membership was more than 30,000 and Fund assets were in excess of \$101 million.

### Trustee & the issuer of this report

The Trustee (Equity Trustees Limited) is responsible for the prudent management of the Fund and for ensuring that the Fund operates in accordance with the Trust Deed and the relevant legislation. Equity Trustees Limited is also the issuer of this report.

EmPlus commenced on 30 September 2005, at which time the Trustee was Equity Trustees Limited. There has been no change of Trustee during the period covered by this Report.

Directors are appointed in accordance with the Trustee's constitution. The Directors of the Trustee during the year to 30 June 2012 were:

- Mr J A (Tony) Killen OAM (Chairman)
- Mr David F Groves (Deputy Chairman)
- Mr Robin B O Burns (Managing Director)
- Mr John R McConnell  
(Resigned 28 October 2011)
- Ms Alice J M Williams
- The Hon Jeffrey G Kennett AC
- Ms Anne M O'Donnell
- Mr Kevin Eley  
(Appointed 25 November 2011)

Other than as disclosed above, no other Directors of the Trustee have been appointed or resigned during the 2011/12 financial year.

### Trustee indemnity insurance

The Trustee has taken out Professional Indemnity insurance to protect it from liability that may be incurred in carrying out its duties as Trustee. The policy does not provide cover arising out of the

committing of any dishonest or fraudulent act or any knowing or wilful violation of any statute or any wilful breach of any duty.

### Approved Guarantee

The Trustee satisfies its capital requirements under section 29 DA (3) of the Superannuation Industry (Supervision) Act through an Approved Guarantee in the sum of \$5 million.

A copy of the Approved Guarantee is available for review at our offices.

### Related party disclosures

The Trustee and related parties do not have any interest in any service provider or investment managers engaged by the Fund.

The Trustee receives remuneration in its capacity as trustee of this fund and other superannuation funds on an arm's length and commercial basis.

### Trustee Statements in relation to the year ending 30 June 2012

#### Compliance Statement

The Trustee intends to operate the Fund at all times as a complying superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS Act). Compliance with the SIS Act entitles the Fund to receive concessional tax treatment. The Trustee is unaware of any events that could jeopardise the Fund's complying status and has not had any penalties imposed under Section 38A of the SIS Act.

#### Trust Deed

The overall operations of the Fund are governed by a legally binding document known as the Trust Deed. The Trust Deed as amended from time to time, sets out who can join the Fund, how monies are received and invested, how benefits are paid to Members, and other details on how the Fund must operate.

You can obtain a copy of the Trust Deed and the amendments made thereto free of charge by contacting the Administrator, whose details can be found in the Directory at the back of this Report.

## Policy Committees

Where an Employer group in the Fund has more than 49 Members, there is a requirement that a Policy Committee be formed.

A Policy Committee is made up of an equal number of Member-appointed and Employer-appointed persons, who collectively act as a link between the Trustee, the Members, and the Employer. Members of the Fund are invited to nominate candidates for the applicable number of Member-appointed representatives, and a secret ballot is held when there are more nominations than there are vacancies. The employer will nominate Employer-appointed representatives, in equal numbers to the number of Member-appointed representatives. There are restrictions in relation to who can serve on a Committee, and these details, along with all other relevant information is provided at the time when nominations are sought. These details are also available upon request from the Administrator.

The main role of the Committee is to facilitate the flow of information between the Trustee and the Members – for example, the Committee can let the Trustee know the views and needs of the Members. It is not the role of the Committee to set the Employer's superannuation policy, nor is it the role of the Committee to set or advise on investment strategies.

If your Employer group has a Policy Committee, details are provided in your Annual Benefit Statement, showing details of the Policy Committee as at 30 June 2012.

## What we do to keep you informed

At least once every year the Trustee will provide you with the following information in writing:

Member's Annual Benefit Statement - details about your account, your benefits, and a summary of transactions over the last year. This will be posted to your mailing address after the end of each financial year.

Annual Report - this will provide you with details about the Fund, its operation, and its performance. Please note that the

Annual Report will, by default, be provided electronically. The Annual Report is available from the website. This can be accessed by visiting **www.emplus.com.au**. However, you may elect to have a hard copy, or electronic copy, sent to you free of charge. If you elect to have a hard copy or electronic copy of the annual report sent to you, the Trustee will for each subsequent financial year/reporting period, send you a hard copy/electronic copy until you advise that this is no longer required. If you require any further information, contact the Fund Administrator on 1800 336 911.

During the year, you can keep up to date with your Fund:

- by visiting the Administrator's web site – **www.emplus.com.au**
- by using MySuperSolution– the Administrator's internet facility for interactive access
- by contacting the Administrator or Fund Enquiries and Complaints Officer (see the Directory at the back of this report)

Members may also obtain or view the following information upon written request to the Trustee:

- copy of the Annual Return provided to the Australian Prudential Regulation Authority
- copy of the Auditor's Report
- copy of the latest audited accounts
- risk management plan
- provisions of the Trust Deed which relate to your membership.

In addition you may request information from the Trustee in order to:

- understand any benefit entitlements that you may have or used to have;
- understand the main features of the Fund;
- make an informed judgment about the management and financial condition of the Fund;
- make an informed judgment about the investment performance of the Fund; and
- understand the particular investments of the Fund.

You can obtain forms, a copy of this Annual Report, investment updates (including updates to Investment Fund PDS for investment options which provide access to named financial products or investment funds), and other general information via the Administrator's web site - [www.emplus.com.au](http://www.emplus.com.au).

If you have any questions regarding the Fund, its insurance, contribution and investment options, or your benefits, please contact the Administrator.

### What happens if you lose contact with this Fund?

The Superannuation Industry (Supervision) Act 1993 allows trustees to nominate an Eligible Rollover Fund (ERF). In special circumstances, the Trustee may transfer your accumulated benefit to an ERF without your permission. This usually occurs if you cannot be located at the address recorded on the administration system.

If you have left employment and have not instructed the Trustee to pay your benefit to you or to another superannuation fund, the Trustee may pay your benefit to the ERF after 90 days. If you have left employment and the Trustee is satisfied that you have not received the last Annual Benefit Statement at your last known address, the Trustee may pay your benefit to the ERF. Once your benefit is transferred to the ERF, you cease to be a member of EmPlus and instead become a member of the ERF and subject to its governing rules. Any insurance cover you may have had in EmPlus will cease.

In an ERF, the administration fees deducted directly from your account cannot exceed investment earnings allocated to that account (called "member protection"). However, your benefit can reduce due to negative earnings and taxes. The ERF has different fees and costs and investments to EmPlus and does not provide insurance cover.

The Trustee has nominated the Public Eligible Rollover Fund ("PERF") as the ERF to which it will make payments under these circumstances. The postal address of the

PERF is PO Box 398 North Sydney NSW 2059, and they can be contacted by telephone on 1300 659 799. If your account balance is transferred to the PERF:

- you will cease to be a member of EmPlus;
- you will become a member of PERF and be subject to its governing rules. You should refer to the PERF product disclosure statement (PDS) for details of its features;
- fund earnings credited or debited to your account will vary depending on the balance of your account and the crediting rate declared by the trustee of PERF; and
- a different fee structure will apply. PERF is required to "member protect", that is administration charges cannot exceed investment earnings in a reporting period. You should refer to the PERF PDS for details of the fees which may apply.

If the PERF holds your current contact details, you will be provided with a Product Disclosure Statement (PDS) for the PERF outlining the operational and membership details of that fund. If you would like more information about the PERF, contact the PERF Fund Administrator (contact details above) for a PDS.

If, as a result of losing contact with you, you are classified as a 'lost' member for the purposes of the SIS Act, the Trustee is also required to report your details to the Australian Taxation Office's Lost Member Register. You can search the Lost Member Register to locate lost benefits by visiting [www.ato.gov.au](http://www.ato.gov.au).

### Payment of small and insoluble lost accounts to unclaimed monies

From the 2011/12 financial year, superannuation funds are required to transfer to the ATO lost accounts which have balances less than \$200 or which have been inactive for 5 years and for which there are insufficient records to identify the owner of the account, to unclaimed monies.

Former holders of these lost accounts will still be able to reclaim their money from the ATO at any time. Other circumstances in which

account balances are currently paid to the ATO (as unclaimed monies) include when a member reaches age 65 and cannot be found by a fund trustee, or when a member dies and the trustee cannot ensure the benefit is received by the person entitled to receive the benefit.

## Investment News

### How your Fund invests

Your Fund provides members with a choice of 24 different investment options, including options that invest across a range of asset classes, and options that invest in just the one asset class.

If you do not make a choice, your investment will be placed in the default option - 100% in the m+ LifeStages option.

### About the Investment Options

The Fund offers two styles of investment which aim to meet your investment needs:

- Diversified options with assets spread across a number of investment sectors
- Sector options which allow you to control your exposure to specific asset sectors

Members may select any combination of the investment strategies, from just one up to a maximum of any twenty-four of the options available, and there is no minimum amount of money that you must have in any particular option.

EmPlus uses the expertise of an asset consultant, Millennium3 Financial Services Pty Ltd ('Millennium3'). This means that members do not have the burden of researching, monitoring, and reviewing the whole spectrum of investment companies. Millennium3 performs this task for you, and seek to appoint the best investment managers for each option.

### Changing your investment options

Members can nominate anything from one to twenty-four of the investment options and you can change your investment options at any time

by notifying us in writing, as many times as you like during the year. There is no fee for changing your investment options but the units for some options do have a difference between the Buy and Sell price. The Sell price applies when you switch out of an investment option. The Buy price applies when you switch into an investment option. Buy/Sell prices are determined weekly unless circumstances arise in which the Trustee determines that unit pricing should be deferred or suspended. Some more information about unit pricing is provided later in this report. To find out more about your investment options and any buy/sell margin that may apply, see the Product Disclosure Statement. You can obtain the Product Disclosure Statement and an Investment Nomination Form, by contacting the Administrator on 1800 336 911. Up to date unit prices are available from [www.emplus.com.au](http://www.emplus.com.au).

You can update your investment choices at any time by:

- sending us an investment nomination form (available from [www.emplus.com.au](http://www.emplus.com.au) or by contacting the Administrator);
- changing your allocation on-line with our internet facility called MySuperSolution (see page 44 of this report for more details).

Investments are switched at the prices applicable for the week in which the switch is processed. Our time standard for investment switches is 5 days from receipt of the completed and valid request.

### Derivatives

The Trustee has never invested directly in derivatives and does not intend to do so. However, consistent with superannuation industry practice, the underlying investment managers utilised by the Millennium3 PST may use futures, options and other derivative instruments to assist with the effective management of the Fund's assets. However these instruments may not be used to gear the portfolio. Derivatives may be used to enhance returns on the Fund's assets, improve liquidity in some asset classes and control risk.



## Investment Commentary

*Note: Past performance is not a reliable indicator of future performance. Investment earnings can be positive or negative.*

*(This commentary is provided by the Fund's Asset Consultant, Millennium3 Financial Services Pty Ltd (ABN 61 094 529 987, AFS Licence No. 244252) ('Millennium3'). The information provided is for general use only. Millennium3 warns that (a) Millennium3 has not considered any individual person's objectives, financial situation or particular needs, and (b) individuals should seek advice and consider whether the advice is appropriate in light of their goals, objectives and current situation. Before making any decision about whether to invest in a financial product, individuals should obtain and consider the relevant disclosure document. Whilst all reasonable care has been taken to ensure the accuracy of information provided, Millennium3 does not accept responsibility for any inaccuracy or for investment decisions or any other actions taken by any person on the basis of the information included.*

## 2011/2012 Financial Year in Review

The 2011/2012 financial year was characterised by regular ups and downs in economic and financial markets. It was a year dominated by concerns about Europe and whilst Australia fared much better than Europe and the US, the global nature of modern financial markets meant local industries and investments, including superannuation, were not immune from the after-effects.

The first three months of the financial year were the worst, with the ASX 200 slumping by 13%, recording a decline of over 11% for the entire 12-month period. The US share market rose by 3.1% in the twelve months to June, with the Australian dollar falling by some 7% over the course of the year.

Economic growth across individual states and sectors within Australia was fairly uneven for most of the financial year. Unsurprisingly, the mining, financial and professional industries, particularly in Western Australia, were some of the primary drivers for economic growth.

Over the course of 2011/2012, the Reserve Bank of Australia (RBA) lowered the official cash rate by a total of 1.25%. The official cash

rate at 30 June 2012 was 3.50%, offering a 1% reprieve to mortgage holders compared to the same time last year. However, growth in the domestic housing market remains subdued.

Market volatility is being driven by economic uncertainty which is likely to be weighing heavily on investors' minds, causing them to swing between deep pessimism and cautious optimism. Europe's debt crisis continued, with the focus of concern turning from Greece to the Spanish banking sector. Emergency funding has continued to Greece and a European Union Summit in June took the significant step of establishing a mechanism to lend direct assistance to European private banks in need of support.

In the US, there have been signs of recovery in unemployment and housing activity, tempered by concerns about the so-called 'fiscal cliff' – a requirement to make large cuts to the federal budget unless the US Government can pass new legislation on its debt and spending limits.

Economic growth in China slowed to a more sustainable pace again in 2011/2012. Falling demand from key trade partners in Europe and the US led the government to take measures to encourage greater domestic expenditure, including its first cut to official interest rates since 2008. The impact of this drop in demand was also felt in neighbouring Asian countries.

*Please note that the investment commentary above is of a general nature only and relates to the broader investment market for the period ending 30 June 2012. Decisions about your investments are important and should not be made without first obtaining advice from an appropriately licensed or authorised financial adviser that takes into account your personal circumstances and needs.*

## The Investment Options in Detail

### SECTOR OPTIONS

#### m+ International Equities - Growth

##### Objective

Provide a long term capital appreciation at a level in excess of the MSCI World (ex Aust) Index in AUD.

##### Strategy

The Manager aims to identify key global economic and social trends and then to select stocks that will benefit from these trends. Currency exposures are actively managed.

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

##### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	98%
Property Securities	0%
Inf. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	2%
Other	0%
	<b>100%</b>

##### Specialist Investment Managers

MFS International (UK) Limited

### SECTOR OPTIONS

#### m+ International Equities – Thematic

##### Objective

Provide a long term capital appreciation at a level in excess of the MSCI World (ex Aust) Index in AUD.

##### Strategy

The Manager aims to identify key global economic and social trends and then to select stocks that will benefit from these trends. Currency exposures are actively managed.

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

##### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	94%
Property Securities	0%
Inf. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	6%
Other	0%
	<b>100%</b>

##### Specialist Investment Managers

Zurich Investments

## SECTOR OPTIONS

### m+ International Equities – Index (Hedged)

#### Objective

To match the total return of the MSCI World ex Aust Index (with net dividends reinvested) hedged to AUD before fees and expenses.

#### Strategy

The Manager employs optimisation techniques to produce a sample representation of the index. The performance of the fund should therefore replicate the index over the long term.

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	100%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	0%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

Vanguard Investments Australia Ltd

## SECTOR OPTIONS

### m+ International Equities – Index (Unhedged)

#### Objective

To match the total return of the MSCI World ex Aust Index (with net dividends reinvested) before fees and expenses.

#### Strategy

The Manager employs optimisation techniques to produce a sample representation of the Index. Accordingly the performance of this fund should approximate the index over the long term.

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	100%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Aust Fixed Interest & Cash	0%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

Vanguard Investments Australia Ltd

## SECTOR OPTIONS

### m+ International Equities – Emerging Markets

#### Objective

To provide long term capital growth from a portfolio of stocks from emerging stock markets with an objective of exceeding the performance of the MSCI Emerging Markets Free Index with net dividends reinvested, in AUD.

#### Strategy

The manager focuses on identifying stocks which are relatively under valued and have a healthy free cash flow.  
The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	91%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	9%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

Aberdeen Asset Management Limited

## SECTOR OPTIONS

### m+ International Equities – Long/Short

#### Objective

Provide capital growth over the long term by investing in undervalued investments around the world. The return should exceed the MSCI World ex Aust Index in AUD with net dividends reinvested.

#### Strategy

The manager adopts an absolute return focus for this fund in an effort to minimise capital losses. In this style the manager can take significant country and stock decisions away from the index and also take 'short' positions on individual stocks or indices.  
The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	71%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	29%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

Platinum Investment Management Limited

## SECTOR OPTIONS

### m+ Global Smaller Companies Shares

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed the S&P/Citigroup GEI BMI <US\$2 billion (ex Australia) Index), over periods of five years or more.

#### Strategy

This option invests predominantly in a diversified portfolio of international small companies through a mix of managers, in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	97%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Aust Fixed Interest & Cash	3%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

OnePath Funds Management Limited (Optimix)

## SECTOR OPTIONS

### m+ Global Shares

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed the MSCI World Index excluding Australia (A\$ Unhedged), over periods of five years or more.

#### Strategy

This option invests predominantly in a diversified portfolio of international shares through a mix of managers, in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	98%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	2%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

OnePath Funds Management Limited (Optimix)

## SECTOR OPTIONS

### m+ Australian Equities - Growth

#### Objective

To out perform (after costs) the S&P/ ASX 200 Accumulation Index over the medium to long term.

#### Strategy

To invest in a portfolio of Australian listed securities with an emphasis on large stocks which display a growth bias. Typically, this portfolio will outperform the general market in a rising market.

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	87%
International Shares	0%
Property Securities	1%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	13%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

BT Financial Group

Schroders Investment Management Australia Limited

## SECTOR OPTIONS

### m+ Australian Equities - Value

#### Objective

To outperform (after costs) the S&P/ ASX 300 Accumulation Index over the medium to long term.

#### Strategy

To invest in a portfolio of Australian listed securities with an emphasis on identifying securities which are undervalued. Typically this style fund will outperform the general market in a falling market.

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	88%
International Shares	4%
Property Securities	1%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	4%
Other	4%
	<b>100%</b>

#### Specialist Investment Managers

Perpetual Limited

Investors Mutual Limited

## SECTOR OPTIONS

### m+ Australian Equities – Index

#### Objective

To match the return (before costs) of the S&P / ASX 300 Index.

#### Strategy

The Manager uses optimisation techniques to replicate the Index. Accordingly the gross performance of this fund over time should closely match the performance of the index.

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	93%
International Shares	0%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	7%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

Vanguard Investments Australia Ltd

## SECTOR OPTIONS

### m+ Australian Equities – Small Companies

#### Objective

Provide a long term return (comprising largely of capital growth) in excess of the S&P / ASX Small Ordinaries Accumulation Index.

#### Strategy

The portfolio is actively managed to provide a diversified exposure to small and mid cap stocks which possess potential for superior growth..

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	86%
International Shares	0%
Property Securities	6%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	8%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

Ausbil Dexia Limited

## SECTOR OPTIONS

### m+ Australian Shares

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Accumulation Index, over periods of five years or more.

#### Strategy

This option invests in an actively managed, diversified portfolio of Australian and international shares through a mix of managers, in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Australian Shares	98%
International Shares	0%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Aust Fixed Interest & Cash	2%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

Arnhem Investment Management
Ausbil Dexia Limited
Barclays Global Investors
Hyperion Asset Management
OnePath Funds Management Limited
Orion Asset Management
Tyndall Investment Management Limited

## SECTOR OPTIONS

### m+ Global Property

#### Objective

To outperform (after costs) the UBS Global Real Estate Investors (ex Aust) Total Return Index in AUD over rolling 3 year terms.

#### Strategy

To invest in a globally diversified portfolio of property securities hedging out the currency exposure. The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	0%
Property Securities	98%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	2%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

Ironbark Asset Management Pty Limited
OnePath Funds Management Limited (Optimix)



## SECTOR OPTIONS

### m+ Australian Property Securities

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed the S&P/ASX 300 Property Trusts Accumulation Index, over periods of five years or more.

#### Strategy

This option invests predominantly in a diversified portfolio of Australian property securities through a mix of managers, in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	0%
Property Securities	99%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Cash	1%
Other	0%
	<b>100%</b>

#### Specialist Investment Managers

OnePath Funds Management Limited (Optimix)

## SECTOR OPTIONS

### m+ Diversified Fixed Income

#### Objective

To provide a return comprising largely of income (after costs) that exceeds the UBS Australian Composite Bond Index (All Maturities) over periods of 3 years or more.

#### Strategy

The Managers actively manage a diversified portfolio of Australian and international defensive assets across cash and fixed interest markets. DDH Graham targets higher returns by investing in a combination of interest rate and credit derivative strategies.

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time

#### Asset Allocation @ 30/06/2012

International Shares	0%
Australian Shares	0%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	40%
Aust Fixed Interest & Cash	60%
	<b>100%</b>

#### Specialist Investment Managers

DDH Graham Limited

Macquarie Investment Management Limited

OnePath Funds Management Limited

Vanguard Investments Australia Ltd

## SECTOR OPTIONS

### m+ Australian Fixed Interest

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed the UBS Australian Composite Bond Index (All Maturities), over periods of three years or more\*.

#### Strategy

This option invests predominantly in a diversified portfolio of Australian fixed interest securities through a mix of managers. The Fund is actively managed in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Aust Fixed Interest & Cash	100%
Australian Shares	0%
International Shares	0%
Property Securities	0%
Inf. Linked Bonds	0%
Inter'l Fixed Interest	0%
	<b>100%</b>

#### Specialist Investment Managers

Aberdeen Asset Management  
Western Asset Management

## SECTOR OPTIONS

### m+ Enhanced Cash

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed the UBS Australian Bank Bill Index, over periods of one year or more\*.

#### Strategy

This option invests predominantly in a diversified portfolio of cash and money market securities through a mix of managers. The Fund is actively managed in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Aust Fixed Interest & Cash	99%
Inter'l Fixed Interest	1%
Australian Shares	0%
International Shares	0%
Property Securities	0%
Inf. Linked Bonds	0%
	<b>100%</b>

#### Specialist Investment Managers

Aberdeen Asset Management  
OnePath Funds Management Limited

## SECTOR OPTIONS

### m+ Cash

#### Objective

This option aims to provide total return (after costs) equivalent to the benchmark (UBS Bank Bill Index) over a 1 year period.

#### Strategy

An actively managed portfolio of high quality securities such as semi governments, bank bills and corporate promissory notes, providing a high level of liquidity and security.

The underlying trusts will be reviewed on a quarterly basis, and it is expected that the underlying managers may change from time to time.

#### Asset Allocation @ 30/06/2012

Australian Shares	0%
International Shares	0%
Property Securities	0%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Aust Fixed Interest & Cash	100%
	<b>100%</b>

#### Specialist Investment Managers

UBS Global Asset Management (Australia) Ltd

## DIVERSIFIED OPTIONS

### m+ High Growth

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that on average exceed inflation by at least 6.0% per annum, over periods of five years or more\*.

#### Strategy

This option invests in an actively managed, diversified portfolio of Australian and international shares through a mix of managers, in accordance with the OptiMix Manage the Managers investment process

#### Asset Allocation @ 30/06/2012

Australian Shares	41%
International Shares	34%
Property Securities	2%
Infl. Linked Bonds	0%
Inter'l Fixed Interest	0%
Aust Fixed Interest & Cash	11%
Other	12%
	<b>100%</b>

#### Specialist Investment Managers

OnePath Funds Management Limited (Optimix)

Vanguard Investments Australia Ltd

## DIVERSIFIED OPTIONS

### m+ Growth

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed inflation by at least 5.5% per annum, over periods of five years or more\*.

#### Strategy

This option invests predominantly in a diversified portfolio of Australian and international assets, through a mix of managers, with a strong bias towards growth assets. The Fund is actively managed in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Australian Shares	30%
International Shares	27%
Aust Fixed Interest & Cash	25%
Property Securities	3%
Inter'l Fixed Interest	3%
Other	12%
	<b>100%</b>

#### Specialist Investment Managers

OnePath Funds Management Limited (Optimix)  
Vanguard Investments Australia Ltd

## DIVERSIFIED OPTIONS

### m+ Balanced

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed inflation by at least 5% per annum, over periods of five years or more\*.

#### Strategy

This option invests predominantly in a diversified portfolio of Australian and international assets. The Fund is actively managed in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Australian Shares	27%
International Shares	24%
Aust Fixed Interest & Cash	26%
Property Securities	2%
Inter'l Fixed Interest	11%
Other	10%
	<b>100%</b>

#### Specialist Investment Managers

OnePath Funds Management Limited (Optimix)  
Vanguard Investments Australia Ltd

## DIVERSIFIED OPTIONS

### M+ Moderate

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed inflation by at least 4.5% per annum, over periods of four years or more\*.

#### Strategy

This option invests predominantly in a diversified portfolio of Australian and international assets, through a mix of managers, with a balance of growth and defensive assets. The Fund is actively managed in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Australian Shares	19%
International Shares	17%
Aust Fixed Interest & Cash	36%
Property Securities	2%
Inter'l Fixed Interest	17%
Other	9%
	<b>100%</b>

#### Specialist Investment Managers

OnePath Funds Management Limited (Optimix)

Vanguard Investments Australia Ltd

## DIVERSIFIED OPTIONS

### m+ Conservative

#### Objective

This option aims to achieve returns (before fees, charges and taxes) that exceed inflation by at least 3.5% per annum, over periods of three years or more\*.

#### Strategy

This option invests in a diversified portfolio of Australian and international assets, through a mix of managers, with a bias towards defensive assets. The Fund is actively managed in accordance with the OptiMix Manage the Managers investment process.

#### Asset Allocation @ 30/06/2012

Australian Shares	13%
International Shares	9%
Aust Fixed Interest & Cash	47%
Property Securities	1%
Inter'l Fixed Interest	20%
Other	10%
	<b>100%</b>

#### Specialist Investment Managers

OnePath Funds Management Limited (Optimix)

Vanguard Investments Australia Ltd

## Investment Returns

Returns are net returns for each of the investment options after the deduction of relevant fees, costs and taxes (but not all fees, costs and taxes). See the Fund's current PDS for information about fees and costs. The returns are not your personal rate of return on your investment in the Fund which depends on a range of factors including when money moves in or out of your account.

Risk Profile	Indirect Cost Ratio (ICR)	Buy / Sell Spread	Unit Price @ 30/06/2011
<b>Diversified Options</b>			
<i>m+</i> High Growth	1.34%	0.49%	0.9648
<i>m+</i> Growth	1.27%	0.39%	1.0525
<i>m+</i> Balanced	1.25%	0.35%	1.1022
<i>m+</i> Moderate	1.21%	0.25%	1.2256
<i>m+</i> Conservative	1.16%	0.20%	1.2201
<b>Sector Options</b>			
<i>m+</i> International Equities – Growth	1.51%	0.56%	1.0781
<i>m+</i> International Equities – Thematic	1.71%	0.16%	0.9556
<i>m+</i> International Equities – Index (Hedged)	1.15%	0.47%	1.3706
<i>m+</i> International Equities – Index (Unhedged)	1.12%	0.39%	1.0442
<i>m+</i> International Equities – Emerging Markets	2.20%	1.04%	1.2353
<i>m+</i> International Equities – Long/Short	2.24%	0.48%	0.8990
<i>m+</i> Global Smaller Companies Shares	1.54%	0.48%	0.8933
<i>m+</i> Global Shares	1.45%	0.48%	0.8879
<i>m+</i> Australian Equities - Geared	2.57%	0.94%	0.7051
<i>m+</i> Australian Equities - Growth	1.58%	0.52%	1.1716
<i>m+</i> Australian Equities - Value	1.72%	0.52%	1.2707
<i>m+</i> Australian Equities – Index	1.10%	0.28%	1.1836
<i>m+</i> Australian Equities – Small Companies	1.58%	0.59%	1.1436
<i>m+</i> Australian Shares	1.28%	0.48%	1.1856
<i>m+</i> Global Property	1.68%	0.48%	1.6232
<i>m+</i> Australian Property Securities	1.28%	0.48%	0.7646
<i>m+</i> Diversified Fixed Income	1.28%	0.32%	1.0715
<i>m+</i> Australian Fixed Interest	1.07%	0.00%	1.3841
<i>m+</i> Enhanced Cash	1.23%	0.00%	1.2570
<i>m+</i> Cash	1.01%	0.00%	1.0877

## Notes:

\* The ICR is inclusive of the Management Charge, Investment Fee, and Expense Recovery (see Fees And Costs section)

## Additional Notes:

Note 1. Past performance is not a reliable indicator of future performance.

Note 2. Performance is calculated based on the movement in the Exit Price from the start to the end of the reporting period.

Note 3. The 3 and 5 year average investment return rates are calculated based on the compound average effective rate of net earnings of the Fund.

Risk Profile	Performance Data							Inception Date
	Year to 30/06/2008	Year to 30/06/2009	Year to 30/06/2010	Year to 30/06/2011	Year to 30/06/2012	3 Year Average pa	5 Year Average pa	
<b>Diversified Options</b>								
m+ High Growth	-15.03%	-17.62%	10.11%	5.64%	-5.43%	3.23%	-5.09%	30-09-05
m+ Growth	-12.37%	-14.25%	10.22%	5.36%	-4.10%	3.65%	-3.50%	30-09-05
m+ Balanced	-10.45%	-12.02%	9.81%	5.76%	-2.22%	4.33%	-2.20%	30-09-05
m+ Moderate	-7.80%	-7.34%	9.49%	5.42%	0.19%	4.96%	-0.24%	30-09-05
m+ Conservative	-5.38%	-2.50%	8.22%	4.92%	2.24%	5.10%	1.38%	30-09-05
<b>Sector Options</b>								
m+ International Equities – Growth			3.45%	4.29%	-0.07%	2.54%		01-07-09
m+ International Equities – Thematic			-1.03%	-1.99%	-1.48%	-1.50%		01-07-09
m+ International Equities – Index (Hedged)			10.67%	22.77%	0.88%	11.08%		01-07-09
m+ International Equities – Index (Unhedged)			1.90%	0.35%	2.11%	1.45%		01-07-09
m+ International Equities – Emerging Markets			21.43%	2.18%	-0.44%	7.30%		01-07-09
m+ International Equities – Long/Short			7.99%	-7.62%	-9.88%	-3.49%		01-07-09
m+ Global Smaller Companies Shares	-21.11%	-20.87%	11.32%	6.84%	-5.76%	3.88%	-6.89%	30-09-05
m+ Global Shares	-18.20%	-20.55%	8.15%	4.09%	-3.60%	2.76%	-6.75%	30-09-05
m+ Australian Equities - Geared					-24.81%			01-09-10
m+ Australian Equities - Growth			12.01%	10.22%	-5.10%	5.42%		01-07-09
m+ Australian Equities - Value			15.28%	11.53%	-1.17%	8.31%		01-07-09
m+ Australian Equities – Index			8.37%	15.05%	-5.07%	5.78%		01-07-09
m+ Australian Equities – Small Companies			14.93%	16.11%	-14.30%	4.57%		01-07-09
m+ Australian Shares	-11.54%	-17.51%	9.91%	8.07%	-7.17%	3.31%	-4.25%	30-09-05
m+ Global Property			29.37%	21.64%	3.15%	17.52%		01-07-09
m+ Australian Property Securities	-35.55%	-30.27%	14.94%	2.40%	7.98%	8.32%	-10.60%	30-09-05
m+ Diversified Fixed Income			0.44%	3.58%	3.03%	2.33%		01-07-09
m+ Australian Fixed Interest	1.07%	8.78%	8.61%	7.20%	7.24%	6.79%	6.01%	30-09-05
m+ Enhanced Cash	3.90%	3.69%	3.88%	2.57%	2.09%	3.16%	3.41%	30-09-05
m+ Cash			1.86%	2.75%	2.35%	2.84%		01-07-09

## Default Strategy

Unless a member has provided alternative instructions, their EmPlus superannuation account is automatically invested in the Trustee's default strategy, *m+* LifeStages.

<i>m+</i> LifeStages Default Allocation	Up to Age 34	Age 35 - 49	Age 50 - 59	Age 60+
	<i>m+</i> Growth	<i>m+</i> Balanced	<i>m+</i> Moderate	<i>m+</i> Conservative

## How are investment returns passed on to members?

The Fund is a "unit-linked" Fund. What this means is that contributions credited to your account buy investment units in the investment strategies that you have nominated.

Unit prices are usually updated on a weekly basis, which means that the performance of your superannuation account will keep up-to-date with the actual investment performance of your chosen investment strategy. When calculating the unit price the performance of the underlying investment pool, movements in cash flow, and any taxes, fees or costs related to the Fund (other than taxes, fees and costs deducted directly from your account), are fully taken into account. This may include estimated taxes, fees or costs or provisions for amounts payable (but not yet paid) as determined appropriate from time to time.

If the underlying investments are performing well, then generally your unit price will go up. If the underlying investments are not performing well, then generally your unit price will go down. Your annual Benefit Statement will show you your investment growth for the year.

The Trustee reserves the right to change the frequency of the calculation of unit prices, to defer applications and withdrawals, and/or to defer valuation if the Trustee believes that this is in the best interests of all members (for example, if an underlying investment fund or product becomes illiquid) or it is required to do so by law.



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## Insurance Cover

### Important Reminder Regarding Making claims

For Death or Total and Permanent Disablement (TPD) claims, you must advise us in writing of any claim as soon as it is reasonably possible for you to do so. In the case of a claim for the total and permanent disability benefit (if it applies), you must advise us of a claim or potential claim:

- within 30 days of the event giving rise to the claim; or
- within 30 days after the expiration of the six month qualifying period under paragraph (b) of the definition of total and permanent disability (contact the Administrator on 1800 336 911 for more information); or
- as soon as it is reasonably possible for you to do so,

whichever is the earliest.

For Income Protection claims, you must advise us in writing of any claim:

- within 30 days of an insured member being disabled; or
- as soon as it is reasonably possible for you to do so,

whichever is the earlier.

If we do not receive notice within the time specified, the Insurer may reduce or refuse to pay the benefit to the extent their assessment of the claim is prejudiced.

### When does insurance cover cease?

Your insurance benefits will cease on the earliest of the following:

- You reach age 65
- You commence service with the armed forces
- You die
- You leave the Fund
- For death and TPD cover, a TPD benefit is paid or payable to you under the policy
- For death and TPD insured benefits, you permanently retire from employment
- You are no longer eligible for insurance benefits
- The date on which all premiums due in respect of you (including all arrears) have remained unpaid for 30 days from the date premiums were last payable;
- You cancel your insurance cover
- The date you commence active duty with the armed forces of any country
- Please also see the note below about Changing Jobs.

The insurance cover (if any) applicable to you as at 30 June 2012 is shown in your Annual Benefit Statement based on information known about you at that date. The continuation of any insurance cover depends on you continuing to satisfy eligibility criteria and other terms and conditions contained in the insurance policy. Cover can cease if your personal circumstances change. The Trustee can only pay insurance benefits if a claim is accepted by the Fund's Insurer and the trust deed and relevant law allows. You can obtain a copy of the relevant insurance policy on request to the Administrator to find out full details of the terms and conditions that apply.

## Changing jobs

While you remain a member of EmPlus, your voluntary insurance cover, as well as your standard Death or TPD insurance cover stays with you even when you change jobs, subject to continuing to meet the insurer's eligibility criteria (please refer to the Fund's Product Disclosure Statement for more details). Any Income Protection cover will cease from when you cease employment unless you notify us that you wish to retain your Income Protection cover within 30 days of ceasing employment.

The cost of your insurance benefits will continue to be charged to your EmPlus account until such time as you notify us in writing that you wish to cancel your insurance cover, and your insurance premiums may change when you change employment, so it is important to notify us when you do change jobs.

## Can I continue my insurance benefits if I leave the Fund?

If you leave the Fund, your insurance benefits will cease.

However, if your insurance cover ceases because you no longer meet the eligibility criteria, you may be able to apply for reinstatement of your death insurance cover under an individual insurance policy directly with the insurer by making an application to the insurer, subject to the normal terms and conditions of the insurer (please refer to the Fund's Product Disclosure Statement for more details). Premiums for an individual insurance policy may be higher. For more information, contact the Administrator.



## Fees and Costs

The information on fees and costs outlined below is a summary of what costs impacted your investment for the year ended 30 June 2012. See the Fund's current PDS, available from the website or on request, for more details.

*Note: Past fees are not an indicator of future fees.*

### Fees Deducted from your Account

#### Member Fee

\$65.00 (inclusive of net GST) per annum per member deducted monthly in arrears from your account.

#### Plan Fee

The Plan Fee, as per the table below, is deducted monthly in arrears from your Account, based on the Account Balance at the end of the month.

For Employer Plans, the Total Account Balance is the sum of all Member Account balances under a particular participating employer. In all other cases, it is the Member's Account balance.

In some cases, the Plan Fee may be reduced or waived by your Adviser.

#### Withdrawal Fee

\$45.00 (inclusive of net GST) will be deducted from your account for every partial or full withdrawal.

Account Balance	Plan Fee
Account Balance <\$500,000	0.40% of Account balance per annum (which equates to \$4.00 per \$1,000)
Account Balance \$500,000 to \$1,999,999	0.25% of Account balance per annum (which equates to \$2.50 per \$1,000)
Account Balance \$2,000,000 to \$4,999,999	0.15% of Account balance per annum (which equates to \$1.50 per \$1,000)
Account Balance \$5,000,000 or more	nil

## Insurance Premiums

### Death and Total & Permanent Disablement Benefits

Insurance Premiums will depend upon a number of factors which may include your age, your occupation, smoking habits, health status and the amount of cover. Premiums were deducted from your account monthly in arrears. Details of premium deductions are shown on your Annual Benefit Statement.

### Income Protection Benefits

Insurance Premiums will depend upon a number of factors which may include your age, your occupation, smoking habits, health status and the amount of cover. Premiums were deducted from your account monthly in arrears. Details of premium deductions are shown on your Annual Benefit Statement.

## Fees Deducted from the Fund's Assets

### Management Charge

0.74% (inclusive of net GST) per annum of Fund assets charged monthly in arrears and deducted from assets prior to the calculation of unit prices. This covers the costs associated with the administration and Trusteeship of the Fund, and any adviser's remuneration.

Please refer to the Product Disclosure Statement, available from the Administrator, for more details about the management costs.

### Investment Fee

0.25% to 1.81% per annum of Fund assets deducted prior to the calculation of unit prices. See page 20 for details of the fee applicable for each option.

Please refer to the Fund's Product Disclosure Statement, available from the Administrator, for more details about the investment fees.

## Buy/Sell margin

Some of the investment options carry a Buy/Sell charge levied by the investment manager. Please refer to the Fund's Product Disclosure Statement, available from the Administrator, for details of the Buy/Sell margin applicable to each option. The maximum Buy/Sell charge was 1.04%.

All Buy/Sell margins are deducted prior to the calculation of unit prices.

The Buy/Sell margin may apply when you change your investment options, and when you leave the Fund. When a Buy/Sell margin applies, the value of the amount being switched or withdrawn from an option is based on the Sell Price of the relevant units and the value of the amount invested or switched into an option is based on the Buy Price of the relevant units.

## Expense Recovery

Expenses incurred in operating the Fund such as audit, accounting and legal fees were charged on a time/cost basis as approved by the Trustee and deducted from assets prior to the calculation of unit prices.

## Protection of Small Accounts

Superannuation funds are generally required to protect all members with withdrawal benefits or account balances of less than \$1,000 as at 30 June or the date of leaving the fund (if the benefits or account include or have included mandated contributions). Protection means that administration fees charged directly to a member's account must not exceed the investment earnings credited to that account. (This protection does not extend to government charges, taxation, insurance premiums or fees and costs that are deducted prior to investment earnings being credited. Different arrangements may apply in poor investment periods).

The costs associated with providing member protection to small account balances are charged against the Fund's earnings as additional expense recoveries and their impact is reflected in the unit prices for each investment.

## General Information

### Accessing your Super

Superannuation benefits can remain in a superannuation fund until you die. However, in certain circumstances you may be able to access your super. In general, if you are an Australian resident, New Zealand citizen or permanent resident, you cannot access your benefit in cash until you are aged 65, or you attain your preservation age and have retired from employment, or meet one of the conditions of release set below.

Access to your super will depend upon the “preservation” classification that applies to some or all of your superannuation Account. There are three classes of preservation: *Unrestricted Non-Preserved Benefits*; *Restricted Non-Preserved Benefits*; *Preserved Benefits*.

#### Unrestricted Non-Preserved Benefits

These are benefits that are generally rolled-over from another superannuation fund which could have been cashed at a previous point in time. These benefits can be paid out at any time.

#### Restricted Non-Preserved Benefits

These are benefits which are not preserved but which cannot be cashed until you leave service with your current employer. These become unrestricted non-preserved benefits when you leave the service of your current employer

#### Preserved Benefits

Preserved benefits include members’ tax deductible contributions, employers’ compulsory contributions and any new or increased employer contributions arising from agreements on or after 22 December 1986. From 1 July 1999 all contributions made into superannuation (personal and employer contributions) plus investment earnings must be fully preserved.

If you are an Australian resident, New Zealand citizen or permanent resident, Preserved amounts must remain in a complying superannuation fund, approved deposit fund

or retirement savings account until you meet a condition of release including:

- reach age 65
- permanently retire after reaching your preservation age as per Table 1
- cease an employment arrangement on or after age 60
- die
- suffer a terminal illness condition, as defined in superannuation law at the relevant time
- become permanently incapacitated, as defined in superannuation law at the relevant time
- reach your preservation age and elect to access some or all of your superannuation in the form of a non-commutable income stream and remain employed in either a full-time or part-time basis.
- suffer financial hardship (subject to meeting eligibility criteria – see below for more information))
- qualify on compassionate grounds (see below for more information)
- cease employment with a balance of less than \$200.

**Table 1: Preservation Age**

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

## Access to your super in special circumstances

The criteria set by the Government for access to your preserved superannuation benefits is quite strict - basically, there are only three grounds under which you can apply - Compassionate Grounds, Severe Financial Hardship, or Terminal Illness.

### Compassionate Grounds

You may qualify to access your benefits on compassionate grounds if you need to cover expenses that you or your dependants incur for:

- treatment and transport for you or a dependant concerning life threatening illness or injury, acute or chronic pain, or acute or chronic mental disturbance; OR
- modifying your home or motor vehicle if you or a dependant has a severe disability; OR
- palliative care for you or a dependant, or the death, funeral, or burial of a dependant; OR
- mortgage payments to prevent your lender selling your principal place of residence.

Decisions regarding release of benefits on compassionate grounds are made by the Department of Human Services (DHS) who can be contacted by phoning 1300 13 10 60 or go to [www.centrelink.gov.au](http://www.centrelink.gov.au)

### Severe Financial Hardship

To be considered eligible for early release of your benefit on severe financial hardship grounds, you must first satisfy eligibility criteria summarised below.

You need to be:

- In receipt of Commonwealth income support and have been so for a continuous period of at least 26 weeks and unable to meet reasonable and immediate family living expenses.

If you are over age 55 and 39 weeks you need to meet the above criteria or be:

- In receipt of Commonwealth income support for a cumulative period of at least 39 weeks after reaching your preservation age and
- Not gainfully employed either full-time or part-time at the time of application.

Decisions on the release of benefits on severe financial hardship are made by the Trustee.

You may be required to provide proof for Compassionate Grounds and Severe Financial Hardship claims to be accepted. Limits on the amount able to be released at any one time (or in a 12 month period) apply (depending on the grounds of release). For more information contact the Fund Administrator.

Please note that DHS or the Trustee must assess each case on its own merits - approval of your claim is not automatic.

### Terminal Medical Condition

The account balance (and any applicable insurance amount) may be released to a member where two medical practitioners (at least one of whom is a specialist) have certified that the member is suffering from an illness that would normally result in death within 12 months.

*Note: different conditions of release apply to temporary residents. Temporary residents cannot access their super in all of the circumstances outlined above (For further details contact the Fund Administrator). On expiry of their visa and departure from Australia, a former temporary resident can access their super benefits as a Departing Australia Superannuation Payment (DASP).*

## Rollovers or Transfers to other funds - Compulsory Portability

Although you may not be able to access preserved or restricted non-preserved benefits, compulsory portability arrangements enable you to rollover or transfer superannuation accounts into a fund of your choice.

You may ask us for information you reasonably require for the purpose of understanding any benefit entitlements that you may have, including any fees or charges that may apply to a proposed rollover or transfer and information about the effect of the proposed rollover or transfer on any entitlements. However we cannot provide you with financial advice that takes into account your personal situation. You should seek such advice from a licensed or authorised financial adviser.

## Contributing to the EmPlus

### How much does your employer have to contribute

The Superannuation Guarantee (SG) legislation requires most employers to make contributions of 9%. From 1 July 2008, all employers must use ordinary time earnings as defined in the SG legislation, to calculate SG contributions for their eligible employees (Please note: some employees are exempted from the SG legislation). This ensures all eligible employees are treated the same for SG purposes.

Employers do not need to pay SG contributions in certain circumstances including for any month when you have earned less than \$450, if you are aged 70 years or over, if you are under 18 years of age and work less than 30 hours per week, or if you are working less than 30 hours per week in either domestic or private employment (eg. nanny, housekeeper). Nor do they need to pay SG contributions on that component of salary greater than \$43,820 (2011/12 Financial Year) or \$45,750 (2012/13 Financial Year) for the quarter.

Other than contribution rules stipulated in the superannuation legislation (summarised on the next page), the Fund has no additional rules regarding the amount or frequency of

contributions.

Employers may, at their discretion, contribute more than the amount required under the Super Guarantee legislation.

Employers must pay eligible employees' SG contributions at least every quarter, subject to penalty provisions and any late contribution arrangements that may apply from time to time. The due dates for quarterly SG contributions, are shown below:

SG Quarter	Due date for SG payment
1 July – 30 September	28 October
1 October - 31 December	28 January
1 January - 31 March	28 April
1 April - 30 June	28 July

Employers should be aware that the penalties for non-payment can apply and may be substantial.

### Changes to the Superannuation Guarantee (SG)

The SG contribution percentage will gradually increase from 9% to 12% between 1 July 2013 and 1 July 2019.

For the 2012/13 financial year, SG contributions end at age 70. From 1 July 2013 there will no longer be a maximum SG age limit. Eligible employees aged 70 or over will be entitled to also receive SG contributions.

For further information about the SG requirements, contact the ATO's Superannuation Guarantee Help Line on 131 020, or visit their web site at [www.ato.gov.au/super](http://www.ato.gov.au/super).

### How much do members have to contribute

There is no statutory requirement for members to make personal contributions. However, to maximise your retirement savings, members may contribute.

This Fund has no rules regarding the amount or frequency of personal contributions.



Contribution Rules				
Age Group	Employer Contributions			Member Contributions
	Superannuation Guarantee	Award or other mandated employer arrangement	Voluntary	
Under age 65	Yes	Yes	Yes	Yes
Age 65 – 69	Yes	Yes	Only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year	Only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year (whether made by you or on your behalf, eg. a spouse)
Age 70 – 74	Yes (from 1 July 2013)	Yes	Only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year	Only if made by you personally and you have worked at least 40 hours in not more than 30 consecutive days in the financial year
Age 75 and over	Yes (from 1 July 2013)	Yes	No	No

Where an employer agrees to deduct personal contributions from an employee's net pay, these must be forwarded to the Fund within 28 days from the end of the month in which they were deducted.

### Contribution rules

Superannuation laws dictate when the Trustee can accept contributions from you. If you are aged between 65 and 74, the Trustee may accept all mandated employer contributions (that is a contribution that is compulsory because it is required by law or an employment arrangement). The Trustee can also accept voluntary employer contributions (such as salary sacrifice arrangements) from your employer if you are aged under 75, provided that you have worked at least 40 hours in not more than 30 consecutive days in the financial year in which the payments are made. Above is a table to assist you to work out the eligible contributions that may be made to the Fund.

Superannuation funds cannot accept a non-concessional contribution in excess of a member's non-concessional contributions limit or member contributions for a member whose TFN is not held by the fund. Please note that the Trustee does not monitor whether a member will exceed their non-concessional limit. While the Trustee does assess whether individual contribution amounts exceed the non-concessional cap, it is the member's responsibility to monitor or manage the total amount of their contributions for tax purposes. Refer to the Superannuation and Taxation section of this document for information about non-concessional contributions.

Contributions made in contravention of the contribution rules must be refunded by the Trustee in certain circumstances. A refund may be adjusted for any permissible investment fluctuations, reasonable costs and insurance premiums for cover provided prior to the refund.

## Contributions Splitting with your spouse

Superannuation legislation allows a member to split contributions with their spouse (including a defacto spouse of the same or opposite sex). Not all superannuation funds offer contributions splitting, but as a member of the Fund, you can take advantage of this facility.

Concessional contributions such as superannuation guarantee, salary sacrifice contributions and personal deductible contributions can be split. It is not possible to split personal non-deductible contributions.

Ordinarily only 85% of concessional contributions may be split because 15% of these contributions are deducted and paid as tax to the Australian Taxation Office after they are paid into the Fund. The amount of concessional contributions that can be split is also subject to a maximum of your concessional contributions limit in the relevant year.

You should also note that certain amounts in your account may not be split, such as benefits subject to a family law payment split or payment flag or rollovers from other funds.

Generally, only contributions made in the financial year prior to the financial year when the contributions splitting application is lodged can be split. You can also apply to split contributions made in the financial year in which you transfer or rollover to another fund (provided the application is made before the transfer or rollover occurs).

The Trustee may make any adjustments it considers appropriate to a splittable amount, for example, to cater for tax.

## How does contributions splitting work?

The Trustee will keep records of the amount of contributions which you are eligible to split with your spouse for a given financial year and should you wish to make a contributions split we will provide details of those contributions with an application form which must be completed and sent back to us so that the contributions split can be effected.

Please note that your spouse must be either:

- aged less than their preservation age; or
- between their preservation age and 65 and not permanently retired.

Your spouse will be required to provide a statement to this effect as part of the application.

You can only make one application per financial year and the Trustee may reject any application without providing reasons.

If your application is accepted, the Trustee will pay the split contributions to the superannuation account of your spouse within 90 days of receiving the application.

The usual withdrawal fee will apply to any amounts split (refer to the Fees and Costs section of this document for more information).

## Fees and Trustee Policy for Contributions Splitting

The usual withdrawal fee will apply to any amounts split. See the Fund's current PDS, available from the website or on request, for more information.

The Trustee may also require a minimum amount to be split or a minimum balance in a member's account or may establish other policies in relation to the acceptance of a contributions splitting application. To find out more information on the Trustee's policy in relation to contributions splitting or if you have any other queries please contact the Fund on telephone number (07) 3902 9888.

## Government Co-contributions

The Government Co contribution is a contribution, made by the Government, to the superannuation account of eligible low and middle income earners (including self-employed persons) who pay personal after-tax (or non-concessional) contributions to superannuation. The maximum co contribution payable by the Government for the 2011/2012 year is \$1,000 where a person's eligible income (including reportable fringe benefits and reportable employer superannuation contributions such as salary sacrifice contributions) for that financial year is below \$31,920.

The maximum co contribution payable is reduced as income increases, phasing out completely at \$61,920 (for the 2011/2012 financial year).

The income thresholds and amount of the co-contribution are subject to change from year to year. For more information about the Government co-contribution (including income thresholds and maximum co-contribution applicable from year to year and full eligibility criteria) refer to [www.ato.gov.au](http://www.ato.gov.au).

You should be aware that trustees may be required to pay back co-contributions which have been attributed to persons who are or who become disentitled to those amounts.

## Reduction in the Government co-contribution

The Government announced that for the 2012/13 financial year and onwards the matching rate be 50%. If legislated, this means the maximum Government co-contribution will be \$500 per annum for a voluntary \$1,000 member contribution. The income threshold will be \$31,920 up to a cut off point of \$46,920.

## Choice of Superannuation Fund

Government laws may allow you to choose which superannuation fund you wish to join, as long as the fund complies with certain requirements. That is, it is an "eligible choice fund".

Upon choosing a fund which is different to

that nominated by your employer, you will be required to provide written details of the fund, and written evidence that it will accept your employer's contributions.

If you do not select a fund or you select a fund that is not an eligible choice fund, your contributions will be paid to a default fund selected by your employer.

For more information, contact your employer or go to [www.ato.gov.au/super](http://www.ato.gov.au/super).

## Family Law and your Super

Couples divorcing or separating (including, under recent Government reforms to the family law legislation, qualifying defacto spouses of the same or opposite sex) may be able to divide their superannuation benefits by agreement or by court order.

This may impact on members of the Fund who, in the event of a relationship breakdown, make a financial arrangement or have an order made by the Family Court.

The Trustee may be required to provide certain information about your account to certain 'eligible persons' (including a member's spouse) and in certain instances without notifying you of the enquiry.

A payment flag may be placed on your benefit in the Fund through an agreement between you and your spouse or through a court order. The presence of this flag requires us to prevent certain types of withdrawals from being made from the Fund. While provisions of the family law legislation permit the charging of a reasonable fee for the administration of the family law transactions, the Fund will not charge you a fee.

## Proof of identity

As a result of Government reforms designed to counteract money laundering and terrorism financing (AML/CTF legislation), the Trustee must adhere to a range of obligations including customer identification and verification, ongoing customer due diligence and reporting suspicious matters to AUSTRAC (the government body responsible for administering

the AML/CTF legislation). The Trustee has established an AML/CTF Program under which you may be required by the Fund Administrator to provide proof of identity in situations such as:

- Notifying us of a name change;
- Requesting to cash in some or all of your super;
- Requesting to transfer some or all of your super to another superannuation fund;
- Requesting information about your account or authorising release of information regarding your account to a third party.;

The only acceptable Proof of Identity documents are either:

- An original or certified copy of a current primary photographic identification document such as a passport or driver's license;

OR

- **Both** of an original or certified copy of a primary non-photographic identification document such as a birth certificate, citizenship certificate or Centrelink pension or health card **AND** an original or certified copy of a secondary identification document such as an assessment issued by the Australian Taxation Office within the preceding 12 months that contains your name and residential address or a rates notice issued within the preceding 3 months that contains your name and residential address or a Centrelink letter addressed to you within the preceding 12 months regarding a Government assistance payment.

If you have changed your name or are signing on behalf of the member, 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.

There are specific requirements regarding how documents are to be certified, and what type of document is to be supplied. Please contact the Fund Administrator on 1800 336 911 for more information.

## Tax File Numbers and your super

Under the Superannuation Industry (Supervision) Act 1993 (SIS), the 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 Trustee of the Fund may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request the Trustee 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 the Fund will have the following advantages (which may not otherwise apply):

- The Fund will be able to accept all types of contributions to your account;
- The tax on contributions to your account will not increase;
- Other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
- 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.

*Note: From 1 July 2007, employers are under stricter obligations to quote TFNs of their employees to their superannuation funds. However this does not always occur so you should ensure we have your TFN.*

If you have not provided your TFN to your Fund (or you are not sure whether we hold it), you can:

- Call the Fund Administrator on 1800 336 911 to advise your TFN or request a TFN Collection Form;
- Download a TFN Collection Form from the Forms page at [www.emplus.com.au](http://www.emplus.com.au),  
AND
- Fax it to: 07 3902 9899
- Post it to:  
EmPlus  
Reply Paid 3528  
PO Box 3528  
Tingalpa DC Qld 4173  
(no postage stamp required)

**There is a note in the top right hand corner of the first page of your Annual Benefit Statement to tell you whether or not the Fund has your TFN. If we do not have your TFN, we strongly recommend that you let us know as soon as possible.**

**More information about the extra tax applicable where the Fund does not hold your TFN (No TFN tax) appears later in this report.**

## Taxation and Superannuation

This section is designed to give you an overview of the taxation of superannuation. For the year ended 30 June 2012, there were a number of important changes made to your plan. Further information, including updates to government thresholds, is available from [www.ato.gov.au](http://www.ato.gov.au).

### Contributions

The tax treatment of contributions depends on whether they are concessional contributions or non-concessional contributions. There are annual contribution limits applicable to concessional contributions (\$25,000 regardless of age, but subject to change in future years) and non-concessional contributions (\$150,000). For information about these limits, including any changes from year to year, go to [www.ato.gov.au](http://www.ato.gov.au).

Concessional contributions include deductible employer (including salary sacrifice contributions) and self employed contributions. Non-concessional contributions include member (after tax) contributions. Concessional contributions are ordinarily subject to a concessional tax rate of 15%. Subject to Government proposals that may allow a one-off opportunity to obtain a refund of excess contributions in limited circumstances, concessional contributions in excess of the concessional contribution limit will incur additional tax (ordinarily 31.5%) payable directly by the individual member. This amount may be released from a superannuation fund upon presentation of a release authority issued by the Australian Taxation Office (Australian Taxation Office Release Authority). Any excess concessional contributions will also count towards the amount of a member's non-concessional contributions limit.

The Government has proposed an increase in the concessional tax rate applicable to concessional contributions for individuals earning more than \$300,000, however this is not yet law. For further information go to [www.ato.gov.au](http://www.ato.gov.au) or consult your adviser.

If the Fund does not hold your TFN by the end of the year in which contributions are received, your concessional contributions (called no-TFN contributions) will be taxed at the rate of an additional 31.5%. A superannuation fund may (but is not obliged to) recover any additional tax paid by it in respect of your no-TFN contributions if the Fund is subsequently provided with your TFN (within 3 years after the year in which the contributions were received). The Trustee will make reasonable endeavours to recover such tax but does not guarantee it will do so in the event that a member has left the Fund prior to receiving the member's TFN.

People under age 65 can bring forward 2 years of future non-concessional contributions averaged over a three year period, giving them a higher limit over a three year period. Once a person turns age 65 they will be able to make non-concessional contributions up to the annual limit in each financial year provided they satisfy the work test in each relevant year. The annual non-concessional contributions cap will be indexed in future years so it is always six times the under age 50 cap on concessional contributions. Non-concessional contributions in excess of the non-concessional contributions limit will incur tax at the rate of 46.5% payable directly by the individual. This amount must be released from a superannuation fund upon presentation of an Australian Taxation Office Release Authority.

Note: Spouse contributions will be included in the receiving spouse's cap. Government co-contributions, personal contributions made

Contribution Classification	2009/10	2010/11
Concessional Contributions - under age 50	\$25,000 pa	\$25,000 pa
Concessional Contributions - age 50 or over	\$50,000 pa	\$50,000 pa
Non-concessional Contributions	\$150,000 pa	\$150,000 pa

from certain proceeds from the disposal of qualifying small business assets up to a lifetime (dollar) limit which varies from year to year and personal contributions from proceeds from certain payments for personal injury resulting in permanent disablement made within 90 days of receiving the payment will not count towards the non-concessional contributions cap.

### Monitoring contribution caps

Superannuation contributions are subject to contribution caps with strict penalties in place if these limits are exceeded. Please note:

- **We do not monitor the contribution cap for concessional contributions (eg: employer contributions or salary sacrifice).**
- **For personal contributions, we do not monitor the aggregate amount.**
- **It is your responsibility to ensure that you do not exceed these caps through multiple contributions.**
- **If you exceed the contribution caps, you will be personally liable for the excess concessional contributions tax for amounts above the caps, but you can elect for this to be deducted from your account balance. Excess non-concessional contributions tax must be paid from your account balance.**

The concessional contribution cap is \$25,000 for the 2012/2013 financial year regardless of age. This cap is normally indexed annually in line with average weekly ordinary time earnings in increments of \$5,000. However, the indexation of the concessional cap will be frozen at \$25,000 for one year in 2013/14.

The previous transitional concessional cap of \$50,000, which was available for individuals aged 50 or over, ended on 30 June 2012. The Government will defer the start date of the higher concessional contributions cap for over 50's from 1 July 2012 to 1 July 2014.

Under this measure, it is proposed that individuals aged 50 and over with superannuation balances below \$500,000 will be able to make up to \$25,000 more in concessional contributions than allowed under the standard \$25,000

concessional contributions cap. **This proposal is not yet law.**

The non-concessional contributions cap remains unchanged at \$150,000 for the 2012/13 financial year.

**You should consult your licensed financial planner for more information on how the contribution caps may affect your superannuation.**

### Reduction of tax concession on contributions for incomes above \$300,000

The Federal Government has announced that from 1 July 2012, individuals with incomes greater than \$300,000 will have the tax concession on their superannuation contributions reduced from 30% to 15% (excluding Medicare levy).

The definition of "income" for this measure will include taxable income, concessional superannuation contributions, adjusted fringe benefits, total net investment loss, target foreign income, tax-free Government pension and benefits less any child support payments.

If an individual's income, excluding their concessional contributions, is less than the \$300,000 threshold but the inclusion of their concessional contributions pushes them over the threshold, then only that part of the contributions in excess of the threshold will be subject to the higher contributions tax.

*This proposal is not yet law. The Government will consult with the superannuation industry further on the design and implementation details.*

### Superannuation Surcharge Tax

The superannuation surcharge has been abolished for superannuation contributions made from 1 July 2005 but may still apply to amounts prior to 1 July 2005 under late assessments issued by the Australian Taxation Office.

If a member is subject to the Superannuation Surcharge Tax in respect of amounts prior to 1 July 2005, any amounts owing to the Australian Taxation Office will be deducted from the Member's account and shown separately on their Annual Benefit Statement.

## Government Low Income Support Contribution (LISC)

For concessional contributions, including Superannuation Guarantee contributions, made on or after 1 July 2012, a Government low income superannuation contribution payment of up to \$500 per annum will be available for eligible members with incomes up to \$37,000.

In order to qualify, the eligible member must earn at least 10% of their total income from employment or carrying on a business or a combination of both.

The LISC entitlement will be automatically calculated by the ATO.

## Tax Deductibility of Contributions

An employer is generally entitled to a full deduction for all contributions to superannuation on behalf of employees under age 75. Certain criteria must be met including that the employee is engaged in producing the employer's assessable income. Contributions made within 28 days of the end of the month in which an employee turns 75 or required to be made under an industrial award or other prescribed arrangements (after age 75) may also be deductible.

Self-employed people or other eligible persons (with less than 10% of their assessable income and reportable fringe benefits, reportable employer superannuation contributions or other amounts included as income for assessment of a person's eligibility for a tax deduction) are generally entitled to a full deduction for superannuation contributions under age 75, provided certain conditions are met. Persons aged under 18 are subject to special rules. To obtain the deduction, a notice of intention to claim a tax deduction (Deduction Notice) must be submitted to the Fund by the earlier of:

- the time of lodgement of the person's tax return, or
- the end of the financial year following the year the contribution was made.

The Deduction Notice must be acknowledged by the Trustee. The Trustee can refuse to

acknowledge a Deduction Notice in certain circumstances (for example, the person's account balance does not contain sufficient monies to meet the tax applicable to deductible contributions or you have left the Fund).

## Tax Rebate for Spouse Contributions

A tax rebate may apply for superannuation contributions made by a taxpayer on behalf of a spouse, subject to meeting eligibility criteria including:

- Contributions can be made for the receiving spouse under contribution rules in superannuation legislation
- The contributions are not deductible to the contributing taxpayer;
- The taxpayer and spouse are residents of Australia at the time contributions have been made;
- The spouse's income is less than \$13,800.

The rebate is 18% of contributions up to \$3,000 to a maximum rebate of \$540. The rebate will reduce \$1 for every \$1 the eligible spouse's income is above \$10,800. The eligible spouse's income includes assessable income, reportable fringe benefits and, from 1 July 2009, reportable employer superannuation contributions.

*Please be aware that the Federal Government has passed a range of legislation to provide same sex spouses the same treatment as other spouses (subject to a fund's trust deed). These reforms mean that the spouse contributions rebate is available in respect of contributions made for a qualifying same sex spouse (from 1 July 2010). Please consult your financial adviser for more information.*

## Salary Sacrifice Contributions (Expanded definition of income for various tax programs)

An expanded definition of income applies from 1 July 2010, when assessing a person's entitlement to various government programs, including tax benefits relating to superannuation such as tax deductions for personal contributions, the Government co-contribution and spouse contributions rebate. Under this definition, reportable employer



superannuation contributions are treated as income. Reportable employer superannuation contributions are generally amounts salary sacrificed. Members who currently make salary sacrifice contributions to the Fund may wish to review their circumstances before making the necessary contribution to superannuation in the coming year.

### Tax On Investment Earnings

The Fund's earnings are taxed at a lower rate than most other forms of savings. The maximum rate is 15%. The rate may be lower depending on deductible expenses and other tax credits available to the Fund.

You pay no personal income tax on the investment earnings of your account while your superannuation savings remain in the Fund.

### Rollovers and Transfers

Superannuation rollovers and transfers are not generally taxed when invested in the Fund. An exception to this is where your rollover or transfer is from an untaxed source, which may include your former employer or an unfunded superannuation scheme (for example, some public sector superannuation schemes).

Special rules also apply to the treatment of employer eligible termination payments (payable directly by an employer), certain disablement

amounts on settlement of a disability claim (outside of superannuation), proceeds from the sale of a small business and superannuation sourced from a foreign superannuation fund. If you are going to receive any of these amounts or are considering payment of them into superannuation, we recommend you obtain appropriately qualified advice.

### Taxation of Benefits (other than death benefits)

Benefits paid to you from your superannuation fund may be subject to taxation depending on your age.

In general, lump sum benefits paid to persons age 60 or over are tax free (if paid from a taxed source). Tax is payable on lump sum benefits paid to persons under age 60, as outlined in the below table.

If your benefit includes an untaxed element, tax may be applicable. In addition, when any benefit is paid from the Fund, it must comprise both tax-free and taxable components, in the same proportions as your total benefit. You cannot nominate to withdraw specific components of your benefit. If the Fund does not have your TFN at the time a benefit is paid, tax may be deducted from the taxable component at the top marginal tax rate, plus the Medicare levy.

## Flood Levy

The legislation to apply the Flood Levy in the 2011/2012 income year has been passed by the Federal Parliament. It provides for a levy of 0.5% to be applied on that part of an individual's taxable income between \$50,001 and \$100,000 and 1% on that part of taxable income above \$100,000.

The Flood Levy is applied to taxable income (assessed income less allowed deductions). Importantly, this means, for example, that the taxable component of super lump sum and pension payments paid to under 60 year olds will potentially have the Flood Levy applied. The Flood Levy may still apply notwithstanding that a tax offset entitlement often reduces the income tax payable on these lump sum and pension payments.

Accordingly, in the circumstances that an individual withdraws a super lump sum where the taxable component is within the "preservation to under age 60 low rate cap amount" (\$165,000 in 2011/2012), the tax payable on the super lump sum is zero, however, a flood levy may still apply.

Tax is not generally payable when transferring benefits to another superannuation fund or product (eg. pension).

## Tax on death benefits

Where a death benefit is paid to a 'dependant for taxation purposes' (regardless of age – see below) the benefit will usually be tax free.

A death benefit paid to a 'non-dependant for taxation purposes' can only be paid as a lump sum. In this instance the tax free component (as outlined above) is tax free, whilst the taxable component is taxed at 16.5%, inclusive of Medicare Levy. Where a non-dependant receives an insurance payout as part of the death benefit, a portion of this amount may be an element untaxed (relating to the future service period of the insurance amount). Any element untaxed of the death benefit will be taxable at the maximum rate of 31.5%, inclusive of Medicare Levy. Tax on any taxable component may be higher if the fund does not hold your TFN.

Where a death benefit is received by the legal personal representative of a deceased estate, tax is generally determined according to who will eventually receive the death benefit from the estate.

A dependant for taxation purposes is a spouse, a former spouse, a child under 18 and any other person who was financially dependent on, or had an interdependency relationship with, the deceased member. It does not include an adult child aged 18 or more (unless they were financially dependent or had an interdependency relationship with the deceased member). Note that this definition of dependant differs from that applicable to a trustee's determination about the distribution of death benefits (see page 44 for further information). From 1 July 2008, the concessional tax treatment applied to death benefits has been extended to qualifying same sex partners and their children through changes to the income tax laws which expand the concept of "dependants".

## Tax on terminal illness benefits

Superannuation lump sum benefits paid to a person who has a terminal medical condition are tax free, provided criteria in taxation laws is met.

## Income Protection Benefits

Income protection insurance benefits are paid as taxable income and, like salary and wages, attract pay-as-you-go tax at your marginal tax rate. The tax is deducted and remitted to the Australian Taxation Office before the benefit is paid. Higher tax applies if the Fund does not hold your TFN.

## Departing Australia Superannuation Payments (DASPs) & Treatment of Temporary Residents

If you enter Australia on a temporary visa you are entitled to receive your superannuation benefit once you leave Australia permanently and your visa has expired (except for certain visa sub-classes). This type of payment is known as a Departing Australia Superannuation Payment (DASP). The tax rates payable in respect of a DASP are as follows:

- Tax free component - Nil
- Taxable component 35%

Superannuation funds are, under certain circumstances, required to transfer a temporary resident's superannuation to the Australian Taxation Office (ATO) following their departure from Australia. Such a transfer would only occur when at least 6 months has passed since a temporary resident's visa had ceased to be in effect, the temporary resident had left Australia and not taken his/her benefit. A member can subsequently access his/her benefit from the ATO. The ATO can be contacted on 13 10 20. We are not obliged to notify or give an exit statement to you if we transfer your superannuation to the ATO following departure from Australia.

There are now limited conditions of release available to a member who is or was a temporary resident. Accounts in respect of all temporary resident members (irrespective of whether or not they have left Australia) will only be able to be released under the following conditions:

- Death
- Terminal medical condition
- Permanent incapacity
- Departing Australia permanently-applies to temporary residents who apply in writing for release of their benefit.
- Trustee payments to the ATO under the Superannuation (Unclaimed Money and Lost Members) Act 1999

- Temporary incapacity and/or
- Release Authorities under the Income Tax Assessment Act 1997

*Note: If you are a New Zealand citizen or you become an Australian citizen or permanent resident these changes will not apply to you.*

*If you are a former temporary resident whose superannuation benefits are transferred to the ATO as unclaimed money, you may not be notified of this or receive an exit statement after the transfers occurs. The Trustee will rely on relief provided by the Australian Securities & Investments Commission (ASIC) Class Order [CO 09/437] which says, in effect, that the trustee of a superannuation fund is not obliged to meet certain disclosure requirements in relation to non-residents that have ceased to hold an interest in the fund as a result of the payment of unclaimed superannuation to the Commissioner of Taxation. If you require any further information, contact the Fund Administrator on 1800 336 911.*

Further information can be found obtained from the Australian Taxation Office website ([www.ato.gov.au](http://www.ato.gov.au)) or by contacting the Fund Administrator on 1800 336 911.

## Goods and Services Tax

All fees and charges applicable to the Fund are subject to GST. GST is payable to the Australian Taxation Office and is not revenue passing to the Trustee or the Administrator.

All tax credits received by the Fund will be allocated to members through a combination of fee credits and investment income.

## No-TFN Tax

TFNs may be quoted to a superannuation fund by a member or the member's employer. From 1 July 2007, stricter obligations are imposed on employers to pass on TFNs for employees.

The Superannuation Industry (Supervision) Regulations (SIS Regulations) prevent a fund accepting certain contributions (or require refunding certain contributions within a specified timeframe) where a TFN is not held by a fund.

The Trustee reserves the right to take whatever steps it considers appropriate to manage its tax liability where a member's TFN is not held including rejecting concessional contributions for the member or deducting any additional tax from concessional contributions as they are received.

This Trustee's policy in relation to these requirements can be summarised as follows:

1. A TFN must be provided for all new members who join the Fund after 30 June 2007
2. Member contributions can only be accepted, for or on behalf of a member, if the member's TFN has been quoted to the Fund.
3. Where a TFN is not held for a member who was a member as at 30 June 2007, tax (No-TFN tax) will be withheld at an additional rate of 31.5% plus the Medicare levy if the member's concessional contributions exceeding \$1,000 during the financial year.
4. Where a TFN is not held for a member who joins the Fund on or after 1 July 2007, the \$1,000 threshold does not apply – tax must be withheld on all concessional contributions at the additional rate of 31.5% plus the Medicare levy.
5. The higher tax (No-TFN Tax) must be withheld and remitted to the ATO if the TFN has not been quoted by 30 June each year.
6. If the TFN is quoted to the Fund within the 3 year period following the year in which the No-TFN Tax is assessed, the Fund can claim a refund from the ATO. While there is no obligation for a refund to be claimed, any refunds received from the ATO will be

credited to a member's account as soon as practicable following receipt of the refund from the ATO. If at the time of receiving the refund, the member has left the Fund and the Administrator has the details of the member's new fund, the refund will be forwarded to the new fund (after taking into account any relevant earnings, fees, costs and taxes) as soon as practicable. While the Trustee will make reasonable endeavours to recover such tax, it does not guarantee it will do so in the event that a member has left the Fund prior to receiving the member's TFN.

Where No-TFN Tax is payable, the amount of tax due for the financial year will be deducted from your account at the end of the financial year, or upon full withdrawal from the Fund, if earlier, and then paid to the Australian Taxation Office. This means that your account balance at 30 June, or when you leave the Fund, may be less than the balance during the year – for example, the No-TFN tax due for the 2011/2012 financial year will not have been deducted from your account until 30 June 2012. This allows time for you to quote your Tax File Number to your Fund in order to avoid having the No-TFN tax deducted from your account.

*Note: While employers are under stricter obligations to quote TFNs of their employees to their superannuation funds, this does not always occur so you should ensure we have your TFN.*

If you have not provided your TFN to your Fund (or you are not sure whether we hold it), you can:

- Call the Fund Administrator on 1800 336 911 to advise your TFN or request a TFN Collection Form;
- Download a TFN Collection Form from the Forms page at [www.emplus.com.au](http://www.emplus.com.au),

AND

- Fax it to: 07 3902 9899
- Post it to: EmPlus  
Reply Paid 3528  
PO Box 3528  
Tingalpa DC Qld 4173  
(no postage stamp required)

**There is a note in the top right hand corner of the first page of your Annual Benefit Statement to tell you whether or not the Fund has your TFN. If we do not have your TFN, we strongly recommend that you let us know as soon as possible.**

**More information about the extra tax applicable where the Fund does not hold your TFN (No TFN tax) appears later in this report.**

*The laws relating to the taxation of superannuation are complex. This summary does not take into account your personal situation. We recommend that you seek professional advice about the impact of the tax rules on you before making any decisions in relation to the Fund including before you actually receive your benefit.*

## Payment of small and insoluble lost accounts to unclaimed monies

From the 2010/11 financial year, superannuation funds are required to transfer to the ATO lost accounts which have balances less than \$200 or which have been inactive for 5 years and for which there are insufficient records to identify the owner of the account, to unclaimed monies.

Former holders of these lost accounts will still be able to reclaim their money from the ATO at any time. Lost account balances are currently paid to unclaimed monies when a member reaches age 65 and cannot be found by a fund trustee, or when a member dies and the trustee cannot ensure the benefit is received by the person entitled to receive the benefit.

## Superannuation Thresholds for 2012/13 financial year

The following is a summary of the superannuation and taxation threshold amounts will apply during the 2012/13 financial year.

Threshold	2012/13
<b>Concessional contribution cap (per annum)</b>	\$25,000
<b>Non - Concessional contribution cap</b>	
Standard (per annum)	\$150,000
Transitional – bring forward over three years to age 65	\$450,000
<b>CGT cap amount (lifetime limit)</b>	\$1,255,000
<b>Superannuation Guarantee maximum contribution base (per quarter)</b>	\$45,750
<b>Co-contribution (per annum)</b>	
Lower income threshold	\$31,920
(Proposed) Higher income threshold	\$46,920
<b>Government low income superannuation contribution income threshold</b>	\$37,000
<b>Tax free part of bona fide redundancy and approved early retirement scheme payments (per payment)</b>	
Base limit	\$8,806
Per completed year of service	\$4,404
<b>Low rate cap amount (lifetime limit)</b>	
Applies to the taxable component of taxed super fund benefits for members aged 55-59	\$175,000
<b>Untaxed plan cap amount</b>	
Applies to the taxable component of untaxed super fund benefits	\$1,255,000
<b>Employment termination payment cap</b>	\$175,000

## Keeping up to date with your super on the internet

You can obtain forms, investment updates, updates to Investment Fund PDS for Single Manager options, and other general information via the Administrator's web site - [www.emplus.com.au](http://www.emplus.com.au).

Members and employers can also keep up-to-date with the Fund by using the Administrator's internet facility called MySuperSolution. MySuperSolution provides a way for you to monitor your superannuation account, including transactions, account statements, and investment performance – you can even update your investment allocations online.

To use MySuperSolution, you need to apply for a Userid and PIN. This ensures the protection of your privacy. For more details, call the Administrator on 1800 336 911, or visit their web site - [www.emplus.com.au](http://www.emplus.com.au).

The website and MySuperSolution are facilities provided by the Fund Administrator. The Trustee is not the provider of the facility and therefore can not accept any responsibility for the provision of the service.

## Keeping your super together

If you have worked for more than one employer, then it is likely that you will have been in more than one superannuation fund. If you don't roll over your super when you change jobs, it is likely that you will still have more than one superannuation account, and this can lead to duplication of costs - or you might even lose track of your older accounts.

If you do have other accounts that you would like to transfer into the Fund, simply complete a Transfer Authorisation form for each account and forward it to the Administrator. The Transfer Authorisation Form can be downloaded from the Forms page at [www.emplus.com.au](http://www.emplus.com.au), or copies can be ordered from the Administrator by calling 1800 336 911. Before requesting a transfer check what fees may be charged by your other fund or whether you lose any benefits (eg. Insurance benefits).

Sometimes people lose track of their old superannuation accounts - estimates indicate there are in excess of 6 million accounts held on behalf of members who are classified as lost. So, if you have lost track of an old super account, you are not alone.

There are two ways that you can track down your accounts. You can use the ATO's SuperMatch facility, accessed through your super fund. Just contact us on 1800 336 911, or [info@m3.com.au](mailto:info@m3.com.au), for a form and we will be able to conduct a search of the Lost Members Register for you.

Alternatively, if you are an internet user, you can go straight to the ATO's online search engine, SuperSeeker. When you use SuperSeeker, you get instant results. Go to [www.ato.gov.au/super](http://www.ato.gov.au/super) and follow the links to SuperSeeker. All you need is internet access and your Tax File Number.

## Changing jobs?

Under the Government's Choice of Fund legislation, it is now easier for you to take your super with you from job to job.

If you would like your employer to pay their contributions to your EmPlus account, simply sign the Fund Nomination Form provided with your Annual Benefit Statement and provide this to your employer.

## Keeping your dependants up-to-date

A person's situation can change during a year – you might get married, have children, become divorced, or there may be some other change to your domestic situation. When these types of changes do occur, it is important to take the time to review how these changes might be relevant to the dependants you have nominated for your superannuation fund.

Your Fund provides two options for nominating how your benefit should be paid upon your death – a non-binding nomination and a binding nomination.

## Non-binding nomination

Your death benefit will be paid to one or more of your dependants and/or legal personal representative in a manner decided by the Trustee. You can tell the Trustee who you would prefer the benefit to go to by completing the Nomination of Beneficiaries form . You can change your nomination at any time by informing the Trustee in writing. Please note that your nomination is not binding on the Trustee - the Trustee must determine how the benefit should be paid by considering the circumstances of each potential claimant.

## Binding nomination

You also have the option to make a Binding Nomination of Beneficiary.

When you make a valid Binding Nomination of Beneficiary, you override the Trustee's discretion in determining who should receive your superannuation benefits in the event of your death. What this means is that the Trustee must pay the benefits to the beneficiaries specified by you and in the proportions that you specify provided your nomination is valid when the benefit is paid.

A Binding Nomination of Beneficiary expires three years after the date on which you sign and date the Binding Nomination of Beneficiaries form. If you do not make another nomination at that time, your binding nomination will no longer be valid and the Trustee will have discretion to decide to whom the benefit is paid.

It is also important to be aware that if you nominate a person who is not a dependant, your nomination will be invalid and the Trustee will be required to decide to whom the benefit is paid.

Nominated beneficiaries may include eligible dependants or a legal representative.

A dependant is usually your spouse or any child, or any other person who is financially dependent on you or interdependent at the time of your death.

From 1 July 2008, a couple will be regarded as "spouses" to each other where they are legally married, living with each other on a genuine domestic basis in a relationship as a couple or, in certain circumstances, have registered

their relationship under State or Territory laws. This means that same sex spouses may qualify as dependants for superannuation and tax purposes.

From 1 July 2008, a "child" includes a child of the member or of spouse of the member (including an adopted child, step-child or ex-nuptial child or someone who is a child within the meaning of the Family Law Act 1975).

A financial dependant is not necessarily someone who depended on a member totally for financial support. A person might claim to be a financial dependant even if they were only partially financially dependent on a member. Financial dependency may include a dependency on the member for payments of bills, rent, maintenance payments and shared financial commitments such as a mortgage.

Two people have an interdependency relationship if:

- they have a close personal relationship;
- they 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.

In addition, if a close personal relationship exists but the other requirements above are not satisfied because of a physical, intellectual or psychiatric disability (eg. one person lives in a psychiatric institution suffering from a psychiatric disability), then an interdependency relationship may still exist.

The taxation of death benefits will depend on who receives the benefits. See information about tax earlier in this report or the Fund's current PDS, available from the website or on request, for a general summary of relevant taxation rules. For more information about the tax implications for your personal circumstances, we suggest you obtain appropriately qualified advice from a professional adviser.

You may revoke or change your nomination at any time by completing a new Nomination form available from the Administrator. Forms are also available from the website - [www.emplus.com.au](http://www.emplus.com.au) .

## Enquiries and Complaints

One of the key features of legislation governing the operation of superannuation funds is that funds must establish a procedure to deal with enquiries and complaints. All efforts will be made to produce a satisfactory resolution to all parties.

### What is an Enquiry?

An enquiry is a request to answer any question or provide further information in relation to the Fund. The Trustee is obliged to provide you with any information you may require to understand your benefits. Most enquiries are reasonably straightforward and these can be dealt with by the Fund contact:

**Mr David Barclay**  
**EmPlus**  
**PO Box 3528**  
**Tingalpa DC Qld 4173**  
**Phone: 1800 336 911**  
**Fax: (07) 3902 9899**  
**Email: [info@EmPlus.com.au](mailto:info@EmPlus.com.au)**

If you do not receive a satisfactory response within 28 days, you should immediately contact the Trustee contact (see below).

### What is a Complaint?

A complaint is where you express dissatisfaction with some aspect of the Fund's service to you or other decision relating to the Fund that may impact you.

Complaints are to be directed to the Trustee contact below. The Trustee has a Dispute Resolution Committee of three experienced people who are not involved in the day-to-day running of the Fund. This committee addresses any member complaints and ensures that they are answered within 90 days.

**Complaints Officer**  
**Equity Trustees Limited**  
**GPO Box 2307**  
**MELBOURNE VIC 3001**  
**Phone: (03) 8623 5000**  
**Fax: (03) 8623 5300**

### What if I am still not satisfied?

If you are not satisfied with the Fund's handling of your complaint or the Trustee's decision, or you do not receive a response to your complaint within 90 days, you may be able to refer the complaint to the Superannuation Complaints Tribunal. The Tribunal is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain superannuation complaints.

The Superannuation Complaints Tribunal may be able to assist you to resolve your complaint, but only after you have made use of the Fund's own complaint-handling process. Once the Tribunal accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting the parties to come to a mutual agreement. If conciliation is unsuccessful, the complaint is formally referred to the Tribunal for a determination.

You should first telephone to find out the type of information you need to provide. For the cost of a local call anywhere in Australia you can contact the Superannuation Complaints Tribunal at:

**Locked Bag 3060**  
**GPO Melbourne VIC 3001**  
**Phone: 1300 780 808**  
**Email: [info@sct.gov.au](mailto:info@sct.gov.au)**

If you have any questions in relation to your benefit, please do not hesitate to contact us (Enquiries contact above).



## Financial Accounts

Following is an abridged version of the Fund's un-audited accounts for the year to 30 June 2012. The audited accounts and auditor's report will be available upon request from the Administrator from 30 October 2012.

Statement of Financial Position as at 30 June	2010 – 11	2011 – 12
	'000	'000
<b>Investments</b>		
Units in Unit Trusts	91,876	95,685
Other Assets	8,218	7,969
<b>Total Assets</b>	<b>100,094</b>	<b>103,654</b>
Less Liabilities		
Other Liabilities	1,804	1,198
Provision for Income Tax	(514)	(182)
Deferred Tax Liabilities	(1,006)	(1,569)
<b>Total Liabilities</b>	<b>284</b>	<b>(553)</b>
<b>Net Assets Available to Pay Benefits at 30 June</b>	<b>99,810</b>	<b>104,207</b>

Operating Statement for year ended 30 June	2010 – 11	2011 – 12
	'000	'000
Net Assets Available to Pay Benefits at 1 July	<b>88,778</b>	<b>99,810</b>
Plus:		
Changes in Net Market Value of Assets	(157)	(5,982)
Investment Income	5,013	2,896
Employer Contributions	22,396	20,161
Member Contributions	565	379
Transfers In	5,664	3,963
Life Insurance Proceeds	1,415	1,444
Other Income	176	172
<b>Total Gross Income for the Year</b>	<b>35,072</b>	<b>23,033</b>
Less:		
Benefit Payments	14,728	10,760
Administration Charges	2,539	2,719
Group Life Premiums	4,054	3,694
Tax Expense	2,719	1,463
<b>Total Outgoings for the Year</b>	<b>24,040</b>	<b>18,636</b>
<b>Net Assets Available to Pay Benefits at 30 June</b>	<b>99,810</b>	<b>104,207</b>

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## DIRECTORY

### Administrator

Millennium3 Financial Services Pty Ltd  
ABN 61 094 529 987  
AFS Licence No 244252  
PO Box 3528, Tingalpa DC  
Queensland 4173

**Freecall:** 1800 336 911  
**Phone:** (07) 3902 9888  
**Facsimile:** (07) 3902 9899  
**Internet:** [www.emplus.com.au](http://www.emplus.com.au)  
**Email:** [info@emplus.com.au](mailto:info@emplus.com.au)

### Auditor

Moore Stephens  
ABN 39 533 589 331  
Level 14, 607 Bourke Street  
Melbourne VIC 3000

**Phone:** (03) 9614 4444  
**Facsimile:** (03) 9614 6039  
**Internet:** [www.moorestephens.com.au](http://www.moorestephens.com.au)

### Fund Enquiries

Mr David Barclay  
Enquiries and Complaints Officer  
Millennium3 Financial Services Pty Ltd  
ABN 61 094 529 987  
PO Box 3528 Tingalpa  
DC QLD 4173

**Freecall:** 1800 336 911  
**Phone:** (07) 3902 9888  
**Facsimile:** (07) 3902 9899  
**Internet:** [www.emplus.com.au](http://www.emplus.com.au)  
**Email:** [info@emplus.com.au](mailto:info@emplus.com.au)

### Principal Insurer

OnePath Life Limited  
ABN 33 009 657 176, AFSL No 238341  
GPO Box 75  
Sydney NSW 2001

**Phone:** (02) 9234 7855  
**Facsimile:** (02) 9290 3440  
**Internet:** [www.onepath.com.au](http://www.onepath.com.au)

### Trustee

Equity Trustees Limited  
ABN 46 004 031 298  
AFSL No 240 975  
Level 2, 575 Bourke Street  
Melbourne VIC 3000

**Phone:** (03) 8623 5000  
**Facsimile:** (03) 8623 5200  
**Internet:** [www.eqt.com.au](http://www.eqt.com.au)

