

# Employer Super

## Member Guide

Preparation Date: 1 May 2020

### Trustee and Issuer:

The trustee and issuer of Emplus Employer Super, a product offered from the Emplus Division ("Emplus") of AMG Super (ABN 30 099 320 583 Fund Registration Number R1001006) is:

Equity Trustees Superannuation Limited  
 ABN 50 055 641 757,  
 AFSL No 229757, RSE Licence No. L0001458  
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### Fund Administrator

Acclaim Management Group Limited  
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### Fund Promoter:

Acclaim Management Group Limited  
 ABN 52 091 082 058  
 Level 9, 324 Queen Street, Brisbane QLD 4000  
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### Disclaimer

The information in this document forms part of the Emplus Employer Super Product Disclosure Statement, prepared 1 May 2020, a copy of which is available from the website, [www.emplus.com.au/forms](http://www.emplus.com.au/forms), or by contacting the Fund Administrator on 1800 336 911 or at [info@emplus.com.au](mailto:info@emplus.com.au).

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## Any reference to:

"Fund Administrator" means Acclaim Management Group Limited (ABN 52 091 082 058) (AFSL 305604).

"Asset Consultant" means TAG Asset Consulting Group Pty Ltd trading as Atchison Consultants (ABN 58 097 703 047), (AFSL No 230846) ('Atchison') acting as asset consultant to the Fund.

"Emplus" means Emplus Division, a division of the Fund.

"Fund" means the superannuation fund known as AMG Super (ABN 30 099 320 583) (RSE Registration No R1001006).

"Member Guide" means this document.

"Product Disclosure Statement" or "PDS" means the Product Disclosure Statement for Emplus Employer Super, prepared 1 May 2020.

"Insurer" means Hannover Life Re of Australasia Limited (ABN 37 062 395 484).

"Trustee/us/we/our" means Equity Trustees Superannuation Limited (ABN 50 055 641 757) (AFSL 229757)

(RSE Licence No L0001458).

## How to contact us

### Customer Service Centre

Acclaim Management Group Limited

Post: PO Box 3528, Tingalpa DC, QLD 4173  
Phone: (07) 3899 7200 or Freecall 1800 336 911  
Fax: (07) 3899 7299 Email: [info@emplus.com.au](mailto:info@emplus.com.au)  
Internet: [www.emplus.com.au](http://www.emplus.com.au)

### Trustee

Equity Trustees Superannuation Limited

Post: GPO Box 2307, Melbourne, VIC 3001  
Phone: (03) 8623 5000  
Internet: [www.eqt.com.au](http://www.eqt.com.au)

You may request further information about this product by contacting the Fund Administrator at the address or telephone number shown above. Other relevant contact details are provided in the Directory inside the back cover of this Member Guide.

Information in the PDS and this Member Guide is subject to change from time to time. Where the change is made to information that is not considered materially adverse information, we will make updated information available at [www.emplus.com.au/forms](http://www.emplus.com.au/forms).

In addition, we will provide a copy of this information to you free of charge upon your request by calling the Customer Service Centre on 1800 336 911 or 07 3899 7200 during business hours.

The information contained in this Member Guide is general information or advice only. It does not take into account your individual objectives, financial situation or needs. Because of that, you should consider the appropriateness of this product having regard to your objectives, financial situation and needs, and we recommend you seek advice from a licensed financial adviser before investing.

## Important notes

Past investment performance should not be used as a guide for future investment performance.

You should not base your decision to invest in this product on past investment performance.

The investment returns of this product are not guaranteed, and you may get back less than the amount that you have invested.

The most recent investment returns of each investment option may be obtained:

- From [www.emplus.com.au/performance](http://www.emplus.com.au/performance);
- By calling the Customer Service Centre on 1800 336 911 or 07 3899 7200 during business hours;
- By writing to the Customer Service Centre at PO Box 3528, Tingalpa DC QLD 4173; or
- By sending your request via email to [info@emplus.com.au](mailto:info@emplus.com.au)

Unless otherwise stated, all fees quoted in the Member Guide are inclusive of Goods and Services Tax, after allowing for an estimate for Reduced Input Tax Credits, and all amounts are in Australian dollars.

Neither the Trustee, the Fund Administrator, nor any of the investment managers and their respective employees, agents or officers listed in this Member Guide, nor any other party associated with the Fund or this product guarantees the performance of the Fund or this product, or the repayment of capital, or any particular rate of return.

If you leave this product or withdraw money from any one or more investment options, you may get back less than the amount you have invested because of the level of returns earned by the investment option (including negative returns) and the product's fees and costs.

The Trustee is the issuer of this Member Guide.

All parties named in this guide have consented to being named in the form and context in which they have been named and have not withdrawn such consent before the date of this guide.

# How Super Works

## CONTRIBUTIONS

This product accepts contributions from:

- Employers
- Employees
- The Australian Taxation Office (“ATO”)

Subject to the requirements of the relevant taxation and superannuation legislation, there is no minimum contribution and no maximum contribution.

This product does not have any requirements in relation to the frequency of payment for contributions. However, employers should be aware of their obligations under the Superannuation Guarantee legislation, and any relevant industrial awards or agreements applicable to their staff.

There are no penalties or additional fees that apply if contributions are not paid into this product. However, if your Account Balance is insufficient to pay insurance fees (premiums), any insurance cover you have will cease 30 days after the date that the premiums were last payable.

Personal contributions can be paid by cheque, Electronic Funds Transfer or Direct Debit. Contributions by cheque should be made payable to “Equity Trustees Superannuation Limited ATF Emplus, a division of AMG Super”. Please note that payment by Direct Debit is only available when personal contributions are paid on a monthly basis. A Direct Debit form is available at [www.emplus.com.au/forms](http://www.emplus.com.au/forms) or contact us on 1800 336 911.

Special requirements apply to contributions made from the sale proceeds of your home (“downsizing contributions”). Contact the Fund Administrator (contact details on the back page of this guide).

Contributions made to this product for or on behalf of a Member are credited to the Member’s Account in Emplus.

A Member’s Account comprises all contributions and transfers from other funds paid into the account, and net investment earnings (whether positive or negative) after allowing for applicable fees, costs and investment taxes, less tax on contributions and fees and costs (including insurance cover premiums) deducted from the account.

Under superannuation regulations, a superannuation fund cannot accept certain contributions depending on a person’s age and work status (referred to as the “work test”). In summary, the work test requires, in relation to contributions other than compulsory employer contributions and downsizing contributions, that the member receiving the contributions must have been gainfully employed at least 40 hours within 30 consecutive days in the financial year in which the contributions are made. Exceptions from the work test are available depending on your circumstances. For example, if you have a ‘total superannuation balance’ (i.e. in summary your total superannuation savings including superannuation pensions, in all funds you participate in) of less than \$300,000 at the end of the previous financial year and you meet other conditions, the work test won’t apply. For further information about any work test exceptions that are available, contact the Fund Administrator.

Contributions made to a fund in contravention of these rules must be refunded by the Trustee. A refund may be adjusted for any investment fluctuations, reasonable costs and insurance premiums for cover provided prior to the refund, as permitted by relevant regulations.

## Superannuation Guarantee Contributions

To satisfy the Superannuation Guarantee requirements, employers must generally pay contributions equal to 9.5% of an eligible employee’s Ordinary Time Earnings. An employer contribution is a concessional contribution and is counted towards the concessional contribution cap.

Employers must pay the eligible employee Superannuation Guarantee (“SG”) contributions at least every quarter.

The due dates for quarterly SG contributions are shown below:

<b>SG Quarter</b>	<b>Due date for SG payment</b>
<b>1 July – 30 September</b>	28 October
<b>1 October – 31 December</b>	28 January
<b>1 January – 31 March</b>	28 April
<b>1 April – 30 June</b>	28 July

For more information, please contact the ATO Superannuation Help Line - 13 10 20, or visit their website at [www.ato.gov.au/super](http://www.ato.gov.au/super). Employers should be aware that the penalties for non-payment are quite substantial.

Some employees are exempted from the Superannuation Guarantee legislation. For full information, contact the ATO’s Superannuation Guarantee Help Line on 13 10 20, or visit [www.ato.gov.au/super](http://www.ato.gov.au/super).

## Voluntary Employer Contributions

Non-mandated employer contributions will be able to be made to a superannuation fund between age 65 to 74 (inclusive) provided you satisfy the work test. These contributions count towards the concessional contributions cap referred to in the ‘Tax and Your Super’ section.

## Salary Sacrifice Contributions

Salary sacrifice contributions are contributions made by an employer pursuant to an agreement between the employer and the employee.

Note that salary sacrifice contributions count towards the concessional contributions cap referred to in the ‘Tax and Your Super’ section. Also, salary sacrifice contributions (that do not count towards an employer’s mandated contributions) will only be able to be made to a superannuation fund between age 65 to 74 (inclusive) provided you satisfy the work test.

## Personal Contributions

You cannot make personal contributions to superannuation past the age of 74 unless they are downsizing contributions. Contributions to your account by a person other than your employer cannot be made past the age of 69. Generally, from age 75 no contributions other than compulsory employer contributions and downsizing contributions can be made to superannuation.

Where an employer agrees to deduct personal contributions from an employee’s net (after-tax) pay, these must be forwarded to the employee’s nominated fund within 28 days from the end of the month in which they were deducted.

After-tax personal contributions, for which you do not obtain a tax deduction, are a form of non-concessional contributions and so are counted towards the non-concessional

contributions cap referred to in the 'Tax and Your Super' section.

Individuals under the age of 75 (who meet the work test for contributions made between age 65 to 74 inclusive) will be able to claim personal contributions as a tax deduction provided they meet all relevant eligibility criteria.

Downsizing contributions are not tax deductible. Deductible personal contributions are counted towards the concessional contributions cap. When claiming a tax deduction you should note that the amount of concessional contributions that can be made without attracting additional tax is subject to a much lower limit than for non-concessional contributions.

If you are eligible and want to claim a tax deduction, you need to complete the ATO's *Notice of intent to claim or vary a deduction for personal super contributions* form ("Deduction Notice") and send it to us within the required timeframe. You can get this form from [www.emplus.com.au/forms](http://www.emplus.com.au/forms).

You will need to receive an acknowledgment from the Trustee before you lodge your tax return for the relevant year. Then you can claim a deduction in your tax return for the contributions you made.

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

For full details of the eligibility criteria for claiming a tax deduction, visit [www.ato.gov.au/super](http://www.ato.gov.au/super). You should obtain your own taxation advice about making tax-deductible contributions.

## Contribution Splitting

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 Emplus, 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.

Only 85% of concessional contributions may be split because 15% of these contributions are deducted and paid as tax to the ATO after they are paid into Emplus. 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.

## Contributions to save for your first home

You can make **voluntary** concessional and non-concessional contributions into your Emplus Employer Super account to save for the purchase of your first home in Australia, subject to the usual contribution limits applicable to you. This is known as the First Home Super Saver Scheme ("FHSS scheme").

Provided you meet the ATO's eligibility conditions, you can apply to the ATO to release 100% of your non-concessional contributions and 85% of voluntary concessional contributions made on or after 1 July 2017 (and associated earnings) to help purchase your first home, subject to a maximum (which applies across all superannuation products you participate in) of \$15,000 for any one financial year and \$30,000 in total across all years and payment of the applicable tax. To qualify you must be 18 years or over and must (usually) not have previously owned property in Australia. Other terms and conditions apply. The order in which you make contributions may affect which contributions you may withdraw first and the applicable maximums.

For further information about the First Home Super Saver Scheme including eligibility criteria and other terms and conditions, how to apply to the ATO for release of your savings to purchase a home and how the released amount ("FHSS scheme payment") must be dealt with without incurring additional tax, go to [www.ato.gov.au](http://www.ato.gov.au).

## Downsizing contributions

Provided you meet relevant eligibility requirements, you can make a downsizing contribution to Emplus Employer Super account on or after age 65 from the sale proceeds of your home. The home you sell must be your main residence and meet other conditions (for example, it must have been owned by you or your spouse for at least 10 years before sale). You can only make downsizing contributions relating to the sale of one home.

To make a downsizing contribution you must complete the Downsizer Contribution form available on request from the Fund Administrator. Downsizing contributions must usually be made within 90 days of receiving the proceeds of sale.

For further information about downsizing contributions including all relevant requirements, go to [www.ato.gov.au](http://www.ato.gov.au). You may also wish to obtain personal financial advice from a

qualified adviser, as the implications of a downsizing contribution may be complex depending on your circumstances.

### 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 make non-deductible personal (non-concessional) contributions to superannuation. The maximum co-contribution payable by the Government is \$500, based on \$0.50 from the Government for every dollar \$1 you contribute, where a person's eligible income (including reportable fringe benefits and reportable employer superannuation contributions such as salary sacrifice contributions) for a financial year is below \$38,564 (for the 2019/2020 financial year).

The maximum co-contribution payable is reduced as income increases, phasing out at \$53,564 (for the 2019/2020 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 applicable from year to year and full eligibility criteria) refer to [www.ato.gov.au](http://www.ato.gov.au). The Government Co-contribution is not available to individuals with total superannuation savings (referred to as the individual's "Total Superannuation Balance") equal to or above a "general transfer balance cap" immediately before the start of the financial year in which the personal contributions are made or who have exceeded their non-concessional contributions cap in the relevant year (across all super products they participate in). For more information about the Total Superannuation Balance and general transfer balance cap refer to the 'Tax and Your Super' section of this Guide.

*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.*

### Low Income Super Tax Offset

If you are eligible and your adjusted taxable income does not exceed \$37,000 per year, the government may make a further contribution to your super. This amount, up to \$500 annually, will be 15% of the concessional contributions you or your employer made to your super account during the financial year. Entitlement amounts under \$10 will be rounded up to \$10.

You don't need to apply - the ATO will work out your eligibility and it will be paid directly to your super account.

Make sure your super fund has your tax file number, so you don't miss out on the payment. If you are eligible, your super fund will usually receive the payment around November after the financial year in which concessional contributions have been made to your account, however the process could take longer depending on your personal circumstances.

Eligibility criteria for the low income super tax offset ("LISTO") include:

- you are not a holder of a temporary resident visa (New Zealand citizens in Australia do not hold a temporary resident visa and, as such, are eligible for the payment), and
- you lodge an income tax return and 10% or more of your total income is derived from business or employment, or

you do not lodge an income tax return and 10% or more of your total income comes from your employment.

For more information about the LISTO (including income thresholds applicable from year to year and full eligibility criteria) refer to [www.ato.gov.au](http://www.ato.gov.au).

### Spouse Contributions

Contributions can be made for a spouse (spouse contributions) where the receiving spouse is between age 65 to 69 (inclusive) provided the receiving spouse satisfies the work test. Spouse contributions cannot be made for a spouse aged 70 or more. As a member of Emplus Employer Super you can make a spouse contribution for your spouse within Emplus if they have an Emplus Employer Super account (because they are an employee of a Participating Employer) or if they apply to join Emplus Personal Super.

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

- The taxpayer has a spouse aged under 65
- Eligible spouse contributions have been made
- The contributions are not deductible to the taxpayer
- The taxpayer and spouse are residents of Australia at the time contributions have been made
- The spouse's eligible income (including reportable fringe benefits and reportable employer superannuation contributions) is less than \$40,000 (for the 2019/2020 financial year).

The offset is 18% of contributions up to \$3,000 to a maximum offset of \$540 per annum. The offset will reduce by \$1 for every \$1 the spouse's eligible income is above \$37,000 (for the 2019/2020 financial year).

A taxpayer will not be entitled to the tax offset when the spouse receiving the contribution has exceeded their non-concessional contributions cap for the relevant year or has a Total Superannuation Balance equal to or over a general transfer balance cap immediately before the start of the financial year in which the contribution was made. For more information about the Total Superannuation Balance and general transfer balance cap refer to the 'Tax and Your Super' section of this Guide.

Please note that Spouse contributions will be included in the receiving spouse's non-concessional contributions cap. (see the section on Contributions Tax, later in this guide).

### PAYMENT OF UNCLAIMED AND OTHER SUPER MONEY TO THE AUSTRALIAN TAXATION OFFICE

Under Federal Government (Unclaimed Money) legislation, there are a number of circumstances in which superannuation must be paid to the Australian Taxation Office including:

- inactive benefits of an uncontactable member who has reached age 65;
- certain benefits of 'lost members' if they are either uncontactable or inactive (as defined in regulations). In summary, the following accounts of 'lost' members must be paid to the Australian Taxation Office:
  - account balances of less than \$6,000 (or such other threshold determined by the Government from time to time); or
  - accounts which have been inactive for a period of 12 months and there are

insufficient records to ever identify the owner of the account.

- amounts relating to a superannuation account that is deemed to be 'inactive low-balance account'. A member's account is considered an inactive low-balance account when the following criteria are met:
  - the account balance is less than \$6,000 (at the relevant date)
  - we have not received an amount (such as a rollover from another fund or a contribution) for the member within the last 16 months
  - we are not owed an amount in respect of the account in the last 16 months
  - the member has no insurance cover and has not satisfied a relevant condition of release
  - the member has not changed their investment options or insurance in the last 16 months
  - the member has not made or amended a binding death benefit nomination in the last 16 months, and
  - the member has not made a written declaration to the Australian Taxation Office in the last 16 months that they don't want their super to be transferred to the Australian Taxation Office. Contact us if you would like to make this declaration
- a former temporary resident's superannuation benefit where it has been at least six months since they have departed Australia and their visa has lapsed.

Superannuation funds must report and pay amounts that meet relevant criteria in the Federal Government (Unclaimed Money) legislation as at particular dates (twice yearly). We must pay these amounts to the Australian Taxation Office when required, even if you are contactable (i.e. even though you are not a lost member).

The Australian Taxation Office will try to reunite your super money with an active account you hold elsewhere or you can contact the Australian Taxation Office to find any ATO-held super that belongs to you and nominate that it be paid or transferred to another fund (subject to preservation rules). Further information about money payable to the Australian Tax Office under Federal Government (Unclaimed Money) legislation can be found obtained from the Australian Taxation Office website ([www.ato.gov.au](http://www.ato.gov.au)).

*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) Corporations (Unclaimed Superannuation – Former Temporary Residents) Instrument 2019/873 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. You have a right, under the Government's legislation, to claim your super money directly from the Australian Taxation Office (subject to the applicable tax rates). If you require any further information, contact the Fund Administrator on 1800 336 911.*

## WHEN MUST YOU CASH IN YOUR SUPER?

There is no longer any requirement for you to cash your superannuation. You can leave your money in this product even after you have retired and attained 65 years of age.

## DO YOU HAVE MORE THAN ONE SUPERANNUATION ACCOUNT?

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 fees or costs - or you might even lose track of your older accounts.

If you do have other superannuation accounts that you would like to transfer into this product, simply complete a Transfer Authorisation form for each account and forward it to the Fund Administrator. However before deciding to transfer amounts into Emplus, you should consider whether you may incur fees or lose benefits (e.g. insurance cover) if you withdraw benefits from your other product (contact your other superannuation provider for more information). The Transfer Authorisation Form is found in the Forms booklet. Additional copies can be downloaded from the website, [www.emplus.com.au/forms](http://www.emplus.com.au/forms), or ordered from the Fund Administrator by calling 1800 336 911.

## HAVE YOU LOST TRACK OF YOUR SUPER?

The Australian Taxation Office's data indicates that there are millions of super accounts, held on behalf of members that are classified as lost or unclaimed. So, if you have lost track of an old super account, you are not alone.

To help address this situation, the Australian Tax Office maintains a Lost Members Register. If you think you might have lost track of a super account, call the Register on 13 10 20.

## ABOUT DEATH BENEFITS AND DEPENDANTS

This product 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 available from [www.emplus.com.au/forms](http://www.emplus.com.au/forms) or on request by phoning 1800 336 911. You can change your nomination at any time by informing the Trustee in writing. Please note that a non-binding 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 available from [www.emplus.com.au/forms](http://www.emplus.com.au/forms) or on request by phoning 1800 336 911.

When you make a valid and effective 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 and effective at the date of your death.

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.

Nominated beneficiaries may include eligible dependants or a legal personal representative.

It is also important to be aware that if you nominate a person who is not a dependant or legal personal representative (eg. the executor of your estate), or the amount you nominate for your dependants and/or legal personal representative to receive does not add up to 100% of your benefit, your entire nomination will be invalid and the Trustee will decide to whom the benefit is paid.

In all cases, a dependant is usually your spouse or any child (of you or your spouse), or any other person who is financially dependent on you or had an Interdependent Relationship with you at the time of your death.

A couple may 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.

A "child" may include a child of the member or of the 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 (for example, one person lives in a psychiatric institution suffering from a psychiatric disability), then an interdependency relationship may still exist.

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 [www.emplus.com.au/forms](http://www.emplus.com.au/forms) or on request by phoning 1800 336 911.

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 beneficiaries you have nominated for your death benefit.

Whether a valid nomination is effective at the date of death will be determined according to the usual rules applicable to binding nominations (for e.g. the nominated beneficiaries must be a dependant or legal personal representative at the date of death).

## FAMILY LAW AND YOUR SUPER

Couples divorcing or separating (including 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 Emplus 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) in certain instances without notifying you of the enquiry.

A payment flag may be placed on your benefit in Emplus 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 Emplus.

For more information about splitting super under family law legislation, consult your legal adviser.

Whilst the family law provisions permit the charging of a reasonable fee for the administration of the family law transactions, this product does not currently include charging separate additional fees in relation to Family Law matters.

## 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;
- Commencing a pension;
- Requesting information about your account or authorising release of information regarding your account to a third party.

These requirements may also be applied by the Trustee from time to time in relation to the administration of your superannuation benefits as required or considered appropriate under the Government's legislation. You will be notified of any requirements when applicable. If you do not comply with these requirements, there may be consequences for you, for example, a delay in the payment of your benefits.

As a result of the requirements, the Trustee is subject to the supervision of another regulatory body (called AUSTRAC) that has responsibility for the Government's legislation. The Trustee is required to provide yearly compliance reports to AUSTRAC and notify AUSTRAC of suspicious transactions. This may involve the provision of personal information about you to AUSTRAC.

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.

## ACCESS TO BENEFITS

### Withdrawal Benefit

When you leave, we will pay the Withdrawal Benefit, which is the value of your Member Account (after allowing for applicable fees and costs up to the date of withdrawal).

Benefits that are rolled over to another superannuation fund are paid by cheque or Electronic Funds Transfer, in accordance with legislative requirements.

If you have satisfied a Condition of Release, we will pay the cash component of the Withdrawal Benefit, by cheque, or by Electronic Funds Transfer to your nominated bank account (the account must be in the sole name of the member).

The benefit may not be payable in cash immediately.

## RESTRICTIONS ON WHEN YOU CAN GET ACCESS TO BENEFITS

Superannuation is a long-term investment. Government legislation has placed restrictions on when you can get access to your benefits. In general, you cannot access your benefits until you are age 65, or you have reached preservation age (see Table 2 below) and have retired.

Access to your benefits 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 and 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. Generally benefits will become 'unrestricted non-preserved benefits', as a result of meeting a condition of release without a cashing restriction.

### Restricted Non-Preserved Benefits

These are benefits which are not preserved but which cannot be cashed until they become "unrestricted non-preserved benefits".

### Preserved Benefits

Preserved benefits includes members' tax deductible contributions, employers' compulsory contributions and any new or increased employer contributions arising from agreements on or after 22 December 1986. All contributions (including all member contributions) and earnings paid or accruing from 1 July 1999 will be preserved.

Preserved benefits can generally only be cashed in prescribed circumstances including, in the case of Australian citizens, New Zealand citizens or permanent residents of Australia:

- upon permanent retirement from the workforce after reaching the preservation age (as per Table 2)
- reaching age 65
- reaching age 60 and leaving the employer who contributes or contributed to the Fund
- permanent incapacity, as defined in superannuation law at the relevant time. Currently, the definition is, in relation to a member who is gainfully employed, ill-health where the Trustee is reasonably satisfied that the member is unlikely, because of the ill-health, ever again to engage in gainful employment for which the member is reasonably qualified by way of education, training or experience
- temporary incapacity, as defined in superannuation law at the relevant time. Currently, the definition is, in relation to a member who has ceased to be gainfully employed, ill-health that caused the member to cease to be gainfully employed but does not constitute permanent incapacity
- you suffer from a Terminal Medical Condition, which means that (a) two registered medical practitioners have certified jointly or separately that the Member suffers from an illness or has incurred an injury that is likely to result in the Member's death within 24 months of the certification; (b) at least one of the registered medical practitioners is a specialist practicing in the area related to the illness or injury suffered by the Member; and (c) for each of the certificates the certificate period has not ended. Access to an insured terminal illness benefit is subject to different criteria. Refer to the Emplus Employer Super *Insurance Guide* for more information.
- if your Account balance is under \$200 and you ceased employment with the relevant employer after 30 June 1997.
- on reaching your preservation age (see Table 2), provided the benefits are cashed in the form of a non-commutable income stream, such as a pension. While, Emplus does not currently offer pension product, such products are available elsewhere.
- in other circumstances permitted by Government regulations. For example, compassionate grounds or severe financial hardship (see further below), or the ATO may permit withdrawals of amounts under the First Home Super Saver scheme, provided relevant requirements are met.

The circumstances in which a person who is not an Australian citizen, New Zealand citizen or permanent resident of Australia can access benefits are much more limited. If you are a temporary resident, contact the Fund Administrator for more information.

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



## Portability

Portability arrangements enable you to rollover or transfer superannuation accounts into a fund of your choice (subject to some conditions).

### Access to your super in special circumstances

The criteria set by the Government for access to your preserved superannuation benefits is quite strict - basically, other than temporary incapacity, permanent incapacity and a terminal medical condition, there are only two grounds under which superannuation might be released before you reach your preservation age (in the case of Australian or New Zealand citizens and permanent residents of Australia):

- Compassionate Grounds; or
- Severe Financial Hardship.

Generally, cases can be submitted to the Australian Tax Office for release of a benefit on Compassionate Grounds in order to pay or meet the expense of:

- 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 home.

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 plus 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 will 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 including up to date information about compassionate grounds claims, contact the Fund Administrator.

Please note that the Trustee or the Australian Tax Office (as applicable) must assess each case on its own merits - approval of your claim is not automatic.

## Benefits of Investing with Emplus Employer Super

Emplus Employer Super is part of a Public Offer Superannuation Fund, being a regulated superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS), eligible for concessional tax treatment.

As well as insurance and investment options, Emplus Employer Super has a facility to arrange for the easy transfer of the account balance from other superannuation funds you may participate in, with no requirement to make a set number or amount of contributions.

Emplus Employer Super may be suitable for:

- employers, as a way of providing superannuation for their employees, and
- employees wishing to plan for retirement.

### TRUSTEE

#### Equity Trustees Superannuation Limited

The Trustee has appointed a number of service providers to assist in the operation of the Fund (including Emplus) or to provide other services to the Fund.

Some of the key providers of services include the Fund Administrator and the Fund Promoter.

### FUND ADMINISTRATOR

#### Acclaim Management Group Limited

The Fund Administrator assists the Trustee with all data and record management, all statutory and member reporting, and the processing of all receipts and payments. While contractually responsible for the maintenance of the Fund's financial data, the Fund Administrator does not have any control over, nor access to the Fund's bank accounts, nor is the Fund Administrator able to issue cheques or payments. This is subject to the control of the Trustee, and the Trustee is not a related entity of any other party associated with the management of the Fund.

Acclaim Management Group Limited ("Acclaim") is the Administrator of the Fund. The Administrator attends to the day to day administration of the Fund.

### FUND PROMOTER

#### Acclaim Management Group Limited

As Fund Promoter, Acclaim's role encompasses the general marketing and sales functions for Emplus and advising the Trustee in respect of the ongoing management and public promotion of Emplus.

### REGULAR REPORTS ON YOUR INVESTMENT

The Trustee will provide, or make available to, you with a statement of your Account at least once per year, which will include a summary of transactions for the previous year. At the same time, you will be provided with or given access to an Annual Report, which contains information about the whole Fund, including the performance of Emplus Employer Super's investment options.

You can contact our office at any time for a current statement of your Account. You can obtain forms, investment updates, and other general information via [www.emplus.com.au](http://www.emplus.com.au).

## ELECTRONIC ACCESS

If you have a user identification and password, you can access the Fund Administrator's internet facility, MySuperSolution. MySuperSolution provides a host of information and reports, including daily Account balances, statements, insurance details, and other issues relevant to your membership of this product.

Your adviser can also have access to view your details on MySuperSolution, enabling them to have up-to-date information about your Emplus Employer Super Account details and membership information in order to be able to provide you with relevant advice, where you consent.

You can view a demonstration of MySuperSolution at [www.emplus.com.au](http://www.emplus.com.au).

To apply for a user identification and password, please complete the MySuperSolution application in the Forms booklet and return it to the Fund Administrator.

## PRIVACY CONSIDERATIONS

When you provide instructions to Equity Trustees Limited and/or any related bodies corporate under EQT Holdings Limited ('the EQT Group') including the Trustee, the EQT Group will be collecting personal information about you. This information is needed to admit you as a member of the Fund, administer your benefits and identify when you may become entitled to your benefits and to comply with Australian taxation laws and other applicable laws and regulations. If the information requested is not provided, the EQT Group may be unable to process your application or administer your benefits, or your benefits may be restricted.

### Use and Disclosure

The information that you provide may be disclosed to certain organisations to which the EQT Group has outsourced functions, or which provide advice to the EQT Group and/or to Government bodies, including but not limited to:

- Organisations involved in providing, administration and custody services for the Fund, the Fund's insurers, accountants, auditors, legal advisers, and/or those that provide mailing and/or printing services.
- In the event that you make a claim for a disablement benefit, the insurer may be required to disclose information about you to doctors and other experts for the purposes of assessing your claim.
- The ATO, APRA, ASIC, AUSTRAC, Centrelink and/or other government or regulatory bodies.

- Those where you have consented to the disclosure and/or as required by law.

In some cases, these organisations may be situated in Australia or offshore though it is not practicable to list all of the countries in which such recipients are likely to be located.

A copy of the Fund Administrator's Privacy Statement and Insurer's Privacy Statement is available by contacting AMG Super on [info@amgsuper.com.au](mailto:info@amgsuper.com.au).

### Direct Marketing

The EQT Group may from time to time provide you with direct marketing and/or educational material about products and services the EQT Group believes may be of interest to you. Should you not wish to receive this information from the EQT Group (including by email or electronic communication), you have the right to "opt out" by advising the EQT Group by telephoning (03) 8623 5000, or alternatively via email at [privacy@eqt.com.au](mailto:privacy@eqt.com.au).

### Access and Correction

Subject to some exceptions allowed by law, you can ask for access to your personal information. We will give you reasons if we deny you access to this information. The EQT Group Privacy Statement outlines how you can request to access and seek the correction of your personal information.

### Privacy complaints

The EQT Group Privacy Statement contains information about how you can make a complaint if you think the EQT Group has breached your privacy and about how EQT will deal with your complaint.

### Privacy Statement

The EQT Privacy Statement is available at [www.eqt.com.au/global/privacystatement](http://www.eqt.com.au/global/privacystatement) and can be obtained by contacting the EQT Group's Privacy Officer on (03) 8623 5000, or alternatively via email at [privacy@eqt.com.au](mailto:privacy@eqt.com.au). You should refer to the EQT Group Privacy Statement for more detail about the personal information the EQT Group collects and how the EQT Group collects, uses and discloses your personal information.

# Risks of Super

## SIGNIFICANT RISKS THAT MAY AFFECT YOUR INVESTMENTS

Investment in a superannuation fund carries risks, including volatility of returns. Volatility refers to the degree to which returns may fluctuate around their long-term average. Each type of asset ("Asset Class"), whether it is cash, fixed interest, listed property, Australian or international shares, has associated investment risks and the return achieved by each will vary accordingly. The Trustee and the investment managers do not guarantee the capital, any rate of return on income or capital or investment performance of the Fund or this product. Investment in any superannuation fund is subject to risks, including possible delays in the payment of withdrawal proceeds, and loss of income and capital. The main risk factors which may affect the returns of the Fund and this product include:

### Interest rate risk

Changes in official interest rates can directly and indirectly impact on investment returns. Generally, an increase in interest rates has a contractionary effect on the state of the economy and thus the valuation of stocks. This risk applies to all investment options.

### Market risk

Changes in legal and economic policy, political events, technology failure, economic cycles, investor sentiment and social climate can all directly or indirectly create an environment that may influence (negatively or positively) the value of your investments in this product. In addition, a downward move in the general level of the equity market can have a negative influence on the performance of the investment options with exposure to interest rates, investor sentiment and global events. This risk applies to all investment options.

### Sector risk

Where you select an investment option that is biased towards a specific investment sector or asset class, such as an option that invests solely in listed property trusts or Australian equities, market movements in these sectors may have a greater impact on the value and performance of your superannuation account, especially if you have not adopted a more diversified approach. This risk applies to all investment options.

### Company specific risk

There may be instances where a company's securities will fall in price because of company specific factors (for example, where a company's major product is subject to a product recall). The value of a company's securities can also vary because of changes to management, product, distribution or the company's business environment. This risk applies to all investment options except for the AMG Cash option.

### Managed investment risk

As with all managed investments, there are risks particular to the investments including the possibility it could terminate or that the fees and expenses could change. There is also a risk that investing in the managed investments may give different results than investing directly in the securities. This might occur because of income or capital gains accrued in the managed investment and the consequence of redemptions by other investors. This risk applies to all investment options.

### Stock selection risk

The underlying investment managers may make an investment decision which results in sub-standard returns (for example where the investment managers invest in a company that significantly underperforms the share market). This risk applies to all investments except for cash and fixed interest options.

### Liquidity risk

There may be times when securities may not be readily sold (for example, in a falling market where some traded securities may become less liquid). However, trading volumes of stock are generally sufficient to satisfy liquidity requirements when necessary. Note that neither the Trustee nor the investment managers guarantee the liquidity of the investments available in this product. This risk applies to all investment options.

### Derivative risk

In the case of derivatives, fluctuations in price will reflect movements in the underlying assets, reference rate or Index to which the derivatives relate. The use of derivative positions to hedge the risk of physical securities will involve "basis risk", which refers to the possibility that derivative positions may not move perfectly in line with the physical security. As a consequence, the derivative positions cannot be expected to perfectly hedge the risk of the physical security. In addition, derivatives can lose value because of a sudden price move, or because of the passage of time. All investment options offered in this product may use derivatives such as futures and options in order to manage risk. Derivatives are not used for speculation. Consequently, the impact of Derivatives Risk is minimal.

### Currency risk

Currency risk is the potential for adverse movements in exchange rates to reduce the Australian dollar value of international investments. For example, if the Australian dollar falls, the value of international investments expressed in Australian dollars can increase; if the Australian dollar rises, the value of international investments expressed in Australian dollars can decrease. Currency risk is monitored and managed by underlying investment managers using various techniques, including "hedging". Hedging is essentially taking a position in one investment to counteract the risk of another investment. Where investments are unhedged, movements in currency will affect the value of investments held by the Fund. Hedging attempts to reduce potential losses. Note, the effect of hedging is to reduce the impact of currency movements. Consequently, where hedging is used, currency movements that may have been in the Fund's favour, will not benefit the value of Fund assets as much had the investment been unhedged. Investments can be unhedged or hedged, to varying degrees, depending on the investment manager. This risk applies to Diversified and International investment options. The International investment options include the AMG International Equities and AMG International Fixed Interest options.

### Changes to superannuation and taxation Law

Changes to superannuation and taxation laws will occur from time to time and are outside the control of the Trustee and underlying investment managers. However, the Trustee's duty is to act in the best interests of members and its actions in response to these risks will be directed toward this objective. Where possible, members will be notified of changes before they occur. If this is not possible or practicable, the Trustee will inform members by way of other

communications such as newsletters or the next annual report.

### **Information risk**

We may not always be able to contact you about changes affecting your super because your contact details are incorrect or become out of date.

### **Insurance risk**

If insurance cover has been taken out through the Fund, there are a number of risks to be aware of. If your Account Balance is insufficient to meet the premiums, or your account is inactive (i.e. no amount is received by the Trustee for you) for 16 continuous months, your cover will cease. Cover also ceases in other circumstances. If full disclosure is not made to the Insurer that would be relevant to the Insurer's decision whether to accept the risk of insurance, the Insurer may void the contract.

### **Fund or operational risk**

When you invest in a superannuation fund, you also rely on the quality of the personnel and systems utilised to manage its investments. If key personnel leave or there is a significant failure in administrative systems, your investment may be materially affected. This risk applies to all investment options.

## **ASSET CLASSES**

The main types of investments – also called asset classes – are cash, fixed interest, listed property and shares. Each asset class has certain unique characteristics that make it more or less attractive depending on the individual circumstances of the investor.

### **Cash**

Cash investments offer investors ready access to their money and a high level of security. Over the longer term, cash investments have generally provided lower returns than all other asset classes. It is usually the best option when investors have a very short investment timeframe and want a stable return. Cash is typically defined as money in the bank or short-term money market investments with a maturity date less than one year. Although cash is considered to be a low-risk investment it offers little protection against inflation. You should also be aware that cash investments may experience a negative return, on an after fees and tax basis.

### **Fixed interest or bonds**

Fixed interest investments or bonds are a loan agreement between a borrower and a lender. The borrower (usually governments, banks or companies) promises to pay the lender (the investor) interest payments over the term of the investment, and return the original amount invested (the principal) at the maturity date. The market price of the bond varies according to movements in interest rates.

If interest rates rise, the bond prices fall and vice versa. Although bond prices do fluctuate, they are generally less volatile than listed property or share prices and for this reason they usually offer a lower return. Bonds are often the core investment in conservative portfolios because of their more reliable returns and lower risk, at least compared to shares and listed property.

### **Listed Property**

Listed property trusts invest in managed property funds, which generally invest in commercial, retail, industrial, hotel and residential real estate. Through property funds, investors

can pool their money and invest in large-scale, professionally managed property assets.

### **Shares**

Shares represent part ownership of a company. If shares are listed, it means they may be bought and sold on the stock exchange. Owning shares in a company usually entitles the investor to a proportion of the profits, distributed in the form of dividends. The total return to the investor consists of dividends (income) and increases in the share prices (capital gain). Share prices can be very volatile, which means that share market investors should be prepared to invest for the long term (generally more than seven years). Over time, share market volatility tends to flatten out, leaving the patient share investor rewarded for enduring the market's inevitable ups and downs. However, past performance should not be taken as an indicator of future performance.

### **Spread your risk by diversifying your investments**

Asset allocation is the mix of different asset classes in your investment portfolio – the amount that you, or the relevant investment option, might have invested in shares, cash, listed property, or fixed interest. When setting your asset allocation, it is important to consider both your investment timeframe, and your attitude to risk – diversifying your investments across a range of sectors can help to reduce investment risk.

Diversification means spreading your investments across all the different asset classes to reduce the impact that a poor return in one asset class may have on your overall return.

Emplus Employer Super offers Diversified investment options, which involve diversification across different asset classes, and Single sector investments options, which are invested in a single asset class.

## **RISK PROFILE**

The information about risks above is general only relating to this product's investment options and does not take into account your personal circumstances.

The AMG MySuper option and other investment options available through this product have different risk profiles depending on their asset allocation, which are summarised below according to a "Standard Risk Measure" developed by the superannuation industry.

**TABLE 3: RISK PROFILES OF THE INVESTMENT OPTIONS**

Please note in relation to each of the following portfolios, past performance should not be taken as an indicator of future performance. Future performance is dependent upon future conditions and cannot be guaranteed. The investment options shown below for different risk classifications is a general guide only and does not take into account your personal situation (which includes other factors such as your financial circumstances and personal objectives or needs). For advice that takes into account your personal situation, we recommend you obtain appropriately qualified advice.

Standard Risk Measure*	Type of Investor	Estimated number of negative annual returns over any 20 year period	Comments	Investment Options
<b>7: Very High</b>	These investment funds are more likely to suit you if you seek to maximize long-term returns and accept the possibility of greater volatility and short-term capital losses.	6 or greater	A high risk/high volatility portfolio for those investors who are prepared to accept very high volatility and risk in pursuit of high investment returns. Suitable for long term investors who are prepared to endure substantial short to medium-term losses. These options are more speculative, and although the growth may be substantially greater than inflation, the risk of short to medium-term losses is also high.	Not applicable
<b>6: High</b>	Suitable for investors for whom capital growth is more important than income	4 to less than 6	Higher potential returns when compared with Moderate and Conservative options, but higher degree of volatility and risk. Should grow considerably faster than inflation. These options are more geared towards longer term growth than moderate options, but generally carry less investment risk than aggressive Growth options due to investing across a range of asset classes.	AMG MySuper AMG Managed Growth AMG High Growth AMG Australian Equities AMG International Equities AMG Listed Property
<b>5: Medium to High</b>	Suitable for investors seeking higher capital growth and some income returns	3 to less than 4	Moderate to high growth with more volatility. Should combat the effects of inflation over the medium to long term.	AMG Balanced
<b>4: Medium</b>	Suitable for investors seeking higher income returns and some capital growth	2 to less than 3	Modest to moderate growth, with reasonable security. Lower likelihood of negative returns than Medium to High risk investment options, but losses are possible.	AMG Capital Stable
<b>3: Low to Medium</b>	Suitable for investors seeking security of capital with consistent returns	1 to less than 2	Modest growth with reasonable security. Should outperform inflation. Lower likelihood of negative returns, but losses are possible over the short term.	AMG Conservative AMG Australian Fixed Interest AMG International Fixed Interest
<b>2: Low</b>	Suitable for investors for whom preservation of capital is their major objective	0.5 to less than 1	Short-term investment strategy Lower growth, higher security.	Not applicable
<b>1: Very Low</b>	Suitable for investors for whom preservation of capital is their only objective	less than 0.5	Short-term investment strategy. Lower growth, higher security. An investment to protect your capital, but may occasionally earn less than inflation.	AMG Cash

\* The Standard Risk Measure encompasses a Risk Band, Risk Label and estimated negative returns over a 20 year period. This column shows the Risk Band and Risk Label. Refer to the 'Standard Risk Measure' section and Table 4 for further explanation of the Standard Risk Measure.

## How we invest your money

Emplus Employer Super provides you with a range of investment options. If you want to, you can nominate how you would like your Account Balance invested across the different options. To help you with your decision, this section of the Member Guide will provide you with some information about investments and the different options available.

### LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

The Trustee does not take into account labour standards or environmental, social or ethical considerations for the purpose of selecting, retaining and realising the investments.

### INVESTMENT STRATEGIES YOU CAN CHOOSE

Emplus Employer Super offers two styles of investment strategies which aim to meet your investment needs:

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

Members may select any combination of the investment options, from just one up to a maximum of any 12 of the options available, and there is no minimum amount of money that you must have in any particular option. Some important points to keep in mind when choosing investment options are:

- Read carefully, Table 3: 'Risk Profiles of the Investment Options' and other information on the investment options available
- Consider the option or combination of options which best suit your needs
- Growth options including but not limited to the AMG MySuper option, AMG High Growth option and the AMG Managed Growth option are intended for use over the long term and may produce negative returns in some years
- Consider obtaining professional advice from a licensed financial adviser
- Remember, past performance should not be taken as an indicator of future performance
- Your investment is not guaranteed. The value of your investment can rise or fall.

For details of each investment option please refer to the 'Investment Options in Detail' section of this Member Guide.

You can change your choice of investment options by:

- Advising the Fund Administrator in writing on the Investment Nomination Form which can be obtained from [emplus.com.au/forms](http://emplus.com.au/forms)
- Accessing the Fund Administrator's internet facility, MySuperSolution.

There is no switching fee for changing your investment strategy however a buy/sell spread may apply.

Please note that changes to underlying investment managers, investment strategies, objectives, benchmarks or asset allocations may occur without prior notice to members.

Where investment options are closed or terminated, the Trustee reserves the right to transfer existing investments to a new strategy.

### THE INVESTMENT PROCESS

Emplus takes the guesswork out of superannuation investment by using specialist investment professionals to select and manage the investments offered to members. Emplus uses the expertise of an Asset Consultant to appoint underlying investment managers for each option.

The Trustee does not make investments directly (for example, it does not buy shares). Instead, the Trustee utilises the services of a number of expert underlying investment managers and investment funds or products.

#### Specialist Investment Manager Selection

The Asset Consultant selects a range of underlying investment managers who have expertise in a particular asset class. Each investment manager must have a distinct investment style, a proven investment process and a strong track record of performance.

#### Economic Analysis and Tactical Asset Allocation

The Asset Consultant looks at factors around the world, such as economic growth, inflation and government policies – and assesses how this impacts the performance of each asset class. The Asset Consultant then adjusts the portfolio to gain a greater exposure to the asset classes expected to perform well at that particular time in the market cycle.

#### Manager Allocation Within Asset Classes

The Asset Consultant blends complementary investment manager styles and adjusts the portfolio in favour of the investment managers expected to perform well during a particular market cycle.

#### Performance Measurement

Once selected, investment managers are closely monitored and evaluated on their ongoing performance. The Asset Consultant looks at qualitative factors such as the way investment managers construct their portfolios and their investment methods, as well as quantitative measures like the returns of each investment manager compared with pre-set benchmarks and their competitors.

#### Regular Independent Review

The Asset Consultant regularly reviews the investment managers including their performance.

### INVESTMENTS

We use specialist investment professionals to help select and manage the investments offered to members. We use the expertise of an Asset Consultant to appoint underlying investment managers for each option and to determine the investment mix for each option. The investment mix is varied around a benchmark asset allocation according to the Trustee's views of the relative risks and returns of each asset sector.

The Trustee does not make investments directly (for example, it does not buy shares). Instead, the Trustee utilises the services of a number of expert underlying investment managers and investment funds or products.

## WHAT ARE THE RISK PROFILES OF THE INVESTMENT STRATEGIES?

The investment options available to you can be classified in terms of their risk profile – Very High, High, Medium to High, Medium, Low to Medium, Low and Very Low (based on the risk labels shown in Table 4: Industry Standard Risk Measure). The risk profile reflects the relationship between investment risk and investment return. In general, the higher the anticipated investment return, the higher the associated level of risk.

Very High risk options are likely to produce higher returns over the medium to long term than investments with a Low or Medium risk profile but are also more likely to show a higher volatility in returns. None of the Emplus investment options are classified as Very High risk or Low risk – see Table 3: ‘Risk Profiles of Investment Options’.

The Emplus investment options in Table 3: ‘Risk Profiles of the Investment Options’ are classified as High, Medium to High, Medium, Low to Medium or Very Low and are presented in order of higher potential risk and higher potential return to lower potential risk and lower potential return.

A person seeking a long term investment which has the potential for higher growth should be mindful that the options which suit such objectives normally carry the higher potential investment risk. A person wanting lower risk should be willing to accept the possibility of lower returns. When selecting an investment option(s) a number of factors should be considered including length of time until retirement and personal aversion to investment risk.

When selecting an investment option(s) you should consider how much investment risk you are willing to accept in order to obtain a higher investment return. If you are not sure which investment option(s) best suits your need you should consult a licensed financial adviser to assist you.

Your investment is not guaranteed. The value of your investment can rise or fall. Details of the risk profiles for the strategies are also provided in the ‘Investment Options in Detail’ section of this Member Guide.

## STANDARD RISK MEASURE

We have provided the Standard Risk Measure for each investment option in the following tables, which is based on industry guidance to assist you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

You should ensure you are comfortable with the risks and potential losses associated with your chosen investment option/s. For further information on how we assess the Standard Risk Measure for each investment option please refer to [www.emplus.com.au](http://www.emplus.com.au)

**Table 4: Industry Standard Risk Measure**

Risk band	Risk label	Estimated number of negative annual returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

## HOW ARE INVESTMENT RETURNS PASSED ON TO MEMBERS?

The product is part of a “unit-linked” Fund. This means that contributions or other amounts are credited to your Account buy investment units in the investment options that you have nominated, or AMG MySuper if you have not made an investment choice. The number of units that you buy depends on the next unit price available after your contribution is credited to your Account. Units are sold when deductions are made from your Account to pay taxes, fees and costs (including insurance premiums), when you make a withdrawal or are paid a benefit, or when you make an investment switch. Units are sold based on the Redemption unit price applicable at the time the deduction, withdrawal, payment or switch is processed. The value of the number of units sold will depend upon the Redemption unit price at that time. The difference between the Application and Redemption price of a particular class of unit is called the Buy/Sell spread and may vary from one investment option to the other – details can be found in Table 5: Emplus Employer Super Fees and Costs.

## HOW ARE UNIT PRICES CALCULATED?

Each unit represents an equal part of the market value of the portfolio of investments that the investment option holds. As a result, each unit has a dollar value, or “unit price”. This unit price is calculated by taking the total market value of all of an investment option’s assets on a particular day, adjusting for any liabilities and then dividing the net portfolio value by the total number of units held by investors on that day. Although your unit balance in an investment option will stay constant (unless there is a transaction on your Account), the unit price will change according to changes in the market value of the investment portfolio or the total number of units issued for the investment option. We determine the market value of each investment option based on the information we have most recently available.

Unit prices for all of the investment options are updated on a daily basis, which means that the performance of your Account will keep up-to-date with the actual investment performance of the investment strategy applicable to your Account. When calculating the unit price, the performance of the underlying investment portfolio, movements in cash flow, investment earnings tax and relevant fees and costs, are taken into account. Refer to Table 5: Emplus Employer Super Fees and Costs for information about fees and costs that are taken into account in calculating unit prices.

If the underlying investments are performing well, then generally an investment option's unit price will go up. If the underlying investments are not performing well, then generally an investment option's unit price will go down. Your annual Benefit Statement will show you your investment performance 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 or it is required to do so by law.

## **IS YOUR SUPERANNUATION GUARANTEED?**

Neither the Government, the Trustee, the Fund Administrator, the underlying investment managers or their associated trustees or responsible entities, nor any other party associated with this product and their respective employees, agents or officers guarantee the repayment of capital or the payment of any particular rate of return on any of the investment options.

## **WHAT IF YOU DO NOT NOMINATE ANY INVESTMENT OPTIONS?**

If you are joined to Emplus Employer Super by your employer and do not make an investment choice, your contributions and Account Balance will be invested in AMG MySuper. Refer to 'Investment Options in Detail' section for further information.

## **MONITORING YOUR INVESTMENTS**

You should monitor the performance of your investment in relation to your investment objectives. You should also bear in mind that your investment objectives may change over time and that this could lead to a need to re-adjust your portfolio from time to time.

You can monitor your investment in a number of ways:

- by reading your Annual Member Benefit Statement and the Annual Trustee Report to Members, available after October each year
- by calling the Fund Administrator on 1800 336 911
- by visiting [www.emplus.com.au](http://www.emplus.com.au)
- by emailing the Fund Administrator at [info@emplus.com.au](mailto:info@emplus.com.au)

There may be updated information available on the website or on request from the Fund Administrator.

## **CHANGING YOUR INVESTMENT OPTIONS**

You can change investment strategies at any time (subject to normal switching procedures) which involve a withdrawal (redemption of units) from one investment option and investment (application for units) in another investment option. There is no switching fee to switch investment strategies. However, please note that, for most investment options, there is a buy spread when buying units and a sell spread when selling units. Details of the buy and sell spreads for the different options can be found in Table 5: Emplus Employer Super Fees and Costs, and in the 'Additional Explanation of Fees and Costs'.

Other fees and costs apply depending on the investment strategy you choose.



## SECTOR INVESTMENT OPTIONS IN DETAIL

Name of Option	AMG Cash	AMG Australian Fixed Interest	AMG International Fixed Interest
Risk Profile <sup>1</sup>	Very Low	Low to Medium	Low to Medium
Investment Objective	To exceed the investment return of the Bloomberg AusBond Bank 0+Y TR AUD over rolling 5 year periods.	To exceed the investment return of the Bloomberg AusBond Composite 0+Y TR AUD over rolling 5 year periods.	To exceed the investment return of the Citigroup WGB ex Australia (Hedged) over rolling 5 year periods.
Suggested Minimum Investment Timeframe	0-2 years or more	2-3 years or more	2-3 years or more
Asset Classes & Allocations (%)			
	Target %	Target %	Target %
Aust. Shares	0	0	0
Int'l Shares	0	0	0
Property Securities	0	0	0
Aust. Fixed Interest	0	95	0
Int'l Fixed Interest	0	0	95
Other	0	0	0
Cash	100	5	5
Underlying Manager	Multiple	Multiple	Multiple

Name of Option	AMG Australian Equities	AMG International Equities	AMG Listed Property
Risk Profile <sup>1</sup>	High	High	High
Investment Objective	To exceed the investment return of the S&P/ASX 300 Accumulation Share Index over rolling 7 year periods.	To exceed the investment return of the Morgan Stanley Capital International World ex Australia with Net Dividends Reinvested Share Index over rolling 7 year periods.	To exceed the investment return of the S&P/ASX 300 A-REIT over rolling 7 year periods.
Suggested Minimum Investment Timeframe	5-7 years or more	5-7 years or more	2-4 years or more
Asset Classes & Allocations (%)			
	Target %	Target %	Target %
Aust. Shares	95	0	0
Int'l Shares	0	95	0
Property Securities	0	0	95
Aust. Fixed Interest	0	0	0
Int'l Fixed Interest	0	0	0
Other	0	0	0
Cash	5	5	5
Underlying Manager	Multiple	Multiple	Multiple

1. To see the type of investor each option is suitable for, based on the level of risk, refer to Table 3: 'Risk Profiles of the Investment Options'.

## DIVERSIFIED INVESTMENT OPTIONS IN DETAIL

Name of Option	AMG MySuper	AMG Conservative	AMG Capital Stable
Risk Profile <sup>1</sup>	High	Low to Medium	Medium
Investment Objective	To achieve returns (net of fees and taxes on investments) that exceed movements in the Consumer Price Index by at least 3.0% over rolling 10 year period.	To achieve an investment return of 1% pa above the Consumer Price Index over rolling 5 year periods.	To achieve an investment return of 2% pa above the Consumer Price Index over rolling 5 year periods.
Suggested Minimum Investment Timeframe	4 to less than 6 years	1-2 years or more	2-3 years or more
Asset Classes & Allocations (%)			
	Target %	Target %	Target %
Aust. Shares	35	10	15
Int'l Shares	25	0	10
Property Securities	10	10	15
Aust. Fixed Interest	10	30	25
Int'l Fixed Interest	15	0	5
Other	0	0	0
Cash	5	50	30
Underlying Manager	Multiple	Multiple	Multiple

Name of Option	AMG Balanced	AMG Managed Growth	AMG High Growth
Risk Profile <sup>1</sup>	Medium to High	High	High
Investment Objective	To achieve an investment return of 3% pa above the Consumer Price Index over rolling 7 year periods.	To achieve an investment return of 4% pa above the Consumer Price Index over rolling 7 year periods.	To achieve an investment return of 5% pa above the Consumer Price Index over rolling 7 year periods.
Suggested Minimum Investment Timeframe	3-5 years or more	4-6 years or more	5-7 years or more
Asset Classes & Allocations (%)			
	Target %	Target %	Target %
Aust. Shares	25	35	45
Int'l Shares	20	25	30
Property Securities	15	15	15
Aust. Fixed Interest	20	10	5
Int'l Fixed Interest	5	5	0
Other	0	0	0
Cash	15	10	5
Underlying Manager	Multiple	Multiple	Multiple

1. To see the type of investor each option is suitable for, based on the level of risk, refer to Table 3: 'Risk Profiles of the Investment Options'.

## Fees and costs

### DID YOU KNOW?

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

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

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

You or your employer, as applicable, may be able to negotiate to pay lower fees where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

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

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

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. Entry fees and exit fees cannot be charged.

Taxes, insurance fees and other costs relating to insurance are set out in another part of this document, in the Emplus Employer Super Insurance Guide.

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

The fees and other costs for AMG MySuper and each investment option offered in Emplus Employer Super members are set out on page 20:

**Table 5: Emplus Employer Super Fees and Costs**

Type of Fee	Amount	How and When Paid
<b>Investment Fee<sup>1,2</sup></b>	0.03% of assets p.a. (estimated)	For AMG MySuper this is deducted from earnings before daily unit prices are calculated and for all other options this is calculated and deducted on the last day of each month or on exit from Emplus, in arrears, from your account balance.
<b>Administration Fee<sup>1</sup></b>	<p><b>AMG MySuper:</b> \$65.00 per annum Plus 0.56% of assets p.a. (estimated)</p> <p><b>Other Options:</b> \$72.80 per annum Plus 0.57% of assets p.a. (estimated)</p>	<p><b>Dollar based fee</b> Deducted at the end of each month, or on exit from Emplus, in arrears from your account balance.</p> <p><b>Percentage based fee</b> For AMG MySuper this is deducted from earnings before daily unit prices are calculated and for all other options this is calculated and deducted on the last day of each month or on exit from Emplus, in arrears, from your account balance.</p>
<b>Buy-Sell Spread</b>	<p><b>AMG MySuper:</b> +0.09%/-0.10%</p> <p><b>Investment Options (other than AMG MySuper):</b> Buy and sell costs range from 0% to 0.25%, depending on the investment option</p>	The deduction is reflected in the unit price when units are bought and sold
<b>Switching Fee</b>	Not applicable	Not applicable
<b>Advice Fees</b> relating to all members investing in a particular MySuper product or investment option	Not applicable (however, personal advice fees may apply)	Not applicable

**Table 5: Emplus Employer Super Fees and Costs**

Type of Fee	Amount	How and When Paid
<b>Other Fees and Costs<sup>1,3</sup></b>	Various depending on activity, personal advice or insurance cover	Deducted from your account balance, as applicable
<b>Indirect Cost Ratio<sup>1</sup></b>	<b>AMG MySuper:</b> 0.32% of assets p.a. (estimated) <b>Investment Options (other than AMG MySuper):</b> 0.00% - 0.81% of assets p.a. (estimated) depending on the investment option	Deducted before gross earnings of the option's underlying investments are received by the Fund and reflected in the calculation of the option's daily unit prices.

1. If your account balance for a product offered by the Fund is less than \$6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
2. Indirect investment related fees also apply and are included in the Indirect Cost Ratio.
3. Other fees may apply, including activity fees, advice fees for personal advice or insurance fees (as applicable). Please refer to the 'Additional Explanation of Fees and Costs' later in this Member Guide.

**Note:** Estimated fees and costs are subject to variation from year to year.

#### Example of Annual Fees and Costs:

This table gives an example of how fees and costs for the AMG MySuper option for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

Example: AMG MySuper		BALANCE OF \$50,000
<b>Investment Fees</b>	0.03%	For every \$50,000 you have in the superannuation product you will be charged \$15 each year
<b>PLUS Administration Fees</b>	\$65.00 (\$1.25 per week) Plus 0.56%	<b>And</b> , you will be charged \$65 in administration fees regardless of your balance Plus \$280 per year in administration fees based on a percentage of your balance
<b>PLUS Indirect Costs for the superannuation product</b>	0.32%	<b>And</b> , indirect costs of \$160 each year will be deducted from your investment
<b>EQUALS Cost of product</b>		If your balance was \$50,000, then for that year you will be charged fees of \$520.00 for the superannuation product

NOTE: Additional fees may apply including but not limited to a buy/sell spread which is reflected in the AMG MySuper option unit price.

## DEFINED FEES

These definitions are prescribed under Government regulations. Emplus Employer Super does not have activity fees (for example, charges for administration of family law splits) or switching fees (however buy-sell spreads apply when switching investment options).

### Activity Fee

A fee is an **activity fee** if:

- a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
  - i. that is engaged in at the request, or with the consent, of a member; or
  - ii. that relates to a member and is required by law; and
- b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

### Administration Fees

An **administration fee** is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

- a) borrowing costs; and
- b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
- c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

### Advice fees

A fee is an **advice fee** if:

- a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
  - i. a trustee of the entity; or
  - ii. another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

### Buy-Sell spreads

A **buy-sell spread** is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

### Exit Fee

An **exit fee** is a fee, other than a buy-sell spread, that relates to the disposal of all or part of members' interests in the superannuation entity.

### Indirect Cost Ratio

The **indirect cost ratio (ICR)**, for a MySuper product or an investment option offered by a superannuation entity, is

the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

### Insurance Fee

A fee is an **insurance fee** if:

- a) the fee relates directly to either or both of the following:
  - i. insurance premiums paid by the trustee of a superannuation entity in relation to a member or members of the entity;
  - ii. costs incurred by the trustee of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and
- b) the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- c) the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an advice fee.

### Investment fees

An **investment fee** is a fee that relates to the investment of the assets of a superannuation entity and includes:

- a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- b) costs that relate to the investment of assets of the entity, other than:
  - i. borrowing costs; and
  - ii. indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
  - iii. costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

### Switching Fee

A **switching fee** for a MySuper product is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one class of beneficial interest in the entity to another.

A **switching fee** for superannuation products other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

The defined fees can also be found at [www.emplus.com.au/fees/defined-fees](http://www.emplus.com.au/fees/defined-fees)

## ADDITIONAL EXPLANATION OF FEES AND COSTS

### Administration fees

APRA requires all trustees of APRA regulated funds, including AMG Super, to establish and maintain adequate financial resources (for an example, via an operational risk reserve or "ORFR") to protect members against losses arising from operational risk events. For example, where a fund incurs an operational loss as a result of an operational risk event, it will be able to access the ORFR to remediate member's accounts.

The Trustee has an approved policy in place regarding the maintenance of the ORFR detailing how and when the ORFR is accessed, how the level of the ORFR is monitored and what constitutes an operational risk event. The Trustee has determined that the ORFR should represent 0.25% of total funds under management (FUM). The funding of the ORFR is included in the percentage based Administration Fees for Emplus). This amount is subject to various factors such as the investment earnings of the ORFR and growth in FUM.

### Advice fees for personal advice

You may agree for your adviser to receive payment ('remuneration') for adviser services relating to your account or superannuation. Any adviser remuneration will only be payable from your account in Emplus Employer Super where there is a written agreement between you and your adviser, you agree to both the amount of the fee and its deduction from your account and any other terms and conditions (as stipulated by or on behalf of the Trustee from time to time in Emplus forms or other documentation to your and/or your adviser) relating to the payment of remuneration to your adviser are met.

When you authorise the Trustee to deduct any agreed adviser remuneration from your account, you authorise the Trustee to deduct the amount (as agreed with your adviser and pay it to the adviser or the adviser's principal (that is, the Australian financial services licence (AFSL) holder that the adviser represents), for passing on to the adviser as the AFSL holder determines.

The amount of advice fees is as negotiated between you and your adviser.

This may be a recurring fee, or a single one-off fee, depending on the nature of the adviser's services, your agreement and any Trustee requirements. The amount of advice fees will appear in the Statement of Advice provided to you by your adviser and will be shown in your annual Benefit Statement.

Any advice fees you pay are additional to the fees and costs shown in Table 5: Emplus Employer Super Fees and Costs.

To cease or vary the deduction of the Ongoing Advice fees from your superannuation, please contact your financial adviser and the Fund Administrator.

The amount of these advice fees will appear in the Statement of Advice provided to you by your adviser and will be shown in your annual Benefit Statement.

### Buy-Sell spreads

Generally, a buy spread or sell spread is a variable margin between the application and redemption price that reflects allowances for acquisition and disposition costs associated with the buying and selling of underlying investments. The buy spread will apply when buying units, and the sell spread will apply when redeeming units, in Emplus Employer Super's investment options. The buy and sell spreads vary, depending on the investment option, as set out in Table 6: Emplus Operational and Transactional Costs. The spreads aim to ensure that existing members do not pay any transaction costs associated with other members entering or exiting the investment options.

All buy and sell spreads are reflected in the calculation of the investment option's unit prices, however no part of the spread is paid to the Trustee or an external manager. The spreads are accordingly an additional cost that is borne by members when buying or selling units, however this cost is not additional to the fees and costs shown in Table 5: Emplus Employer Super Fees and Costs.

Other transactional and operational costs apply.

### Transactional and operational costs

Transactional and operational costs are costs associated with the buying and selling of underlying investments and are defined (under relevant regulations) to include buy-sell spreads, brokerage, settlement costs (including related custody costs), clearing costs and stamp duty of investment transactions (depending on the nature of the underlying investments or assets), certain costs associated with the acquisition of assets and property operating costs but do not include (in the case of superannuation funds) certain costs associated with over-the-counter derivative financial products and borrowing costs. There are no transactional and operational costs paid out of Fund assets associated with Emplus Employer Super investment options, any such costs are incurred outside the Fund.

These costs can be incurred directly by underlying fund managers or as a result of a fund manager investing through a fund into another fund. This is referred to as gaining exposure to underlying assets through an "interposed vehicle".

Examples of costs that are incurred by our underlying investment managers or through interposed vehicles in relation to the buying and selling of assets include brokerage and settlement costs on share trading and buy-sell spreads of or incurred by unitised managed funds.

Transactional and operational costs vary depending upon the different asset classes and investment managers within each investment option, and estimates of these are shown in the Table 6: Emplus Operational and Transactional Costs for each of the options (including the AMG MySuper option).

While these costs are an additional cost to the investor, they are reflected in the Indirect Cost Ratio for each investment option and recovered through the calculation of unit prices, and therefore do not constitute a charge that is additional to the fees and costs already shown in this guide as applicable to members investing in these options.

## Indirect Cost Ratios

Estimated Indirect Cost Ratios for each investment option are reflected in the calculation of unit prices and are shown in Table 6: Emplus Operational and Transactional Costs below. These estimates are subject to change from year to year.

Table 6: Emplus Operational and Transactional Costs

Option	Estimated ICR (% assets per year)	Estimated Operational and Transactional Costs (included in the ICR)	Buy-Sell Spread
AMG MySuper	0.32%	0.02%	+0.09% / -0.10%
AMG High Growth	0.65%	0.05%	+0.21% / -0.20%
AMG Managed Growth	0.59%	0.05%	+0.17% / -0.18%
AMG Balanced	0.55%	0.04%	+0.14% / -0.14%
AMG Capital Stable	0.46%	0.03%	+0.09% / -0.08%
AMG Conservative	0.40%	0.01%	+0.03% / -0.03%
AMG Australian Equities	0.69%	0.06%	+0.25% / -0.25%
AMG International Equities	0.81%	0.09%	+0.19% / -0.18%
AMG Listed Property	0.31%	0.00%	+0.07% / -0.06%
AMG Australian Fixed Interest	0.38%	0.03%	+0.02% / -0.01%
AMG International Fixed Interest	0.29%	0.06%	+0.05% / -0.04%
AMG Cash	0.35%	0.00%	+0.00% / -0.00%

## Insurance fees

Where you have automatic or voluntary insurance cover through your Emplus Employer Super account, insurance fees will be deducted monthly in arrears from your account.

Insurance fees are the cost of your insurance cover and are made up of insurance premiums which include an Insurance Administration fee, payable to the Fund Administrator, plus Stamp Duty as relevant.

For information about the cost of insurance cover, please refer to the Emplus Employer Super Insurance Guide, which can be downloaded from [www.emplus.com.au/forms](http://www.emplus.com.au/forms), or phone the Fund Administrator on 1800 336 911 to obtain a hard copy.

## Taxation

The Trustee may receive tax deductions in respect of fees or costs paid out of Fund assets. For any fees (including insurance premiums) you pay which are deducted from your Member Account, the benefit of any tax deductions is passed on in the form of a reduced fee because your Member Account will receive a tax credit equal to 15% of the fee paid.

Please refer to section 7 'How super is taxed' in the PDS and the 'Tax and Your Super' section of this Guide for further details regarding taxation.

## Increases or alterations in fees

Fees may be determined by, and may be increased (without your consent) by, the Trustee at the commencement of each financial year or at such other time as the Trustee determines. You will be provided with at least 30 days' notice of any material increase in fees, where required by law. However estimated fees which increase due to increased costs (for example, due to actual expense recoveries being higher than anticipated or potential recoveries, increased funding requirements for the ORFR or the ability of the Trustee and directors to be indemnified out of Fund assets) may not be advised in advance. Estimated fees and costs may vary from year to year depending on the experience of this product and its underlying investments.

## Tax and Your Super

Superannuation is a long-term savings vehicle designed to be a tax effective way to build up funds for your retirement. While your superannuation savings are generally locked up until you retire or are able to cash them in (see the 'Preserved Benefits' section of this Guide), for most people, superannuation is a tax effective way to save for retirement.

This section is designed to give you an overview of how superannuation is taxed at different stages based on laws applicable at the date of preparation of this Guide and assuming we hold your TFN. It does not provide an overview of any other levies or charges that may be imposed by the ATO. As taxation rules contain thresholds that may vary from year to year (e.g. due to indexation) or taxation rules relevant to superannuation can change, you should refer to the Australian Taxation Office website at [www.ato.gov.au](http://www.ato.gov.au) for up to date information. As the impact of the taxation rules depends on your personal circumstances, you should consider obtaining professional taxation advice that takes into account your individual situation.

## CONTRIBUTIONS TAX

The tax treatment of contributions depends on whether they are concessional contributions or non-concessional contributions. The standard annual contribution limits per person for the 2019/2020 financial year are:

Contribution Classification	
Concessional Contributions Limit	\$25,000 pa
Non-concessional Contributions Limit	\$100,000 pa

These limits are also subject to indexation. The amount you can contribute in a year may be higher, under "bring forward" rules relevant to non-concessional contributions or "carry forward" rules relevant to concessional contributions – see below. The amount you can contribute also depends on your Total Superannuation Balance – see below.

## Concessional Contributions

Concessional contributions include employer (including salary sacrifice) contributions and tax deductible personal contributions where you provide us with a *Notice of Intent to claim or vary a deduction for personal super contributions* form (in an approved form) that is acknowledged by the Trustee. They do not include downsizing contributions

Concessional contributions generally attract tax at a rate of 15%, payable from the Fund (deducted from relevant member accounts). A higher rate of tax applies to high income earners (see below). Concessional contributions in excess of the concessional contributions limit applicable to a financial year will incur additional tax payable directly by the individual member. The excess concessional contributions will be taxed at the member's marginal tax rate plus an additional charge that factors in the delay in paying the tax. The member will get a 15% tax offset to allow for the contributions tax that would already have (usually) applied to these contributions. Members may elect in writing using a form approved by the Australian Tax Office to release up to 85% of the excess concessional contributions. This election must be provided to the Australian Tax Office within 21 days of receiving the excess concessional contributions notice. Any excess concessional contributions retained in a superannuation fund will also count towards the amount of a member's non-concessional contributions limit.

You can contribute more than the standard concessional contribution cap in a financial year if you have not used your concessional contributions cap fully in a previous financial year (referred to as "unused concessional contributions") under "carry forward" rules. Any unused concessional contributions can be carried forward for up to 5 consecutive years, where the member's Total Superannuation Balance (at the end of 30 June of the previous financial year) is less than \$500,000. Unused carried forward concessional contributions expire after 5 years. The first year you will be entitled to carry forward any unused amounts is the 2019/20 financial year. This means that in the 2019/20 financial year you will only be able to carry forward unused concessional contributions from the 2018/19 financial year.

See below for further information about the Total Superannuation Balance.

If we do 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 a much higher rate (payable from the Fund, deducted from relevant member accounts). A superannuation fund may (but is not obliged to) recover any additional tax paid by it in respect of your no-TFN contributions if it 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.

Note that an additional 15% tax (i.e. in addition to the normal 15% contributions tax) will apply to those individuals whose eligible income plus non-excessive concessional contributions is more than \$250,000 in a financial year. Broadly, 'income' for this measure includes taxable income, reportable fringe benefits and net investment losses. Unlike contributions tax usually payable from the Fund, this 15% tax will be a personal tax liability of the individual.

For information about the concessional contribution limit and applicable tax rates from year to year, go to [www.ato.gov.au](http://www.ato.gov.au) or seek professional advice.

## Non-Concessional Contributions

Non-concessional contributions include non-deductible personal contributions. They do not include downsizing contributions.

Non-concessional contributions are limited to \$100,000 per person per annum (for the 2019/2020 financial year). The non-concessional contributions limit is 4 times the standard concessional contributions limit, so if the concessional contributions limit increases due to indexation, the non-concessional contributions limit will also increase.

You may be able to contribute more than the standard non-concessional contribution cap in a financial year under "bring forward" rules. People under age 65 can bring forward 2 years of future non-concessional contributions averaged over a three year period, giving them a limit of \$300,000 over a three year period (where the three year period commences on or after 1 July 2017), subject to their Total Superannuation Balance. Once a person turns age 65 they will be able to make non-concessional contributions of up to \$100,000 in each financial year provided they satisfy the work test in each relevant year. Non-concessional contributions in excess of the non-concessional contributions limit applicable to an individual in a financial year (taking into account the individual's Total Superannuation Balance) will incur tax at the top marginal tax rate (plus any applicable levies) payable directly by the individual if retained in a superannuation fund (although the amount of the tax assessment can be released from the fund to meet the tax liability, on presentation of an Australian Taxation Office release authority). The excess amount and associated earnings can be released from a superannuation fund upon presentation of an Australian Taxation Office release authority, however additional tax in relation to the associated earnings may apply payable directly by the individual.

A member's Total Superannuation Balance must be below a "general transfer balance cap" (\$1.6 million for the 2019/2020 financial year, subject to indexation in future years) in order to make non-concessional contributions into superannuation. That is, a member's non-concessional contributions cap is effectively reduced to nil, if they have a Total Superannuation Balance equal to or in excess of the general transfer balance cap. The Total Superannuation Balance is measured at 30 June of the year immediately preceding the year in which non-concessional contributions are made and is tested each financial year. This means, for example, that a member under the age of 65 will not be able to use any unused portion of their bring-forward non-concessional cap if their Total Superannuation Balance is equal to or above the general transfer balance cap.

Go to [www.ato.gov.au](http://www.ato.gov.au) for further information about the impact of your Total Superannuation Balance on any bring forward arrangement you have or wish to commence, and applicable transitional rules. If you are unsure if you have previously triggered the bring forward rules, or you are considering making a large contribution, call the ATO on 13 10 20 or obtain taxation advice

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



For information about the non-concessional contribution limits and applicable tax rates from year to year, go to [www.ato.gov.au](http://www.ato.gov.au) or seek professional advice.

## TOTAL SUPERANNUATION BALANCE

Your Total Superannuation Balance is, in summary, the total amount of superannuation (accumulation and pension) you have across all funds you participate in, subject to some adjustments (for example, special rules apply to superannuation contributions arising from settlement of a personal injury claim – referred to as structured settlements – and downsizing contributions).

Your Total Superannuation Balance impacts your ability to make or receive certain contributions and/or the tax you pay.

The calculation of your Total Superannuation Balance is complex and depends on your personal circumstances. For further information go to [www.ato.gov.au](http://www.ato.gov.au) or seek professional advice.

## TAX FILE NUMBERS

The Trustee, by law, must ask for every Member's tax file number. By completing the Tax File Number (TFN) Notification Form included with the Member Application Form, this allows the Trustee to use your TFN for the purposes contained in the Superannuation Industry (Supervision) Act 1993 including paying tax on superannuation benefits.

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.

To avoid paying additional (No-TFN) tax, please make sure we have your TFN recorded. Although your employer may have provided your TFN to us (under requirements applicable to employers), ensuring we have your TFN will help avoid any adverse consequences.

## TAX ON INVESTMENT EARNINGS

A superannuation fund's earnings are taxed at a lower rate than most other forms of savings. The current maximum rate is 15%.

You do not pay personal income tax on the investment earnings of your Account balance in Emplus Employer Super.

## TAXATION OF BENEFITS

### Taxation on Lump Sums

You may be liable to pay income tax on benefits paid to you. The amount for which you are liable will depend on how you choose to take the benefit, whether as a lump sum or as a pension. You might also be able to defer the payment of tax by rolling over the amount to another superannuation entity.

At the time when a benefit is due to be paid, the Trustee is required to obtain instructions from you as to how you want the benefit paid, i.e. paid to you, rolled over to another superannuation entity or a combination of both.

You may also be able to arrange to receive your benefit by way of a pension. The taxation of pension benefits is different to that applying to benefits received as lump sums. Emplus does not offer pension benefits, consequently to receive your benefit in the form of a pension you will need to transfer to another superannuation product that offers superannuation pensions.

Any lump sum paid to will be taxed depending on your age and the components of your benefit. Because of the complex tax rules in relation to your benefits withdrawn from superannuation it is recommended that you obtain suitable professional advice prior to instructing the Trustee as to how you wish your benefit to be paid.

As a general rule however at the date of this Member Guide:

Tax payable on lump-sum withdrawals			
Component	Maximum rate of tax		
Tax free (includes amounts such as non-concessional contributions, pre-July 1983 amounts etc)*	0%		
Taxable (includes amounts such as concessional contributions)*	Aged 60 and over		0%
	Preservation age** to age 59	Amount up to low rate threshold***	0%
		Amount over low rate threshold***	15% plus Medicare levy
Under preservation age**		20% plus Medicare levy	

\* Contact the Fund Administrator for details of your tax free and taxable components.

\*\* See Table 2 in the 'Preserved Benefits' section for information on your preservation age.

\*\*\*The low rate threshold of \$210,000 for the 2019/2020 financial year.

Special rules apply to Departing Australia Superannuation Payments, death benefits, benefits paid to a member suffering a terminal medical condition and (subject to ATO approval) First Home Super Saver Scheme payments (see below).

## Tax on Death Benefits

Where a lump sum death benefit is paid to a dependant (regardless of age) the benefit will usually be tax free. A dependant for taxation purposes is a spouse (including a defacto spouse of the same or opposite sex), a child under 18 (including a child of your spouse) and any other person who was financially dependent on, or had an Interdependency Relationship (as defined in superannuation law) with the deceased member. It does not include an adult child aged 18 or more (unless that child was financially dependent on, 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.

A death benefit paid to a non-dependant 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 15%, plus 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 30%, plus Medicare levy. Tax on any taxable component may be higher if the Trustee does not hold your TFN.

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

## 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.

## Tax on 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 we do not hold your TFN.

## Departing Australia Superannuation Payments (DASPs)

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:

- Tax free component - Nil
- Taxable component (taxed element) - 35%
- Taxable component (untaxed element) – 45%

If you are a 'Working Holiday Maker' (the holder of a 417 or 462 visa), the tax rate for DASP is 65%. This rate applies to both the taxed and untaxed element of the taxable component.

## First Home Saver Scheme Payments ("FHSS scheme payments")

Tax is withheld by the ATO from FHSS scheme payments at your marginal tax rate less a 30% offset, or 17% if the ATO is unable to estimate your expected marginal rate. FHSS scheme payments (and the tax withheld) must be included as assessable income in your income tax return (based on the

year in which the release of the payment is requested). Extra tax may apply in certain circumstances (at 20% of assessable FHSS scheme payments amount).

**The laws relating to the taxation of superannuation benefits are complex. We recommend that you seek professional advice about your options well before you actually receive your benefit.**

## 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 Fund Administrator.

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

All fees and charges in this Member Guide take into account the net effect of GST, including any reduced input tax credits that might apply, unless stated otherwise.

## Directory

### Fund Administrator

Acclaim Management Group Limited  
 ABN 52 091 082 058  
 PO Box 3528 Tingalpa DC QLD 4173  
 Freecall: 1800 336 911  
[www.emplus.com.au](http://www.emplus.com.au) | Email: [info@emplus.com.au](mailto:info@emplus.com.au)

### Emplus Enquiries and Complaints Officer

Enquiries and Complaints Officer  
 Acclaim Management Group Limited  
 ABN 52 091 082 058  
 PO Box 3528 Tingalpa DC QLD 4173  
 Freecall: 1800 336 911  
[www.emplus.com.au](http://www.emplus.com.au) | Email: [info@emplus.com.au](mailto:info@emplus.com.au)

### Insurer

Hannover Life Re of Australasia Limited  
 ABN 37 062 395 484  
 Tower 1, Level 33, 100 Barangaroo Avenue SYDNEY  
 NSW 2000  
 Phone: 02 9251-6911  
[www.hannover-re.com/1093873/australia\\_lh](http://www.hannover-re.com/1093873/australia_lh)

### Trustee

Equity Trustees Superannuation Limited  
 ABN 50 055 641 757 | AFSL No 229757  
 RSE Licence No: L0001458  
 Level 1, 575 Bourke Street Melbourne VIC 3000  
 Phone: (03) 8623 5000