Creating financial independence since 1846

Issued: 1 December 2020

IOOF Pursuit pension general reference guide (PSP.01)

The information in this investment guide forms part of the disclosure documents for:

- **IOOF Pursuit Select Allocated Pension** and **IOOF Pursuit Select Term Allocated Pension** including the Product Disclosure Statements (PDS) dated 1 December 2020, **IOOF Pursuit Select Investment Guide (PSI.01) and the IOOF Pursuit Select Investment Menu (Investment Menu).**
- **IOOF Pursuit Focus Allocated Pension** including the Product Disclosure Statements (PDS) dated 1 December 2020, **IOOF Pursuit Focus Investment Guide (PFI.01, APF.02 or IPF.02)** and the applicable **IOOF Pursuit Focus Investment Menu (Investment Menu)** listed in the investment options section on page 2.

These documents should be considered before making a decision to acquire the products. We recommend you read this entire guide. The information is divided into the following sections.

Contents

Important information

This guide has been prepared and issued by IOOF Investment Management Limited (IIML ABN 53 006 695 021, AFS License No. 230524. IIML is the Trustee of the IOOF Portfolio Service Superannuation Fund (Fund) ABN 70 815 369 818.

IOOF Pursuit (the Service) consists of IOOF Pursuit Select Personal Superannuation, IOOF Pursuit Focus Personal Superannuation (Super Service), IOOF Pursuit Select Allocated Pension, IOOF Pursuit Select Term Allocated Pension and IOOF Pursuit Focus Allocation Pension (Pension Service) and IOOF Pursuit Select Investment (Investment Service). The Super Service and Pension Service are superannuation and pension products forming part of the Fund.

About the Trustee

- IIML is a part of the IOOF group comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (IOOF group).
- As Trustee, IIML is responsible for operating the Fund honestly and in the best interests of members.
- IIML undertakes all of the administrative tasks through IOOF Service Co Pty Ltd ABN 99 074 572 919. IIML has investment and service contracts with related parties within the IOOF group, including IOOF Service Co Pty Ltd. Managed Portfolio Services Limited ABN 77 009 549 697, the managed discretionary account operator and provider of the Managed Portfolio Service, is also a related party of the Trustee. Australian Executor Trustees Limited ABN 84 007 869 794 AFSL No. 240023, a related party of the Trustee, has been appointed as the Fund's custodian, meaning it holds the assets of the Fund on behalf of members.

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

Contributions made to, and investments in the Super and Pension Services do not represent assets or liabilities of IIML (other than as trustee of the Fund) or any other company or business within the IOOF group. The terms 'our', 'we', 'us' and 'Trustee' in this PDS refer to IIML.

Neither IIML, nor any other related or associated company, the fund managers providing the managed investments, service providers or the related bodies corporate of the parties mentioned, guarantee the repayment of capital or the performance or any rate of return of the investment options chosen in the Service. Investments made into the investment options in the Service are subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

IIML as Trustee of the Fund operates the Service on the terms and conditions outlined in the PDSs and in accordance with the Fund's Trust Deed. We may change any of the terms and conditions set out in the PDSs at any time where permitted to do so under the Trust Deed and superannuation (super) law.

Investment options offered

IIML makes no recommendation regarding the investment options set out in the investment menus.

As Trustee, IIML regularly monitors the investment options available to members in the Service and provides no assurance that any investment option currently available will continue to be available in the future. We have the right to suspend or cease investments in a specific investment option without reason and can redeem and transfer your investments to your Cash Account in circumstances where the investment option is no longer available and no alternative instructions are provided. We will notify you of any such change where possible before the change occurs. You may incur a buy-sell spread where your investment option is redeemed.

The fund managers have not authorised or caused the issue of this PDS but have consented to the inclusion of statements which relate to their particular managed investment.

IOOF Investment Services Ltd (IISL), ABN 80 007 350 405, AFSL 230703, part of the IOOF group, is the Responsible Entity of IOOF MultiMix Trusts, IOOF MultiSeries, the IOOF Cash Management Trust, Specialist Funds and Strategic Funds (collectively, the Trusts) and receives fees under the Constitutions of the Trusts. These are some of the investment options offered in the Service as listed in respective **Investment Menus.**

The **IOOF Pursuit Select Investment Menu** is available on our website (ioof.com.au/pursuit-select-investment-menu).The Pursuit Select Investment Menu also applies to Annex Select and Infocus Select products).

The **IOOF Pursuit Focus Investment Menu** is available on our website (ioof.com.au/pursuit-focus-investment-menu).

The **IOOF Pursuit Focus for Infocus Investment Menu** is available on our website (ioof.com.au/pursuit-focus-infocus-investment-menu).

The **Annex** - **IOOF Pursuit Focus Investment Menu** is available on our website (ioof.com.au/pursuit-focus-annex-investment-menu).

In order to choose an investment option for your investment strategy, you should review the information in the **Investment Guide** and **Investment Menu** relevant to your product.

Before selecting an investment option, your financial adviser should give you the product disclosure statement for that managed investment or fixed-term annuity or the product guide for the term deposit. These documents provide you with important information to consider and evaluate before investing. Product disclosure statements for each managed investment or fixed-term annuity and product guides for each term deposit are also available on our website (www.ioof.com.au). Please note, product disclosure statements and product guides are not available for Direct Share Choice investment options.

About IOOF Pursuit Pensions

IOOF Pursuit offers the following types of pensions:

1. IOOF Pursuit Select and IOOF Pursuit Focus allocated pension. This is an account-based income stream with three options:
   I. Retirement phase pension. This option is available if you have met a condition of release such as retirement
   or reaching age 65 and all your super is unrestricted non-preserved.
   II. Transition to retirement (TTR) pension. This option is available if you have reached your preservation age, but you have not met a condition of release and some or all of your benefits are preserved. Once you meet a condition of release, your TTR pension automatically becomes a Retirement phase pension.
   III. Death benefit or Reversionary pension. This pension is available on death of a super fund member or pensioner.
2. IOOF Pursuit Select Term Allocated Pension (TAP). This is a market-linked income stream where the pension payments are paid over a fixed term. The IOOF Pursuit Select TAP is a complying income stream under both superannuation and social security laws and can only receive rollovers from other complying income streams. Benefits rolled over to the IOOF Pursuit Select TAP must be unrestricted non-preserved.

Everything you need to know about contributions to commence your pension

What types of contributions can be made?

We can accept a wide range of contributions which can be used to commence your allocated pension. These are:

- Personal contributions made by you and which are not tax deductible
- Spouse contributions made by your spouse (legal or de facto) for your benefit
- Downsizer contributions from the proceeds of selling your family home after age 65
- Transfers from other super or pension products within the Fund
- Transfers of super benefits from other super funds, ADFs or superannuation annuities
- Transfer of a death benefit from another super fund or super/pension account within the Fund to commence a Death benefit pension.

If you wish to make tax deductible personal super contributions (and/or any employer contributions), you must make these contributions to a super account first and provide the appropriate tax notice before transferring the contributions (net of tax)
to the Pension Service.

When can these contributions be made?

The table below sets out when each type of contribution can be made.

Your age	Contributions we can accept into your allocated pension account
Under age 58	If you have met a condition of release, such as permanent incapacity: • Transfers from other super or pension accounts in the Fund and other super funds. • Personal and spouse contributions. OR where you have not met a condition of release: • Transfers from other super accounts within the Fund and other super funds which are wholly unrestricted non-preserved benefits.
Age 58 to 66	If you have met a condition of release, such as retirement after preservation age: • Transfers from other super or pension accounts in the Fund and from other super funds. • Personal and spouse contributions. • Downsizer contributions can be made from age 65. If you have not met a condition of release, you can only commence a pension using the Transition to retirement pension option.
Age 67 to 74	• Transfers from other super or pension accounts in the Fund and from other super funds. • Personal and spouse contributions if you have met the work test. Under the work test if you are aged 67 or more you must have worked at least 40 hours in 30 consecutive days in the financial year you make the contributions. • Personal contributions if you met the work test in the previous financial year and your 'total superannuation balance' at the end of the previous year was less than $300,000. (If this exemption from the work test is used in one financial year, it cannot be used again in a later year.) • Downsizer contributions. No work test applies to these contributions.
Age 75 or more	• Transfers from other super or pension accounts in the Fund and from other super funds. • Downsizer contributions. No work test applies to these contributions.

For information on preservation age and conditions of release, see the 'About IOOF Pursuit Pensions' section of this guide.

Non-concessional contributions

In addition to rollovers or transfers from other superannuation or pension accounts, you can commence an IOOF Pursuit allocated pension with non-concessional contributions. Non-concessional contributions are personal and spouse contributions which are not tax-deductible.

The Commonwealth Government sets a cap on the amount of these contributions that can be made to your super each year. From 2020/21 the non-concessional contributions cap is $100,000 per annum. From 1 July 2020, the age for making or receiving voluntary contributions without satisfying a work test has been raised from age 65 to age 67.

If you are under age 65 at any time during the financial year, you can bring forward the next two years' entitlements and contribute up to $300,000. Some personal contributions, such as those attributable to the sale of some small business assets and those derived from certain personal injury compensation payments, may be exempt from the non-concessional contributions cap. For the exemption to apply, you will need to submit the appropriate Australian Taxation Office (ATO) form with the contributions.

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

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

Downsizer contributions

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

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

Can I make concessional contributions to commence my pension?

No. Only non-concessional contributions, downsizer contributions, transfers and rollovers can be made to commence a pension. If you wish to make concessional contributions, including tax-deductible personal super contributions and/or any employer contributions, you must make these contributions to a super account first, and provide the appropriate tax notice before transferring the contributions (net of tax) to your pension account. For more information about making tax-deductible personal contributions and employer contributions please refer to the relevant IOOF Pursuit Personal Superannuation general reference guide.

Transfer balance cap for Retirement phase and Death benefit/Reversionary pensions

The Government sets a cap (transfer balance cap) on the total amount of pension benefits that can transfer to a tax-free investment environment. This cap is currently at $1.6 million. Retirement phase and Death benefit pension accounts are assessed against this transfer balance cap on pension commencement. Reversionary pensions are assessed 12 months from the date of death on the account balance as at the date of death. Death benefit or Reversionary pensions paid to minor children have an adjusted transfer balance cap based on the deceased parent's cap and the child's share of the death benefit.

Any excess amounts over the cap for a Death benefit or Reversionary pension must be withdrawn in cash. Any excess amounts from a Retirement phase pension can be withdrawn in cash or transferred back into personal super. If IOOF receives a compulsory commutation authority from the Australian Taxation Office (ATO) in relation to an excess amount for a Retirement phase pension, the Trustee will transfer the excess back to personal super where possible.

Transferring assets into your Pursuit Select account

Any external assets that you currently hold may be able to be transferred into your account in the Fund on commencement of your pension. As a transfer of external assets is treated as a contribution to the Fund, tax and super rules may apply to the transfer. The Trustee will treat the contribution as having been received by the Fund when legal title passes to the Trustee.

Transferring from another IOOF Pursuit or IOOF Portfolio Service product

If you apply to transfer to a Pursuit Select Allocated Pension from another IOOF Pursuit or IOOF Portfolio Service super or pension product, you are authorising us to transfer each investment option (where possible), and the balance of your Cash Account (together comprising the full balance of your existing account), to your new pension account.

Any investment options you may have held in your existing IOOF Pursuit or IOOF Portfolio Service product that are not currently available in Pursuit Select Allocated Pension, will be redeemed and invested in the Cash Account until you provide us with new Investment Instructions. If any of those investments are redeemed prior to the transfer, you may incur a CGT liability.

If you have any outstanding Investment Instructions that apply to your existing account, they will be cancelled upon your transfer to Pursuit Select Allocated Pension. In that case, you would need to complete the relevant sections of the Application form to establish the instructions or features you would like to apply to your new pension account. You are not required to provide a Primary Instruction, unless you are making additional contributions to your transfer from IOOF Pursuit or IOOF Portfolio Service to commence your pension.

A Member Advice Fee – Upfront will not be charged on the transfer of your existing account balance to your new account.

If you would like to transfer your benefit from another IOOF Pursuit or IOOF Portfolio Service super or pension product, please complete the relevant section of the Application form located in the Forms Booklet.

Conditions of release

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

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

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

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

Preservation age

Your preservation age is determined by your date of birth as follows:

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

What is the Transition to retirement pension option?

Special rules for TTR pensions

When you reach your preservation age (see page 4), you can acquire an income stream under the TTR pension option without having to permanently retire, change employment or reach age 65.

A TTR allocated pension has the following restrictions:

- A maximum of 10 per cent of the account balance may be paid to you in pension payments each financial year. This means that your nominated pension payment needs to be within the minimum four per cent and maximum 10 per cent limits.
- Cash lump sum withdrawals can only be made in very limited circumstances (see below).
- Investment earnings are taxable at 15 per cent, on the same basis as other accumulation super investments.

Once you meet a condition of release, such as retirement or turning age 65, these additional restrictions will no longer apply. In this situation, if you have been receiving the maximum pension payment, we will convert your current annual pension payment to a fixed dollar amount and continue to pay that amount of pension until you advise us otherwise. Also, your pension account will transfer to Retirement phase and will therefore be assessed against the transfer balance cap.

How the preservation components of your TTR pension option are treated

Your TTR pension can commence with preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits. These components will retain their existing status on transfer into your pension. However, investment earnings will be allocated to the preserved component.

Your pension payments and lump sum withdrawals (where permitted) will reduce each component in a prescribed order: first, from your unrestricted non-preserved benefits, then from your restricted non-preserved benefits and lastly, from your preserved benefits.

Can I commence a TTR pension and still contribute to super?

You can contribute to your personal super account, while receiving a TTR pension. However, if you are transferring benefits from a Pursuit Select Personal Superannuation account into your TTR pension, and you wish to keep your super account open, a balance of at least $10,000 must remain in your Pursuit Select Personal Superannuation account to allow for further contributions to be made. The minimum balance may be higher where tax on contributions or investment income, fees and insurance premiums are required to be paid in respect of your personal super.

Can I make cash withdrawals from my pension account?

TTR pensions and IOOF Pursuit Select TAPs are both non-commutable income streams which means no cash lump sum withdrawals are permitted except in very limited circumstances.

Lump sum cash withdrawals from all other Allocated Pension accounts are permitted at any time.

Can I commute my pension and rollover or transfer to another super or pension account?

Generally, yes. You can commute and rollover a Retirement phase pension to another super or pension account with IOOF or another super fund, if the fund is willing to accept the rollover. However, restrictions may apply to other pension options:

- A TTR pension can be commuted and rolled back to super. However, unless a condition of release has been met it cannot be rolled over to a new pension in Retirement phase.
- A Death benefit or Reversionary pension can only be commuted and rolled over to commence another Death benefit pension and cannot be rolled into super.
- A TAP can only be rolled over to commence a new TAP (market linked income stream) or other complying income stream.

Note: You can only make a partial withdrawal in cash or by transfer to another super fund if at least $6,000 remains in your account (net of accrued liabilities). If you are making a partial transfer to another super or pension account within the Fund, the minimum balance remaining in your existing account is $10,000.

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

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

An investment in an allocated pension (also known as account-based pension) and term allocated pension (also known as market-linked pension) are assessed under both the Centrelink/DVA income and assets tests.

- Allocated pension

  Your account balance is treated as an asset under the Centrelink/DVA assets test and is deemed to earn a set rate of income under the Centrelink/DVA income test.

  Reversionary pensions may have a different treatment under the income test if the original pension commenced prior to
  1 January 2015 and the original pensioner had continuously received Centrelink income support prior to death. In these circumstances the annual pension payment less an exempt amount is included in the income test.

- Term allocated pension
- Assets test

  If you are rolling over the whole amount from a previous term allocated pension that was concessionally treated under the assets test, only 50 per cent of the value of an IOOF Pursuit Select TAP account is counted as an asset. This also applies if you were the spouse of the deceased primary beneficiary and you are receiving this pension as a Reversionary Beneficiary (even if this occurred after 19 September 2007).

  Generally, if you are rolling over from another complying income stream that is not a TAP, the whole account balance of your new IOOF Pursuit Select TAP is counted as an asset under the assets test. However, if the rollover is due to the closure a Self-Managed Super Fund, the 50 per cent assets test exemption may continue to apply.

- Income test

  Under the income test, only part of the annual pension is counted as income. The exempt amount is calculated by dividing the original purchase price (less any later lump sum withdrawals from the pension[1]) by the fixed term that you select on commencement of the pension. If the pension is reversionary, the fixed term will continue to be used to determine your assessable income.

1 Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals from a TAP.

Fees and Costs

Additional explanation of fees and costs

This section explains the fees and costs set out in the Fee table in each PDS. It also provides a brief explanation about any additional transactional fees and charges that may apply to your account.

Administration Fee

The Administration Fee represents the annual fees and costs charged by us for operating and managing your pension account. This fee includes all administration and other expenses we incur excluding the member advice fees section and the fees and costs charged by the fund managers for each managed investment (the indirect cost ratio, any buy-sell spread and any related performance fee). For further information, see the **Investment Menu** and **PSI.01**.

Reducing your fees through Fee Aggregation (Pursuit Select)

Fee Aggregation allows you to link your Pursuit Select account(s) for the purpose of calculating the Administration Fee payable. This can mean a reduction in the Administration Fee payable by all 'linked' members/investors. This is another way that we can help you lower the cost of managing your investments.

Fee Aggregation allows you to link:

- your account(s) within Pursuit Select Investment Service, Pursuit Select Personal Superannuation, Pursuit Select Allocated Pension and Pursuit Select Term Allocated Pension
- your account(s) with those of your immediate family members (as defined below in the terms and conditions) who also have accounts in Pursuit Select products
- any account(s) in Pursuit Select Investment Service held in the name of a trust or company, provided that either a director or trustee has a linked account in their own name or the director or trustee is an immediate family member with another linked account.

Terms and conditions

A Fee Aggregation Application form must be completed to apply for Fee Aggregation across Pursuit Select products.

Each person applying to link for the purposes of Fee Aggregation must be a member of the same immediate family (husband, wife, partner, son, daughter, father, mother, brother, sister, grandparent or grandchild) and in-laws of the immediate family. It also includes multiple accounts for the same person. Please note that there can only be one immediate family group in any Fee Aggregation arrangement.

A Fee Aggregation request can be rejected and linking can be cancelled at any time by us.

Any new Fee Aggregation nomination will override any previous nomination.

A maximum of six accounts can be linked together for Fee Aggregation purposes.

A financial adviser has the authority to establish Fee Aggregation on behalf of members, where it is established via the Pursuit Select Allocated Pension online application form on Portfolio Online only, provided the financial adviser has obtained authority from each of the members. If there are subsequent changes to the group, the members must complete and sign the Fee Aggregation Application available from our website.

Members nominated for Fee Aggregation within the same group must be associated with the same financial adviser.

Each member will be able to view information via Portfolio Online about the other members/investors in the Fee Aggregation group, including names, account numbers, commencement dates and annual administration fee discounts for the year.

Account Keeping Fee

This dollar-based component is the fee for the general administration of your account. This includes annual reporting and any changes to your account details.

Indirect cost ratio

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

The indirect cost ratio applied by the underlying fund managers for the available managed investment options are set out in the **Investment Menu** and the relevant product disclosure statement for each managed investment, which are available on our website.

Performance related fees

As Trustee of the Fund we do not charge any performance fees. However, a fund manager may charge a performance fee for a particular managed investment when the investment return generated by the managed investment exceeds a specific criteria or benchmark, referred to in the Fee table in the PDS as a ‘performance related fee’.

The performance related fee (if applicable) is generally calculated daily as a percentage of the amount that you have invested in the managed investment. The fee is generally deducted on a monthly, quarterly or annual basis. Please refer to the product disclosure statement for the relevant managed investment for further details.

A fund manager may incorporate the cost into the unit price of the managed investment, or alternatively, the fund manager can charge us and we will pass on the cost to you by directly deducting it from your pension account.

The fund managers that can charge a performance related fee are outlined in the ‘Investment options menu’ section in **PSI.01**. The indirect cost ratio information in the Investment options menu section in **PSI.01** includes any applicable performance related fee. For up to date information please refer to the product disclosure statement issued by the fund manager for the particular managed investment which are available on our website.

Transaction costs – managed investments

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

The buy-sell spread (if applicable) is incurred when you purchase or redeem units in a managed investment (at the time of a switch or when you move money in or out of your account) and is in addition to indirect cost ratios and performance related fees. However, the buy-sell spreads are not charged separately to your account – they are generally included in the unit prices of each managed investment. The buy-sell spread that applies to each managed investment can change from time to time. Details of the buy-sell spread (or how to obtain the current buy-sell spread) applicable to each investment option are outlined in the ‘Investment options menu’ section in **PSI.01** and the product disclosure statement issued by the fund manager for the particular managed investment which are available on our website.

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

These transaction costs are in addition to the indirect costs but are not charged separately to your account – they are generally included in the unit prices of each managed investment. The transaction costs that applies to each managed investment can change from time to time. Details of the net transaction cost applicable to each investment option are outlined in the ‘Investment options menu’ section in **PSI.01** and the product disclosure statement issued by the fund manager for the particular managed investment which are available on our website.

Transaction costs – Listed investments

Brokerage of $45.66 applies to each order to buy or sell a listed investment. The brokerage is deducted from the Cash Account at the time of the transaction.

Brokerage of 0.11% of the value of the transaction, with a minimum charge of $20.50, applies to each order to buy or sell a listed investment within the Managed Portfolio Service (MPS). This brokerage is deducted from the model cash holding at the time of the transaction.

Portfolio Management fee (Managed Portfolio Service on Pursuit Select)

If you use the Managed Portfolio Service (MPS) as part of your account, you may be charged a Portfolio Management fee on the balance managed within the service.

This represents the fee payable to the managed discretionary account operator, Managed Portfolio Services Limited (MPSL), for services in managing your investments as agreed to separately in your MPS Investor Agreement. We will act on the instructions of MPSL whom you appoint to manage your investments within the MPS model and transact on your behalf.

The fee may vary depending on which type of model is selected. Your financial adviser will provide you with the applicable fee rate. The fee is calculated daily on your MPS balance and is deducted from the model cash holding shortly after the last day of the month.

Please refer to your financial adviser or the MPS Investor Agreement for more details.

Advice fees

You can request that we acquire and pay for the services of a financial adviser selected by you to provide financial advice in relation to your pension. We do not supervise the provision of services by your selected financial adviser.

The following optional fees are available for you to select the most appropriate remuneration arrangement with the financial adviser:

- Member Advice Fee – Upfront
- Member Advice Fee (FTA or Ongoing)
- Member Advice Fee – One-Off
- Member Advice Fee – Transaction.

Note: Indexation is not available on Advice fees.

You may agree to one, or more of these options. For each option, we set a maximum amount that we will pay to the financial adviser or their Australian Financial Services Licensee (Licensee). You and the financial adviser must agree on the amount of each member advice fee within the applicable limits.

The amount of any member advice fee(s) that we pay to the financial adviser or their Licensee, as authorised by you, will be an additional cost to you and charged against your pension account. We shall not charge a member advice fee unless you tell us to do so.

Any agreed member advice fee(s) will be charged by us to your pension account and paid in full to the financial adviser or their Licensee, until you instruct us to cease payment, when you change your nominated financial adviser or we are notified of your death. Member advice fees can only be deducted from your super account if they relate to advice you receive about your super/pension benefits, insurance and investments.

The member advice fee(s) paid to your financial adviser and their Licensee (and quoted in this section) are inclusive of GST. The actual amount deducted from your account may be less than the amount quoted. This is because the Fund may be able to claim an RITC on some of these fees. Where the Fund is able to claim an RITC the benefit is passed on to you which effectively reduces the fee. For example, you may agree to pay your financial adviser a Member Advice Fee – Upfront of 1.07 per cent (inclusive of GST). However, the actual Member Advice Fee – Upfront deducted from your account would be 1.00 per cent due to the effect of RITC as explained above.

Note that the RITC rules are subject to change and this may impact the RITC available in the future.

Fixed Term Arrangement (FTA) on advice fees

With your written consent, an FTA can be negotiated with your financial adviser. The fee which is subject to the FTA will have a specified start date and end date, however the end date cannot exceed 12 months beyond the start date.

The following advice fees are available for you to select on an FTA with your financial adviser.

- Member Advice Fee

Important:

- You cannot elect to have a Member Advice Fee – Upfront if you have agreed to have a Member Advice Fee under an FTA.
- Your account can only have **one** FTA at any given point in time and **only** one start date and end date on the FTA which will be applied to all fees under the FTA.
- The FTA start date cannot be backdated, as such if the start date is prior to the processing date, then the FTA will start on the date that it is processed.

Member Advice Fee – Upfront

You can agree that this advice fee is to be deducted from contributions/rollovers made to your account. This fee is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for financial advice and services provided to you in relation to the establishment of your pension account.

You cannot elect to have a Member Advice Fee – Upfront if you have agreed to have a Member Advice Fee under an FTA.

You can agree with the financial adviser on the amount of this fee up to a maximum of 5.5 per cent (inclusive of GST) of your initial contribution. For example, on an initial contribution of $50,000, we would pay the financial adviser up to a maximum of $2,750.

You can agree to a different amount for the following types of contributions made to your account:

- initial contributions via cheque (excluding transfers/rollovers)
- initial contributions via direct debit (one-off) (excluding transfers/rollovers)
- transfers/rollovers.

The amount of this fee is deducted from your Cash Account at the time of your initial contribution.

This fee is not applied to:

- transfers from another IOOF Pursuit or IOOF Portfolio Service product
- any income distributions credited to your Cash Account
- switches between investment options.

Member Advice Fee (FTA or Ongoing)

You can agree that this advice fee is to be deducted based on the value of your account and/or a fixed dollar amount on an ongoing basis or as part of an FTA. You cannot elect to have both.

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for ongoing financial advice and services provided to you in relation to your account. You can agree with the financial adviser on the amount of this fee which can be:

- flat percentage fee of up to a maximum of 2.2 per cent per annum (inclusive of GST) of your account balance (calculated daily); **or**
- tiered percentage fee of up to a maximum of 2.2 per cent per annum (inclusive of GST) to apply at different account balance (calculated daily), subject to a maximum of 5 tiers; **and/or**
- flat dollar fee up to a maximum of $1500 per month (inclusive of GST).

- The amount of this fee is accrued daily and is deducted from your Cash Account at the beginning of each calendar month. For example, on an average monthly account balance (over 12 months) of $50,000, we would pay the financial adviser up to a maximum of $1,100 per annum (based on a flat percentage Member Advice Fee (FTA or Ongoing) of 2.2 per cent per annum (inclusive of GST).

Member Advice Fee – One-Off

You can agree to a one-off advice fee. This fee is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for one-off financial advice and services provided in relation to your pension account.

The amount of this fee can be up to:

- a maximum of 10 per cent of the account balance up to a fee of $11,000 (inclusive of GST); **or**
- a maximum of $3,300 (inclusive of GST) where the fee is greater than 10 per cent of the account balance.

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

Member Advice Fee – Transaction

You can agree to a transaction advice fee. This fee is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for financial advice and services provided in relation to listed investment transactions.

The amount of this fee can be:

- up to a maximum of $110 (inclusive of GST) per buy order; **and/or**
- up to a maximum of $110 (inclusive of GST) per sell order.

This fee will only be deducted from your Cash Account once per buy and/or sell order where all or part of the order is filled.

Additional financial adviser benefits

Where the law allows, we may pay alternative forms of remuneration and/or non-monetary (soft dollar) benefits to a financial adviser or their dealer group.

These alternative forms of remuneration and/or non-monetary benefits are paid from our resources and are not separate or additional charges to you.

Your financial adviser should provide you with the details of any benefits that they may receive. This information will be included in the adviser’s Financial Services Guide and/or a Statement/Record of Advice

Other fees and costs

Dishonour fees

If any direct debit from your nominated account with a financial institution is returned unpaid or your cheque is dishonoured, we are entitled to pass on to you any fees associated with the dishonour. This fee will be deducted from your Cash Account at the time of the dishonour.

Expense recovery

The Trustee is entitled to recoup out-of-pocket expenses from the assets of the Fund, where such expenses are properly incurred (such as certain regulatory levies or government imposts, professional fees and other expenses). The amount charged is the actual amount of the expense incurred. Such expenses will be recovered from the Fund, where practicable, and may flow through as a deduction from your account at the time the expense is applied.

Expenses for transferring assets into your Pursuit Select account

Where the Trustee permits the transfer of assets into the Fund as some or all of your rollover, any external expenses (including stamp duty) incurred by the Trustee in facilitating the transfer shall be debited to your account. In addition, the Trustee may apply an administration fee per asset transferred into the Fund on a cost recovery basis.

Low account balances

If there are insufficient funds in your pension account to pay the fees (including the Administration Fee and member advice fee(s)) due in any month, the fees will be waived.

Where member advice fee(s) are waived no further fee(s) will be paid to the financial adviser or their Licensee until there are sufficient funds to meet such fees. Any member advice fee(s) waived will not be recovered.

Where your account holds less than $6000 either at the end of the financial year or on a full withdrawal, a fee cap of 3% of your balance will apply to the total of administration fees, expense recovery fees and indirect costs charged by the Trustee during that financial year. Excess fees will be rebated to your account or to your benefit prior to withdrawal.

GST and taxes

The fees quoted in this section are inclusive of GST and any applicable RITCs, unless otherwise stated. The benefits of any available input tax credits are passed on to you in the form of reduced fees or costs. See the ‘How your Pension is taxed’ section for more information on tax.

Netting

We often buy and sell units in a managed investment on the same day. We intend to deal as a net buyer or net seller of units on any given day. As a result, no transactions may need to be made at all to give effect to your Investment Instruction. However, you will still receive the prevailing sell or buy price applied to your particular investment transaction. We are entitled to retain any benefit that may arise from the netting of transactions.

Fund manager payments

We may receive a fee from the fund managers of certain investment options for administration and investment related services. Any arrangements that have been entered into are in line with government reforms and will be charged on a flat dollar basis. Fund manager payments may vary. They are an administrative related fee retained by us and are **not** an additional cost to you.

Alteration to fees

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your pension account (subject to law). However, before doing so, we will provide you with at least 30 days’ notice if you are adversely affected by the change. We also have the right to introduce new fees.

External cost pressures such as increased regulatory complexity and the introduction of new or improved member services are but two of the circumstances that may give rise to an increase in fees and other costs. The Trust Deed does not impose maximum limits in relation to fees and costs.

The Trustee or fund managers may impose redemption fees with the intention of safeguarding members’ investments.

How your pension is taxed

Super is one of the most tax-effective ways to invest. Contributions can be made pre-tax to your super and when you retire after turning age 60 you can commence a Retirement phase pension where the pension payments are tax-free and the investment earnings are exempt from tax.

This guide provides you with some general information about the tax implications of commencing a pension, including:

- the tax treatment of contributions
- how investment income is taxed
- how pension payments are taxed
- what tax applies to withdrawals.

Seek advice

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

Tax on Contributions

You can commence your allocated pension with non-concessional contributions, downsizer contributions and/or the rollover or transfer of super or pension benefits from another account from within the Fund or from another super fund. The tax treatment of each type of contribution is set out below.

1. **Non-concessional contributions**
   These are after-tax contributions and comprise personal contributions that are not tax-deductible and any spouse contributions. No tax is deducted from these contributions when made to the pension account.
2. **Downsizer contributions**
   These are after-tax contributions made from the proceeds of selling your family home after age 65. No tax is deducted from these contributions when made to the pension account.
3. **Rollovers and transfers from other superannuation account and funds**
   Generally no tax applies to a rollover from another superannuation fund. However, if you are rolling over an untaxed element from an unfunded public sector superannuation scheme, a 15 per cent tax will be deducted from the untaxed component prior to being credited to the pension account.

   Transfers from another super account within the Fund are not subject to tax. However, if you have previously made personal contributions to the super account and have submitted a section 290-170 Tax Deduction Notice[2] prior to transferring, 15 per cent tax will be deducted from these and other concessional contributions prior to transfer. Also, if you sell down any investment assets in your super account prior to transfer, tax may apply to any realised gains occurring.

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

From 1 July 2020 and onwards you can make up to $100,000 of non-concessional contributions each year.

If you are under age 65 during the year, you may bring forward the next two years of concessional contributions caps and contribute up to 3 times the concessional contributions cap (up to $300,000). The non-concessional cap is calculated as four times the concessional contributions cap and will therefore increase in line with the concessional contributions cap.

If you have a total superannuation balance across both super and pension benefits of $1.6 million or more on the previous 30 June, you will be unable to make non-concessional contributions to commence your pension. Further, if your total superannuation balance is approaching this threshold, your capacity to bring forward future years' non-concessional contributions cap entitlements will be affected as follows:

[2] The section 290-170 Tax Deduction Notice is also referred to as the 'Notice of intent to claim or vary a deduction for personal super contributions' and further information about this Notice is available here: http://www1.ioof.com.au/files/docsForms/IOOFPortfolioServiceTaxDeductionNotice.pdf.

- If your total superannuation balance is $1.5 million or more, you will be restricted to the annual $100,000 cap; and
- If your total superannuation balance is $1.4 million or more, you will be able to bring forward one year's entitlement and can contribute up to $200,000 over 2 years.

Some contributions are excluded from the non-concessional contributions cap. These are:

- personal injury compensation payments contributed to your pension account within 90 days of receipt of the payment. These contributions will also be excluded from your total superannuation balance as at the next 30 June.
- proceeds from the sale of certain small business assets contributed to super up to a lifetime limit of $1,565,000 (for the 2020/21 financial year). This limit (known as the CGT cap) is indexed annually.
- downsizer contributions as these contributions have a separate cap of $300,000.

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

What happens if non-concessional contributions exceed the cap?

The ATO will issue a determination that the non-concessional contributions have exceeded the cap for the tax year. The determination will include a release authority to release from superannuation the excess amount, plus an amount of 85 per cent of associated earnings for the period since the beginning of the tax year the contributions were made. The associate earnings amount is an amount determined on an average of the statutory General Interest Charges for each quarter over the period and calculated daily. 100 per cent of the associated earnings amount is included in the individual's assessable income, with a 15 per cent tax rebate applied to recognise the tax already paid by the super fund.

You can elect to make a withdrawal from your allocated pension to remove the excess and 85 per cent of the associate earnings amount. You must return this release authority to the ATO within 60 days. The ATO will then issue a release authority to the super fund and the fund must pay the amount to the ATO within 10 business days. The ATO will apply the amount received against any outstanding tax and pass the net amount to you. If you do not respond to the initial determination, the ATO may directly issue the release authority to your super fund(s).

Are any tax offsets available for spouse contributions?

If you have a spouse (including a defacto partner) who makes a contribution to purchase your pension, these contributions are not tax-deductible, but your spouse may be eligible to receive the spouse contributions tax offset. General eligibility conditions apply to claiming this tax offset. These offsets are claimed through the spouse's personal income tax return.

Tax treatment of investment income

The tax treatment of investment earnings will depend on whether your pension is a Retirement phase pension or a Transition to retirement (TTR) pension.

Retirement phase allocated pensions, Reversionary pensions, Death benefit pensions and term allocated pensions are also treated as Retirement phase pensions for tax purposes.

Retirement phase pensions

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

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

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

Transfer Balance Cap

The Government limits the total amount that a person can transfer to the tax-exempt investment environment (Retirement phase). This limit is called the ‘Transfer Balance Cap’ and it is currently at $1.6 million, indexed to CPI in $100,000 increments. If you have already had pension benefits assessed against the cap, indexation will only apply to that proportion of the cap that is yet to be used. For instance, if you currently have $1.5 million of pension in the Retirement phase, then indexation will only apply to the remaining $100,000 of your Transfer Balance Cap of $1.6 million.

If you had one or more pensions in Retirement phase on 30 June 2017, the value on these pensions would have been assessed against the Transfer Balance Cap. For each new pension or Reversionary pension, the account balance will be assessed against your remaining personal Transfer Balance Cap on the date of commencement (or the date of death for a Reversionary pension).

If you choose to make a lump sum withdrawal from your pension account (either in cash or rollover to another super product), this amount will be debited against amounts already assessed against your personal Transfer Balance Cap. Additionally, any amounts that relate to compensation payments or structured settlements are excluded from assessment under the cap.

What happens if the account balance of the new Retirement phase pension exceeds the Transfer Balance Cap?

If the account balance exceeds the cap, the ATO will issue a determination and also direct that the excess be commuted and either taken in cash or rolled back into personal super. The ATO will calculate an amount of earnings on the excess, and 15 per cent tax is payable on this amount. For a second excess assessment, the tax rate on earnings increases to 30 per cent. If the individual does not commute the excess within 60 days, the ATO will issue a commutation authority to the super fund. If the Trustee receives a commutation authority, the excess will generally be rolled back into an IOOF Pursuit personal super account in the member’s name. If necessary, the Trustee will open a new IOOF Pursuit personal super account for the member. Members will be notified before the excess is rolled back into super. The Trustee may also consider it appropriate to sell down some or all investment options prior to the transfer.

How are Reversionary and Death benefit pensions treated under the Transfer Balance Cap?

If you are commencing a new Death benefit pension, either on the death of another member of the Fund or on the rollover of a death benefit from another super fund, the Transfer Balance Cap applies to the new Death benefit pension in the same way as it would had you commenced a new Retirement phase pension. The Death benefit pension is assessed against your personal Transfer Balance Cap on commencement.

If you are a reversionary pensioner, the amount assessed against your Transfer Balance Cap is the account balance on the date of death of the primary pensioner. Note that the ATO does not make a determination until 12 months after the date of death. This is to provide reversionary pensioners time to decide an appropriate course of action should they exceed their Transfer Balance Cap.

Where the death benefit pensioner or Reversionary Beneficiary is a child[3] of a deceased member the Transfer Balance Cap assessment is different. The Transfer Balance Cap for the child is determined by reference to the child’s share of the deceased parent’s personal transfer balance or the general Transfer Balance Cap (if the deceased had not previously commenced a pension).

Excess amounts from Death benefit or Reversionary pensions can only be paid in cash.

[3] A child can only receive a pension on death of a parent if the child is under age 18 or under age 25 and financially dependent on the deceased or disabled.

Transition to retirement (TTR) pensions

Investment earnings in your TTR pension account are taxed in a low tax environment and you can still take your retirement benefits tax-free once you turn age 60.

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

The following table describes the general treatment of investment income derived from the investments held in your super account.

Investment income	General rate of tax (%)
Interest and income distributions	15
Realised capital gains:	
• held for 12 months or less	15
• held for longer than 12 months	10*

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

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

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

We generally only deduct tax on investment income from your account at the time we need to pay it to the ATO. This means that your account receives earnings on investments right up until the time tax is paid. If you transfer to another super fund or to another product within the Fund, we will deduct any tax on investment income from your TTR pension account prior to transfer.

Important note

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

Are TTR pensions assessed against the Transfer Balance Cap?

No. A TTR pension is not in Retirement phase and therefore is not reported to the ATO and assessed against the Transfer
Balance Cap.

What happens when you meet a condition of release?

When you meet a condition of release (such as turning age 65) your TTR pension becomes a Retirement phase pension and the investment earnings will then become tax-exempt. At this point the ATO will assess your pension account balance against the Transfer Balance Cap. TTR pensioners will be notified of this prior to turning age 65.

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

If your investment options are transferred to another product within the Fund, there is no realisation of capital gains and therefore no tax applies.

If your investment options are transferred to a Retirement phase pension product within the Fund, no realisation of capital gains occurs and your investments will be held in a tax-exempt environment. Therefore, if you make an investment switch within the pension account or redeem any investment option to make a withdrawal (such as a lump sum or pension payment), no tax applies on realised capital gains.

If you are transferring from a Retirement phase pension product within the Fund to a super account, you can choose to transfer investment options or redeem investments in the pension account prior to transfer. Investment options that are transferred will retain their original acquisition cost and, if redeemed in the super account, realised gains may include gains that accrued while in the tax-exempt pension environment. If investment options are redeemed in the pension account, no tax applies on realised gains.

If we receive a commutation authority from the ATO instructing us to commute part or all of your Retirement phase pension, we will seek your instructions prior to transferring investment options to a super account in your name.

Tax on lump sum withdrawals and pension payments

Benefits paid at age 60 or more

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

Benefits paid before turning age 60

Benefits paid from your account before turning age 60 are split into a tax-free component and a taxable component on a proportional basis. You can only make withdrawals on this proportionate basis. The tax-free component is the sum of all tax-free components held in your account divided by the account balance and then converted to a percentage. When you commence a pension, the percentage of tax-free component is calculated on commencement and will then apply to all pension payments and lump sum withdrawals (including lump sum commutations and transfers) made from the account thereafter. Lump sum withdrawals are not permitted from TTR pensions.

The sum of the tax-free components includes any after-tax personal or spouse contributions, and the tax-free components of amounts transferred into your pension account from other super and pension accounts.

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

Component	Pension payment	Lump sum withdrawal from Retirement phase pension
Tax-free	Tax-free and not included in assessable income.	Tax-free and not included in assessable income.
Taxable	Included in assessable income. 15% tax offset applies if received after reaching preservation age or if totally and permanently disabled.	Under preservation age: • 20% (plus Medicare Levy#). Preservation age to age 59: • Up to $215,000* threshold: 0% • Excess over threshold: 15% (plus Medicare Levy#).

The Medicare Levy is currently 2%.

* Threshold for 2020/21. Threshold increases annually with movements in Average Weekly Ordinary Time Earnings rounded down to the nearest $5,000.

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

Tax treatment of disability benefits

If you are commencing a Retirement phase pension because of permanent invalidity, you may be entitled to a 15 per cent tax offset on the taxable component of the pension (even if you are under preservation age).

If you make a lump sum withdrawal from your pension, the tax-free component may be increased to include the proportion of the benefit that relates to the period from the date you left your employment due to TPD until the date you reach age 65.

Tax treatment of death benefits

Taxation of death benefits paid as lump sums

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

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

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

Lump sum benefits paid to a dependant who is not a Death Benefits Dependant are taxed on a similar basis to lump sum benefits paid to those under age 60. However, the $215,000 tax-free threshold does not apply and the tax rate on the taxable component will generally be 15 per cent (plus the Medicare Levy).

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

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

If the beneficiary is a spouse; minor child; financially dependent child under age 25; disabled child or other financial dependent, they may choose to roll over their death benefit to commence a Death benefit pension within the Fund or with another super fund.

Taxation of death benefits paid as pensions

A death benefit paid in the form of a Reversionary or Death benefit pension will be tax-free if either you or the beneficiary is aged 60 or more. If both you and the beneficiary are under age 60, the pension is taxable. However, a 15 per cent tax offset applies even if the beneficiary is under preservation age. When the beneficiary turns age 60 the pension becomes tax-free.

Lump sum withdrawals are tax-free to the beneficiary and the beneficiary can rollover to commence a new Death benefit pension at any time. Death benefit pensions paid to children (under age 18 or under age 25 and financially dependent or permanently disabled) must be converted to a tax-free lump sum benefit once the child turns age 25 unless the child is permanently disabled.

Foreign taxes

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

Tax file numbers

Please provide your tax file number (TFN) when acquiring this product. Under the *Superannuation Industry (Supervision) Act 1993*, the Trustee is authorised to collect your TFN, which will only be used for lawful purposes and in accordance with the *Privacy Act 1988*. It is not an offence if you choose not to provide your TFN, but providing it has advantages, including:

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

The Trustee requires your TFN in order to process your pension application.

If you are aged 60 or over

You can notify us of your TFN on the Application form located in the Forms booklet. If we already hold your TFN (for example, you are transferring from another super account within the Fund), you do not have to submit it again.

If you are under age 60

You need to complete the tax file number declaration form. You can obtain a copy of this form by calling ClientFirst on 1800 913 118 or by emailing clientfirst@ioof.com.au.

Please complete this form even if we already have your TFN, as the form includes additional information which allows us to appropriately deduct tax from your pension.

Managing your pension account

This section provides you with information about how to provide us with instructions maintain your Investment Instructions and manage the operation of your Cash Account.

Using Portfolio Online

Easily manage your Pursuit Select account anytime, anywhere.

Portfolio Online is a user-friendly website that allows you to view your Pursuit Select account 24 hours a day, 7 days a week. With Portfolio Online you can:

- view a consolidated report of your account
- generate up-to-date portfolio summary, asset allocation, fund performance and transaction reports
- view and track all transactions placed by your financial adviser
- generate Centrelink/Department of Veterans' Affairs schedules
- view and download statements and letters.

You can register for Portfolio Online once you have received your client number via www.portfolioonline.com.au.

Your instructions

Instructions must be made in writing unless another facility for providing instructions is made available to you or your financial adviser by us. Your instructions may generally be accepted electronically except, for instance, if they are instructions to change your name.

Any changes (or corrections) to your personal details (for example changing your name by marriage) should be advised in writing to us as soon as possible (together with a certified copy of documentation verifying the name change).

You can change your address details over the telephone by calling ClientFirst on 1800 913 118 provided you satisfy our identification and verification requirements. Where you wish to update your postal address to a post office box, a signed request is required.

If you wish to amend your death benefit nomination, you must submit a new Beneficiary Nomination form completed in accordance with the instructions on that form.

You may also confirm or revoke your nomination as per the process outlined in the 'Death benefit nominations' section in the guide by completing the relevant form. Visit our website, see your financial adviser or call ClientFirst on 1800 913 118 to obtain a copy of these forms.

Please contact us directly for further instructions if you want to make any other changes to your pension account (such as changing your selected investment options).

We will act in accordance with instructions from you or your appointed representative (including your financial adviser). We are not required to ask whether instructions are genuine or proper.

You agree to release us from, and indemnify us against, any and all losses and liabilities arising from any payment or action we make based on any written or electronic instruction (even if not genuine) that we receive bearing your account number and a signature (where applicable) we reasonably believe is yours or that of your representative. You also agree that neither you, nor anyone claiming through you, has any claim against us or the Fund in relation to these payments or actions.

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

- it would make your account balance fall below the minimum holding requirement
- giving effect to the instruction is contrary to our agreement with you, the law or any market practice

- the instructions are incomplete or are, in our opinion, unclear
- you do not have sufficient investments or funds in your Cash Account for us to carry out the instruction
- we are not reasonably satisfied that the instructions are genuine
- you have not provided us with relevant documents or information we consider necessary to act on your instructions
- your membership of the Fund is suspended or terminated.

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

Your Investment Instructions

Your Investment Instructions outline how you would like your initial contribution (less any Member Advice Fee – Upfront[4]) to be invested.

You can instruct us to invest your initial contribution in two different ways:

- Primary Instruction
- Specific Instruction.

> You can provide your Investment Instructions in the Application form located in the Forms Booklet.

Types of Investment Instructions

1. Primary Instruction

This is your main Investment Instruction and is used for your initial contribution unless alternative instructions are provided to us.

A Primary Instruction will include the following information:

- the managed investment(s) and MPS model you wish to invest in
- the percentage of your initial contribution you want to invest in each managed investment
- the required allocation to your Cash Account (which must be at least three per cent).

Term investments, Direct Share Choice investment options and investments which form part of a chosen MPS model cannot form part of your Primary Instruction.

Please note that the total percentage allocated to each investment option, the MPS model and the Cash Account (of at least three per cent), must add up to 100 per cent.

2. Specific Instruction

This is a one-off instruction for initial contributions made via direct debit (one-off) or cheque.

When provided, this one-off Specific Instruction will override the use of the Primary Instruction for initial contributions made via direct debit (one-off) and cheque.

Please note that the total percentage allocated to each investment option, the MPS model and the Cash Account (of at least three per cent), must add up to 100 per cent.

3. Income Distribution Instruction

Income distributions may be paid from your investment option(s) and you determine how this income is to be invested.

[4] For more information regarding the member advice fees available, refer to page 8 of this PDS.

Please note that income distributions from investments held within the MPS model are paid into the model's cash account. You cannot select Income Distribution Instructions for investments held within an MPS model.

Any income distributions that you receive from your investment option(s) are automatically credited to your Cash Account. This income can then be managed using one of the following three methods (only one method can be selected):

Re-invest (default option)[5]

This method allows you to automatically re-invest 100 per cent of the income distribution by using the income distribution to purchase new units in the same managed investment that made the income distribution. The re-investment will normally be completed within five business days following receipt of your income distribution into your Cash Account.

Where we have suspended or stopped investments in a managed investment or where a managed investment is redeemed in full (except where a managed investment is no longer held due to the requirement to top up your Cash Account) income distributions received from that managed investment will be retained in the Cash Account.

The Re-invest income distribution method excludes term investments, Direct Share Choice investment options and investments which form part of a chosen MPS model.

Distribution Instruction[9]

This method allows you to invest your income distributions and interest generated by your Cash Account in accordance with your Distribution Instruction. This means income distributions can be re-invested in one or more managed investment(s).

You can provide your Distribution Instruction by completing the Income distributions section of the Application form located in the Forms Booklet.

Distribution income will remain in the Cash Account until the 20th day of the relevant month (or nearest business day). This re-investment will normally be completed within five business days after this date.

Term investments, Direct Share Choice investment options and investments which form part of a chosen MPS model cannot form
part of your Distribution Instruction.

Important note

When you select Distribution Instruction as the re-investment method but you do not provide a Distribution Instruction, income distributions will be invested in accordance with your Primary Instruction.

Retain in your Cash Account

This method allows you to leave all income distributions in your Cash Account[6] to accumulate.

Income distributions will remain in your Cash Account until we receive further instructions from you or they are used to fund expenses as they fall due.

4. Automatic Re-weight Facility

You can nominate to set up an Automatic Re-weight Facility in the Application form. You can choose to re-weight your managed investments and Cash Account to a desired weighting percentage allocation or in line with your Primary Instruction allocation, provided a Primary Instruction is in place. The Automatic Re-weight

5 Any re-investment of income distributions will involve the purchase of new units in one or more managed investments. Please note that you may not have the most recent product disclosure statement for the managed investment at the time these re-investments are made.

6 This may not reflect your retirement savings goals.

Facility occurs on the 20th business day of the month (or the nearest business day after the 20th) and you can choose your frequency from quarterly, half yearly or yearly.

Please note that your financial adviser can place or modify an Automatic Re-weight Facility at any time.

Term investments and Direct Share Choice investment options cannot form part of your Automatic Re-weight Facility.

Important note

The Automatic Re-weight Facility is not available on accounts linked to an MPS model.

Changing your Investment Instructions

Your financial adviser can update your Primary Instruction, Income distribution instruction and Automatic Re-weight Facility instruction on your behalf via Portfolio Online.

Alternatively, if you want to update your Primary Instruction and/or Income distribution instruction, please complete the Investment Instructions form which is available from our website and send it to us. Only your financial adviser is able to update your Automatic Re-weight Facility instruction on your behalf.

Where we have suspended or stopped investments in a managed investment or where a managed investment is redeemed in full (except where a managed investment is no longer held due to the requirement to top up your Cash Account), or where a managed investment forms part of a chosen MPS model, that managed investment will be removed from any Primary Instruction, Distribution Instruction and Automatic Re-weight Facility instruction and the instructions will be re-weighted in proportion to your remaining managed investments in the respective instructions. We will do this automatically and you will not be advised of the change.

An example

Maria submits a request to fully redeem her holding in Investment C. As a result, Maria's Primary Instruction is automatically updated to remove Investment C and to re-weight the remaining managed investments.

Managed investment	Existing holding (%)	Withdrawal request (%)	Primary Instruction before (%)	Primary Instruction after (%)
Cash Account	3		3	3
Investment A	17		17	21
Investment B	60		60	76
Investment C	20	100	20	

Where the suspension or stopping of investments in a managed investment results in all managed investments being removed from your Distribution Instruction, your re-investment method will revert to the default option of Re-invest as detailed on page 18).

Changing your investment options (switching)

Pursuit Select gives you the ability to change your selected investment options.

Easy Choice, Premier Investor Choice and Investor Choice

Changing your managed investment selection generally requires you to redeem units from one or more of your existing managed investments and purchase units in one or more managed investments selected by you. This process is often referred to as a switching instruction.

We currently do not charge a separate fee for switching between managed investments in your account.

Your financial adviser can complete a switch on your behalf via Portfolio Online.

Alternatively, if you want to complete a switch instruction, you will need to complete the Investment Instructions form which is available from our website.

Unless you are redeeming the full balance held in a managed investment:

- the minimum amount that must be redeemed from a managed investment is $200
- the minimum amount that must be retained in a managed investment is $200.

If you select a new managed investment you must invest a minimum of $200.

Switching between managed investments generally involves redeeming units in one or more of your managed investments. This means you must complete a redemption transaction before you can purchase units in a new managed investment.

The proceeds of any redemption transaction are first deposited into your Cash Account before units are purchased in the new investment option(s).

Pending transactions

The processing of transactions for issuing, switching, buying or redeeming units may be delayed where an earlier transaction relating to your account is in progress (or pending).

Unforeseen circumstances

The processing of transactions for the issuing, switching, buying and redeeming of units may be delayed by unusually high volumes of processing or other circumstances beyond our control.

The product disclosure statement for a managed investment may be updated or replaced by the fund manager from time to time. This means that you may not always have the most recent copy of the applicable product disclosure statement for a new managed investment before making your switch request. We provide electronic versions of product disclosure statements for the available managed investments via Portfolio Online. You can also obtain a copy free of charge by contacting your financial adviser or by calling ClientFirst on 1800 913 118.

Important note

A buy-sell spread may be incurred when switching between managed investments. See 'Transaction costs – managed investments' on page 8 and the product disclosure statement for the particular managed investment for details.

Direct Share Choice

An order to buy or sell a listed investment involves an online switch from or to your Cash Account to or from the listed investment involved. For further details please see the 'Investing in listed investments available in Direct Share Choice' section in the **IOOF Pursuit Select investment guide (PSI.01).**

Brokerage applies to any listed investment trades (buy or sell). See 'Transaction costs – listed investments' on page 8 for more information.

Your Cash Account

Your Cash Account is used to process all cash transactions that occur within your pension account. For example, all money paid into your account and any earnings from your investment options goes through your Cash Account. All fees (excluding indirect costs), taxes, pension payments and withdrawals (where applicable) are paid out of this account.

Any income distributed by your chosen investment options is deposited into your Cash Account. From there it can then be re-invested using one of the three methods available. See 'Income distribution instruction' of this guide.

Your Cash Account holding is pooled with that of other clients' and placed in interest bearing accounts with an authorised deposit-taking institution (ADI) selected by us, currently the Commonwealth Bank of Australia, ABN 61 814 236 264.

The funds in your Cash Account earn interest. We retain a portion of the interest earned on the pooled cash assets and set a net interest to be credited to the Cash Account. The net interest rate is based on daily interest generated from the pooled cash assets, less the interest retained by us (indirect cost) for administering the Cash Account.

The target net rate for crediting to the Cash Account is the cash rate set by the Reserve Bank of Australia. This is often referred to as the official cash rate, which is currently 0.10% and is subject to change. Net interest is credited to your Cash Account monthly.

Minimum allocation to your Cash Account

You are required to maintain a minimum of three per cent of your pension account balance in your Cash Account. This amount is used for funding fees and expenses, pension payments and taxes (where applicable).

You can nominate a higher percentage as your minimum Cash Account balance if you wish to fund these expenses as they fall due.

If we determine that the balance in your Cash Account is likely to fall below zero within the next seven days, we will top up your Cash Account as directed by you to three per cent of your account balance (or any higher percentage you have nominated) by redeeming the necessary amount from your investment options. In making our determination we will take into consideration any fees, pension payments and taxes expected to be deducted from your Cash Account during this period.

We recommend that you talk to a financial adviser about the minimum Cash Account requirement.

Top up your Cash Account

If we are required to top up your Cash Account, the amount required to top up your Cash Account will be funded using one of the following three Cash Account top-up methods as directed by you. You can select the method that is right for you.

1. Investment option with the highest balance (default option)

Redeems funds from the managed investment with the highest balance.

This is the default option which applies if you do not nominate a Cash Account top-up method or where all the managed investment(s) provided under your pecking order have been redeemed in full.

2. Pecking order

Redeems funds from your managed investments according to a prioritised list. You choose which managed investments are to be used and the order in which the funds are to be redeemed, one at a time.

3. Pro-rata

Redeems funds across all managed investments according to the proportion invested in each managed investment.

The Cash Account top-up methods give you the control and flexibility to determine the most appropriate way for you to manage your Cash Account. Term investments, Direct Share Choice investment options, restricted investments and investments which form part of a chosen MPS model are excluded from the Cash Account top-up methods.

You can provide your Cash Account top-up instruction in the Application form located in the Forms Booklet.

Death benefit nominations

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

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

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

Eligible dependants

For super purposes, your dependant(s) are:

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

What is an interdependency relationship?

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

Types of death benefit nominations

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

- Reversionary Beneficiary.
- Non-lapsing Binding Death Benefit Nomination (Non-lapsing Binding Nomination).
- Binding Death Benefit Nomination (Binding Nomination).
- Non-binding Death Benefit Nomination (Non-binding Nomination).

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

Reversionary Beneficiary option

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

The Reversionary Beneficiary may choose to make a lump sum withdrawal, rather than continue to receive the pension payments upon your death. A lump sum withdrawal can be taken in cash or rolled over to commence a new Death benefit pension.

For term allocated pensions, the pension will automatically continue to be paid until the account balance is exhausted or for the remaining term, whichever occurs first. If the term of your pension is based on your spouse's age, the pension must revert to your spouse on death and cannot be commuted until after the death of your spouse. If the term of your pension is based on your age, your Reversionary Beneficiary may choose to take a lump sum, rather than continue to receive the pension payments upon your death.

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

- a child who is less than 18 years of age
- a child who is over the age of 18 years and under 25 years who is financially dependent on you at the date of nomination
- a child who is permanently disabled.

The child must also be under 18, or between 18 and 25 and financially dependent on you, or permanently disabled at the date of your death.

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

Your nomination cannot be changed once your pension commences. If the Reversionary Beneficiary can no longer receive a death benefit (if your nominee pre-deceases you, for example), you cannot nominate a new Reversionary Beneficiary. However, you can make a Non-lapsing Binding, Binding or Non-binding Nomination in favour of other dependants.

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

Important note

If a pension does revert to a Reversionary Beneficiary, the Reversionary Beneficiary may nominate (under a Non-lapsing Binding Nomination, Binding Nomination or Non-binding Nomination) their dependant(s) and/or Legal Personal Representative to receive any remaining benefit as a lump sum in the event of their death.

Non-lapsing Binding Nomination

You can nominate your dependants and/or Legal Personal Representative to receive your benefits in the event of your death in a Non-lapsing Binding Nomination. If the Trustee consents to your nomination, on death the Trustee will pay to the persons nominated in the proportions specified in the Beneficiary Nomination form. A Non-lapsing Binding Nomination must be signed by the member and does not require the member's signature to be witnessed. The nomination will continue unless it is subsequently revoked or amended in writing.

As a Non-lapsing Binding Nomination is only valid if the Trustee consents to your nomination, the Trustee is required to consider whether the nomination is enduring and that you do not intend the nomination to expire. If you nominate your spouse, the Trustee considers this will be an enduring nomination. However, if you nominate a person other than your spouse, such as a financial dependant or interdependent, the Trustee may require further details to ensure that you do not intend the nomination to expire.

If you hold an enduring power of attorney for financial matters, you can make a Non-lapsing Binding Nomination on behalf of the member. However, the Trustee will require further details before consenting to the nomination.

If you make a new Non-lapsing Binding Nomination, this will revoke any earlier nomination other than a Reversionary Beneficiary or a currently valid Binding Nomination. If a valid Binding Nomination is in place, this must be formally revoked using the procedures set out below before the Trustee can consent to a new Non-lapsing Binding Nomination. Otherwise, you can make a Non-lapsing Binding Nomination after the Binding Nomination has expired.

If the person nominated is no longer your dependant at the date of death, the Trustee will treat that part of the Non-lapsing Binding Nomination as a Non-binding Nomination.

You can make a Non-lapsing Binding Nomination using the Beneficiary Nomination form available from our website or by calling ClientFirst. Details of your current nomination will appear on Portfolio Online and your Annual Statement.

Binding Nomination

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

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

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

Important note

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

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

If you hold an enduring power of attorney for financial matters, you can make a binding nomination on behalf of the member. However, state law generally prohibits you nominating yourself under a Binding Nomination.

To make a Binding Nomination, please complete a Beneficiary Nomination form which is available from our website or by contacting ClientFirst.

Details of your current Binding Nomination will appear on Portfolio Online and your Annual Statement along with its expiry date.

You must confirm your nomination before it expires in order for it to remain valid. You can do this by giving us a written notice, signed and dated by you, to that effect before it expires. Alternatively, you may complete the ‘Confirmation of Binding Death Benefit Nomination form’ which is available from our website. It is your responsibility to ensure that your Binding Nomination is confirmed before it expires. If your Binding Nomination expires, it will be treated as a Non-binding Nomination, until a new valid Binding Nomination has been received by the Trustee.

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

Non-binding Nomination

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

To make a Non-binding Nomination, please complete a Beneficiary Nomination form which is available from our website or by contacting ClientFirst.

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

If you hold an enduring power of attorney for financial matters, you can make a Non-binding Nomination on behalf of the member.

No nomination

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

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

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

Payment options available

If you have selected the Reversionary Beneficiary option, in the event of your death, your benefit will be paid as a continuing pension to your nominated Reversionary Beneficiary, provided they are eligible to receive the benefit in the form of a pension. The Reversionary Beneficiary can, however, choose to take a lump sum withdrawal from the pension account.

For Non-lapsing Binding, Binding or Non-binding Nominations, in most situations, we can pay the death benefit as a lump sum or as a new Death benefit pension. You can indicate on the nomination form if a pension is the preferred benefit, and a pension will generally be payable if the beneficiary agrees. However, if the benefit is paid to your Legal Personal Representative it must be paid as a lump sum.

A continuing pension (whether paid as a Reversionary pension or a new Death benefit pension) cannot be paid to a child of yours aged 18 or over unless they are either:

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

Important note

- If you are invested in an MPS model the managed account will be de-linked after we receive evidence of your death and the investments from the de-linked MPS model will remain on your Pursuit Select account and the below may apply.
- When we receive evidence of your death, and you have not selected the Reversionary Beneficiary option, we have discretion to sell your managed investments and put your money into your Cash Account until the death benefit is paid. We would normally exercise this discretion if the death benefit is to be paid to the deceased's estate, unless we have prior notice a death pension may be payable, or unless the beneficiary advises us otherwise.

Receiving a pension on the death of a member

- If a Reversionary Beneficiary is to receive your pension on your death, the remaining balance of your pension account will be transferred into the Reversionary Beneficiary's name. A new client and account number will be allocated at this time. Your existing investment strategy and nominated level of annual pension payments will also be transferred and remain unchanged unless alternative instructions are received from the Reversionary Beneficiary.
- If you have made a Non-lapsing Binding, Binding or Non-binding Nomination and the beneficiary wishes to receive the death benefit as a pension, the beneficiary must complete an application form for a new Death benefit pension, including a new Investment Instruction. A new pension account will be established in the name of the beneficiary and the remaining balance of your pension account will be transferred into their new pension account. As this is a new pension, the level of annual pension payments payable from the pension will be re-calculated at this time.

More about risks

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

Risks when investing in pensions

- Your investment may not be sufficiently diversified if you do not spread your selection of investment option(s) across different asset classes, sectors, managers and styles.
- In the case of an investment in a restricted investment, your ability to make a lump sum withdrawal from that restricted investment may be delayed, reduced or unavailable until sufficient assets from that investment can be redeemed to fund the withdrawal.
- System failures may cause a delay in the processing of transactions to your account (or with fund managers).
- There may be a delay in purchasing or redeeming your investments if we do not receive a properly completed and authorised instruction from you.
- Delays may occur where minimum investment or withdrawal limits are imposed by fund managers.
- Economic conditions, interest rates and inflation may cause adverse investment returns.
- Changes can occur in super, taxation or other law that may adversely affect your investment (or affect your ability to access your investment). These changes may also affect the operation of your super product or of any investment option(s) into which you invest.
- The Trustee could be replaced or the Fund could be wound up. There is also a risk that we will not carry out our duties as Trustee properly. To minimise this risk we have implemented several risk management strategies and corporate governance policies and procedures to assist us to meet our obligations. As Trustee, we are always required to act in the best interests of members.
- If you hold illiquid investments, pension payments may be delayed, reduced or unavailable. The impact depends on other investments in your pension, the amount of pension required and whether the Trustee is able to make a redemption from the illiquid investment to fund the pension payment.
- You may not receive the level of income for the whole of the period that you want, as annual pension payments are not guaranteed (payments are based on the value of your pension account, which reflects the ongoing fluctuating value of your investment portfolio and payments will cease when your pension account is exhausted).
- Pension payments are subject to Commonwealth Government retirement income payment rules that control the amount of payments that must be received from each pension account irrespective of investment returns.
- Where you have selected the TTR pension option, access to your capital is restricted under Commonwealth Government regulations until you satisfy a condition of release.

Risks that may affect your investment options

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

Other general information

Cooling-off period

To ensure that you are happy with your initial investment in the Pension Service you have a 14-day cooling-off period to ensure that it meets your needs. The 14-day period starts from the earlier of the date you receive your welcome letter, or five business days after your super account has been established.

If you want to close your super account during the 14-day cooling-off period, you must provide written notice by email to clientfirst@ioof.com.au or by mail to:

IOOF Pursuit
Reply Paid Box 264
Melbourne VIC 8060

You can change your mind during the cooling-off period. However, if any contributions have been made to your super account, they will have to stay in the super environment and be transferred to another fund.

If your investment options include term investments, restricted investments, or other services there may be penalties or fees charged by the fund managers or service providers for early redemption or the cooling-off period may not apply. These investment options may also have withdrawal conditions imposed by the fund managers that may delay the transfer to another fund.

The amount returned (if applicable) will be adjusted for any market movements in your chosen investment option(s) (up or down) up to the date we receive your notification. We will not refund taxes and reasonable transaction or administration costs incurred by us in issuing your investment (excluding the payment of any member advice fee or similar fee). As a result, the amount received may be more or less than the amount of your initial contribution.

Please note that the cooling-off period ceases to apply if you exercise your rights or powers in the Pension Service, such as if you make an investment switch during the 14-day cooling-off period.

In order for us to close your account (if there is money in it), you must nominate another super fund to which the money is to be transferred to. If you do not make a nomination within one month after notifying us of your intention to seek the return of your initial contribution or your nominated super fund does not accept the transfer, we may transfer your money to an eligible rollover fund (ERF). For more information on the ERF selected for the Fund, please see the 'Eligible rollover fund' section on page 28 of this guide.

Portability of super benefits

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

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

Before you invest in restricted investments, you are required to sign a written consent (which is set out in the declaration section of your Investment Instructions form confirming that you accept that a period longer than 30 days may be required to sell those investments and so affect the transfer because of the illiquid nature of those investments. Investment options that fall into the category of restricted investments are identified in the 'Investment options menu' section of the **IOOF Pursuit Focus investment guide (PFI.01, APF.02 or IPF.02 as appropriate)** and **IOOF Pursuit Select investment guide (PSI.01)** (if applicable).

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

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

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

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

Account liquidity

As Trustee we are required to meet the legislated annual minimum pension payment. Therefore, we need to ensure there is sufficient liquidity to meet your annual payments. If your investment weighting in illiquid investments, listed investments, and term investments exceeds 95 per cent of your account balance; we are entitled to redeem sufficient funds to meet your remaining annual pension payment. These funds will be redeemed up to 30 days prior to your next pension payment. We will redeem funds proportionately from your listed investments followed by capital guaranteed income/pension investments then term deposits. Normal fees, charges and/or penalties may apply to these transactions.

Eligible rollover fund

We may roll over your benefit to an eligible rollover fund (ERF) if:

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

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

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

- You will become a member of the AERF and be subject to its governing rules. After we provide the AERF with your current contact details, the AERF will provide you with its current product disclosure statement, which provides details of the AERF. You can also contact the AERF to ask for a copy of its product disclosure statement.
- The AERF will apply a different fee structure. You should refer to the AERF product disclosure statement for circumstances in which fees may apply.
- The AERF invests your benefit in a single strategy with a balanced growth objective. The objective is to achieve industry average five-year gross returns for balanced growth fund managers. No investment choice is available. Please note that the AERF is subject to investment risk which means you may receive back less than your original investment when withdrawn.
- The AERF does not offer insurance cover and does not accept additional contributions.

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

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

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

Contact details for the AERF

The Australian Eligible Rollover Fund
AERF Administrator
Locked Bag 5429
Parramatta NSW 2124

Phone: 1800 677 424

Lost members

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

Unclaimed benefits

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

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

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

- those accounts of uncontactable members with balances less than $6,000 where the Fund has not received a contribution or rollover within the previous 12 months
- those accounts which have been inactive for 12 months and for which there are insufficient records to identify the owner of the account.

Individuals can reclaim their benefits from the ATO.

Super and the Family Law Act

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

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

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

Super and bankruptcy

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

Transfers within the Fund

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

If you have any existing Investment Instructions that apply to your existing account, they will be cancelled upon your transfer to the Pension Service. You will need to complete the relevant sections of the Application form located in the Forms Booklet to establish the instructions or features you would like to apply to your new super account. You are not required to provide a Primary Instruction, unless you are making additional contributions into this account.

A Member Advice Fee – Upfront will not be charged on the transfer of your existing account balance to your new account.

If you would like to transfer your benefit from another IOOF Pursuit or IOOF Portfolio Service product, please complete the relevant section of the Application form located in the Forms Booklet.

If IOOF receives a commutation authority from the ATO in relation to amounts in excess of the transfer balance cap, we will transfer the amount to an existing IOOF superannuation account. Otherwise if no member instructions are received, we will establish a new IOOF Pursuit personal superannuation account (where appropriate) to receive the transfer.

How are the unit prices determined?

To determine the value of a unit in a managed investment, we use the redemption/sell unit price provided by the fund manager for that particular managed investment.

While unit prices are normally calculated daily and may change according to market movement, the method by which unit prices are calculated and the timing at which unit prices are provided may vary. This is dependent on the fund manager for that particular managed investment. Please refer to the product disclosure statement of the managed investment for more information on how individual unit prices are calculated.

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

We are required to carry out proof of identity procedures before cashing a super benefit. These requirements arise under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (AML/CTF Act).

Where you have not already provided us with appropriate identification, we will be required to collect customer identification information and to verify it when you request a cash withdrawal (if eligible). We may also be required to collect customer identification at other times. If you do not provide the information or we are unable to verify the information, payment of benefits may be delayed or refused.

Your privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of the IOOF group privacy policy, please contact ClientFirst on 1800 913 118 or visit our website (www.ioof.com.au/privacy).

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

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

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

The Trust Deed

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

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

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

You can access the Trust Deed from our website or you may obtain a copy of the Trust Deed free of charge by contacting ClientFirst.

The Trustee

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

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

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

Key words explained

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

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

Business day	A day other than a Saturday, Sunday or a public holiday in Melbourne.
Buy-sell spread	A fee to recover the transaction costs incurred by you in relation to the sale and purchase of underlying managed investments.
Capital gains tax (CGT)	A tax applied on the increase in the value of an investment that may be payable upon the disposal of the investment. CGT does not apply to investment options redeemed in a pension account.
Certified copy	A document that has been certified to be a true and complete copy of the original, by a person authorised to witness the signing of a statutory declaration under applicable Commonwealth or State legislation.
Complying income stream	An income stream which meets certain minimum operating standards set by the Commonwealth Government and may be (partly or wholly) exempt from the Centrelink/Department of Veterans' Affairs Assets Test. An IOOF Pursuit Select Term Allocated Pension is a complying income stream.
Concessional contributions	Employer and tax deductible personal contributions. The Government sets an annual cap on the amount of concessional contributions that can be made to your super each year before additional tax applies. The cap on concessional contributions and the tax penalties that apply if you breach the cap are set out in the 'How your pension is taxed' section of this guide.
Condition of release	These are restrictions placed on super funds on how and when preserved benefits can be paid. A condition of release must be met before a benefit is paid. The following conditions of release have no cashing restrictions: • retirement • reaching age 65 • reaching preservation age and permanently retired • death • permanent incapacity • termination of employment and the benefit is less than $200 • terminal illness.
Contribution	Represents any amount that is a concessional or non-concessional contribution or a transfer to your account.
Death Benefits Dependant	When paying a death benefit, a dependant (for tax purposes) means: • a spouse • children under age 18 (including a natural child, step child, adopted child or child of your spouse) • a person who is partially or wholly financially dependent on you at the date of death • a person with whom you have an interdependency relationship at the date of death.
Death benefit pension	This is new pension that commences on the death of a superannuation fund member. A Death benefit pension can be paid to a Death Benefits Dependent other than a child aged 25 or over (unless the child is disabled).
Dependant	A dependant (for super purposes) means: • a spouse • any child (including a child over 18) – a child includes a natural child, ex-nuptial child, stepchild, adopted child or child of your spouse • a person who is partly or wholly financially dependent on you at the date of death • a person with whom you have an interdependency relationship at the date of death.

Derivatives	Contracts that call for money to change hands at some future date, where the amount depends on, or is derived from, another security, liability or index. For example, a contract might specify that one person can buy an item from the other at today's price in six months' time, regardless of the market price at that time.
Eligible rollover fund	An eligible rollover fund (ERF) is a special type of public offer super fund that accepts member benefits from other super funds for people who may have been lost by that fund or are no longer eligible for membership of that fund.
Exit fee	An exit fee is a fee to recover the costs of disposing of all or part of members' interests in the superannuation entity.
Financial institution	A bank, building society or credit union.
Fund	IOOF Portfolio Service Superannuation Fund (ABN 70 815 369 818)
Goods and Services Tax (GST)	A broad-based tax of 10 per cent on the supply of most goods, services and other items sold or consumed in Australia.
High yielding securities	High yielding securities are investments in non-traditional debt assets that generally earn higher interest than traditional fixed interest securities. These securities may provide higher returns as they are generally regarded as being less secure than traditional fixed interest securities. As a result, there is potential for higher volatility and lower liquidity.
Income stream	A series of payments provided by a pension or annuity product.
Indirect cost ratio	The indirect cost ratio (ICR), for an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the superannuation entity attributed to the investment option. Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.
Interdependency relationship	An interdependency relationship may exist between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support and personal care. This may include a parent or sibling with whom you live. An interdependency relationship may still exist between two people if they have a close personal relationship but do not live together because either or both of them suffer from a physical, intellectual or psychiatric disability.
Investment fees	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 not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Legal Personal Representative	The executor of your Will or the administrator of your estate.
Mandated employer contributions	Superannuation Guarantee and employer contributions under an award or industrial agreement.
Non-binding Death Benefit Nomination	A nomination of preferred dependant(s) may assist us to determine to whom to pay your benefit in the event of your death. We are not bound by this nomination.

Non-concessional contributions	These include personal contributions and spouse contributions which are not tax deductible. The Commonwealth Government sets an annual cap on the amount of non-concessional contributions that can be made to your account before additional tax applies. Some personal contributions, such as those attributable to the sale of small business assets up to the lifetime limit of $1,565,000 and those derived from personal injury compensation payments may be exempt from the cap. For the cap on these contributions and tax penalties that apply if you breach the cap, see the 'How your pension is taxed' section of this guide.
Non-lapsing Binding Death Benefit Nomination	A written nomination where the Trustee consents to pay your death benefit to the beneficiaries you have nominated. The Trustee will only consent if it is clear that the member understands that the nomination is enduring and will not expire.
Pension product	Includes account based pension, allocated pension and term allocated pension.
Pensions	Pensions are provided by super funds and are established for the purpose of paying an income in retirement.
Permanently incapacitated	Ill-health (whether physical or mental) where the Trustee is reasonably satisfied that the member is unlikely, because of the ill-health, to engage in gainful employment for which the member is reasonably qualified by education, training or experience.
Portfolio	The mix and composition of an investor's holdings among different asset classes (or if in a single asset class, between different sectors and investments).
Preservation age	The age at which retired individuals can access their super. A person's preservation age will be between ages 57 and 60, depending on their date of birth. If you were born after 30 June 1964 your preservation age is 60.
Preserved benefits	Generally, these benefits must be retained in the super system until you permanently retire from the workforce on or after reaching your preservation age. Preserved benefits can also be paid out: • on leaving employment after age 60 • on reaching age 65 • under a Transition to retirement pension • on death • on permanent incapacity • on severe financial hardship grounds • on compassionate grounds approved by the Department of Human Services. They may also be paid out to satisfy a release authority from the Australian Taxation Office (ATO).
Reduced input tax credits (RITC)	Refers to a portion of the GST that can be claimed back from the ATO in certain circumstances.
Release authority	An authority issued by the ATO specifying an amount to be released from the Fund in order to pay tax on contributions that exceed the annual caps.
Restricted investment	An illiquid investment for the purposes of super law relating to the portability of members' benefits. Illiquid investments are assets which either cannot be readily realised within 30 days, or where realising those assets within 30 days would have an adverse impact on their value.
Restricted non-preserved benefits	These benefits can be accessed on the same grounds that apply for preserved benefits. Also, where you terminate your employment with an employer who had, at any time, contributed to the super fund on your behalf, your restricted non-preserved benefits become unrestricted non-preserved benefits.
Retirement phase pension	This is a pension payable when the member has met a condition of release (such as retirement after preservation age or reaching age 65).

Reversionary Beneficiary	The person nominated by the primary beneficiary to continue the pension after the death of the primary beneficiary.
Salary sacrifice	An arrangement with an employer for an employee to 'give up' a portion of the employee's pre-tax salary in exchange for additional contributions by the employer to the employee's super.
Spouse	This could be: • your married husband or wife • a person with whom you have a relationship registered under State or Territory law • a person with whom you live on a genuine domestic basis in a relationship as a couple. A spouse includes an opposite-sex or a same-sex de facto partner.
Super law	Includes the *Superannuation Industry (Supervision) Act 1993 (Cth)*, *Corporations Act 2001 (Cth)*, *Income Tax Assessment Act 1997 (Cth)* and associated regulations.
Super product	Includes personal super, corporate super and employer super within the Fund.
Super fund	A complying fund whose trustee has elected that the fund be regulated by the *Superannuation Industry (Supervision) Act 1993 (Cth)*.
Switching	A switching fee for a 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.
Switching fees	A switching fee is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one class of beneficial interest in the entity to another.
Taxable component	Tax may be payable on this component of your benefits that is not included in the tax-free component.
Tax-free component	Tax is not payable on this component of your benefits. The tax-free percentage of a pension is determined on commencement of the pension and applies to all payments made thereafter (lump sum or pension). Tax is not payable on the following components of a lump sum: • Any non-concessional contributions plus any Government co-contributions made to the super account. • Tax-free components previously transferred into the super account or crystallised within the account as at 30 June 2007.
Term allocated pension (also known as a market–linked income stream)	This is a complying income stream payable for a fixed term where a person regularly draws down an amount from that account within prescribed limits set by the Commonwealth Government.
Terminally ill or Terminal illness	For the purposes of releasing superannuation benefits, you are terminally ill if two medical practitioners (one of whom is a specialist in the relevant illness or injury) certify that you suffer from an illness or have incurred an injury that is likely to result in death within a period of 24 months after the date of the certificate (and the period of 24 months has not yet expired).
Term investments	Term deposits and fixed-term annuities.
Total superannuation balance	This is the total value of all your benefits in superannuation and pensions. This is reduced by the sum of any personal injury compensation payments (structured settlement) amounts contributed to super. You cannot make further non-concessional contributions if your total superannuation balance on the previous 30 June is $1.6 million of more.

Transfer/rollover	A lump sum paid within the super environment between super funds, between super products or into an income stream.
Transfer Balance Cap	This is the maximum amount of pension benefits that can transfer to the tax-free investment environment. Retirement phase pensions, Reversionary pensions and Death benefit pensions are generally assessed against the recipient's personal transfer balance cap. Reversionary and Death benefit pensions paid to children are assessed against the child's share of the deceased parent's transfer balance cap. TTR pensions are not assessed against the transfer balance cap until the member meets a condition of release.
Transition to retirement (TTR) pension	A pension that enables persons who have reached their preservation age to transfer their preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits into an income stream while continuing to work. An income stream using a TTR pension option will generally be non-commutable and have restrictions on when withdrawals can be made. The amount of the cap will start at $1.6 million, and will be indexed periodically in $100,000 increments in line with CPI.
Trust Deed	The legal document governing the Fund and its operation. A trustee must comply with its Trust Deed.
Unrestricted non-preserved benefits	These benefits may be paid to you at any time without a change in your employment status.
Withdrawal	A payment made to you or for your benefit from your super fund after allowing for taxes, fees and charges (if any). The payment can be made to another super fund or taken in the form of a lump sum cash payment (Commonwealth Government restrictions may apply; see the 'Accessing your super' section of this guide for further information). Cash withdrawals are only permitted in certain limited circumstances under the Transition to retirement pension option and for term allocated pensions.

General advice warning

The information contained in this guide:

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

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

Important notice

This guide has been prepared and issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021 AFS Licence No. 230524. IIML is a company in the IOOF group comprising IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate.

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