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## **Legal Documents**

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### **Product Disclosure Statement for Coles Choice Meats Superannuation Fund**

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## Product Disclosure Statement for Coles Choice Meats Superannuation Fund

This Product Disclosure Statement (“PDS”) is provided to the Members by email, hand, post or facsimile.

### Background

A. All Members receive this Product Disclosure Statement (and where they are new Members together with the Application for Membership form and Trustee Declaration). Where the Fund is also an employer sponsored fund then the employer may also provide its own employer sponsor application form.

B. This PDS has been prepared only for Coles Choice Meats Superannuation Fund (“Fund”). This PDS has not been prepared for any other Self Managed Superannuation Fund. This PDS will not operate for any other Self Managed Superannuation Fund.

### What is this Product Disclosure Statement?

You have applied for, or are a member of, Coles Choice Meats Superannuation Fund. This Product Disclosure Statement (PDS) is a summary of the important provisions of Coles Choice Meats Superannuation Fund’s deed. The PDS helps to show how Coles Choice Meats Superannuation Fund affects you.

### Why do I get this PDS?

The *Corporations Act 2001* requires that you receive Coles Choice Meats Superannuation Fund’s PDS within 3 months after you become a member of Coles Choice Meats Superannuation Fund. If you have any queries or any information that needs clarification at any time, you should refer those to the Trustee or Trustees.

You can also gain more knowledge about Coles Choice Meats Superannuation Fund by reading the rules of Coles Choice Meats Superannuation Fund. This is called the “Trust Deed”. More help can also be found from the SIS Legislation.

Terms used in this PDS (written in bold letters or written in capital letters) either are defined in the Fund’s deed or are contained in the Dictionary of this PDS.

### What are my potential benefits?

#### 1. Details of potential lump sum benefits

##### 1.1 Total and Permanent Disability:

‘Total and Permanent Disability’ or ‘Total and Permanent Disablement’ (TPD) is the test commonly used in superannuation funds to determine if a person is entitled to be paid a TPD benefit, which may include an insured amount. The definition varies from one superannuation fund to

another. It generally requires that the member be **totally and permanently disabled** to such an extent that you are incapable of working in any occupation for which you have the education, training and experience.

You may become entitled to a lump sum benefit from your Accumulation Account if you become totally and permanently disabled.

### **1.2 Temporary Total Disability:**

If you become totally disabled temporarily, you may become entitled to payment of a pension or annuity representing a payout. This is subject to:

- the Trustee's decision and on condition that it does not infringe the limit set out in the superannuation law; or
- the Trustee receives a payout from the insurance policy from the one that the Trustee purchased out of Coles Choice Meats Superannuation Fund. The insurance policy should include a clause to cover the range of disabilities you suffer. The Trustee usually uses the money from either your Accumulation Account or other Accounts such as the Income Account to pay for the premiums.

### **1.3 On your Retirement:**

You become entitled to a lump sum benefit. This equals the amount in Coles Choice Meats Superannuation Fund. This is the Accumulation Account on your Retirement.

You become entitled to payment of a retirement benefit in some circumstances. These are:

- you are still employed; or
- when you retire and have reached the relevant Preservation Age.

Your Trustee will be able to advise you about this at the relevant time. (Please refer to the definition of Retirement for details).

### **1.4 On Death:**

On your death, the Trustee may pay a lump sum benefit, pension, rollover any amount, or deal with any monies and assets of the Fund as allowed by the SIS Regulations from Coles Choice Meats Superannuation Fund Accumulation Account to persons, estates, objects and trusts as permitted under the SIS Regulations from time to time.

### **1.5 Other Insurance Policies:**

'Severe Financial Hardship'

In the case of severe financial hardship as defined in the SIS Legislation, you may be able to apply to have all benefits owing to you from Coles Choice Meats Superannuation Fund, paid to you by the Trustee.

The benefits can only be paid to you from Coles Choice Meats Superannuation Fund to meet your expenses in the nature of treatment of life-threatening illnesses such as acute brain haemorrhage, medical and associated costs, and palliative care costs for terminal illnesses such as cancer and so forth.

## 2. Details of potential income benefits

### 2.1 Choice of income benefits

The Trustee of the Fund may allow you to choose how you want to receive your lump sum when you are eligible to collect your **lump sum benefit**. You can opt for a regular income payment like a pension. Under the trust deed of the Fund, you may choose from a variety of pension schemes. It varies from one scheme to another under the trust deed and it will have different impact on you. You are advised to discuss these pension schemes in detail with the Trustee before you make any selection. There are many types of pensions available and they include:

- **Account-Based Pension (ABP)** – can generally only be started once you have access to your superannuation, no maximum limit on drawdown, can revert to a financially dependant on your death
- **Transition to Retirement Income Stream (TRIS)** – can be started before you retire, ability to take a lump sum benefit is restricted however the pension may still be rolled back into savings mode at any time
- **Allocation Pension (AP) and Transition to Retirement Allocated Pension (TRAP)** – to start an AP, you must have retired or reached the age of 65, you are subject to both minimum and maximum annual payment limits, depending on your age, an AP can be commuted at any time to an ABP and can be rolled back into accumulation, a TRAP shares many of the features of a TRIS, but with AP pension factors
- **Market Linked Pension (MLP)** – these are also known as Term Allocated Pensions, started once you have either retired or reached 65, the size of payments each year is calculated according to a table in the superannuation regulations, this is an account based pension
- **Annuities – term or lifetime income streams** – this is generally not available in a Self Managed Superannuation Fund, can come as guaranteed income arrangements, income is often indexed to inflation or an annual percentage increase, income stream can be reversionary, often on a proportional basis to a spouse, this suits the conservative investor.

## **Any potential risks associated with Coles Choice Meats Superannuation Fund?**

### **3. Details of risks associated with the fund are as follows:**

**3.1** The Trustee works out an appropriate strategy to invest Coles Choice Meats Superannuation Fund's assets. The Trustee is at liberty to seek the services of a financial advisor. They aim at increasing the value of Coles Choice Meats Superannuation Fund. Although the Trustee decides on their investment strategy, the resulting value from such investment may vary according to the movements in share, property prices or other asset classes. This may mean the value of the assets held in Coles Choice Meats Superannuation Fund for your benefit, or to pay you a pension, may be reduced. In turn, this may affect the Trustee's capacity to make payments to you or to sustain the level of payments made to you.

**3.2** For many pensions, the Trustee agrees to continue to pay you for a specified period regardless of the performance and value of Coles Choice Meats Superannuation Fund. The Trustee bears the risk of the assets running short to meet your payments.

**3.3** If a benefit payable to you is Commuted so that the Trustee may purchase:

- an annuity from a third party (such as a life assurance company), then the third party will bear the associated risks. You will still have a regular income; or
- an allocated pension from a third party (such as a life assurance company), then the situation is the same as for an allocated pension from the Trustee. In that case, you bear the risks associated with the variations in the value of the assets that fund the allocated pension.

## **How much do I need to contribute to Coles Choice Meats Superannuation Fund?**

### **4. The amount you need to contribute depends on the following circumstances:**

#### **4.1 If you have an employer**

Your employer, who sponsors or participates in Coles Choice Meats Superannuation Fund, must contribute a certain portion of your income to the Fund. The contributions made personally by you to Coles Choice Meats Superannuation Fund are unlikely to be deductible for taxation purposes. However, if you are on a very low wage, you may be qualified for a co-contribution scheme from the Federal Government.

#### **4.2 If you are unemployed or self-employed**

You may contribute to Coles Choice Meats Superannuation Fund yourself. However, only certain amounts are deductible for taxation purposes. There is an Age-based Limit on how much a fund member can claim for contributing into the superannuation fund. This threshold changes each financial year. You are required

to notify the Trustee that you have contributed by lodging the appropriate notice with the Fund. The Trustee will provide you with the Notice at the relevant time.

### **How much does the Trustee of Coles Choice Meats Superannuation Fund deduct from my Fund?**

#### **5. Money deducted from your Accumulation and Pension Accounts**

5.1 The Trustee can make deductions from your Accumulation or Pension Accounts to meet various expenses, such as to:

- pay taxes on your behalf (or to set aside for anticipated taxes);
- pay for an insurance policy or Annuity premiums; or
- pay an amount from your Pension Account to your Accumulation Account or vice versa.

### **Is the Trustee allowed to charge for the services it provides to Coles Choice Meats Superannuation Fund?**

6. No. The Trustee is not permitted to charge fees for the services it provides to Coles Choice Meats Superannuation Fund. However, professionals are entitled to be paid fees for work done by themselves or the professional's firm on the same basis as if the professional was not a Trustee or a member but employed as a professional.

### **What other things do I need to know about Coles Choice Meats Superannuation Fund?**

#### **7. Preservation Age**

7.1 The Preservation Ages relevant to members of Coles Choice Meats Superannuation Fund are as follows. For a person born:

- before 1 July 1960 - 55 years
- during the year 1 July 1960 to 30 June 1961 - 56 years
- during the year 1 July 1961 to 30 June 1962 - 57 years
- during the year 1 July 1962 to 30 June 1963 - 58 years
- during the year 1 July 1963 to 30 June 1964 - 59 years
- after 30 June 1964 - 60 years.

## **How does the Trustee invest the Fund Assets?**

### **8. Investment of the Fund Assets**

**8.1** Under Coles Choice Meats Superannuation Fund Deed, the Trustee is given the permission to make a wide range of investments according to their planned investment strategy. The Trustee needs to establish an investment strategy or strategies, outlining how the assets of the fund will be invested. The Trustee is given the power to change the investment strategy or strategies as long as they remain appropriate. If the Trustee offers more than one strategy, you may choose the appropriate strategy. You cannot choose a component of the investments the Trustee is to make within the strategy.

**8.2** The Trustee cannot lend money from the Fund to a member or a member's relative. You cannot borrow money from the assets of the Fund or use the assets to provide security for borrowing.

## **Is Coles Choice Meats Superannuation Fund Deed easy to understand?**

**9.** The Fund Deed is written in plain English. Whether the Trustees of Coles Choice Meats Superannuation Fund are individuals or a company that is later appointed as Trustee, the provisions in Coles Choice Meats Superannuation Fund are applicable to this Fund Deed.

## **What does the Trustee need to take into consideration in relation to the investments made by Coles Choice Meats Superannuation Fund?**

**10.** The Trustee needs to take into consideration, from time to time, the investments made by Coles Choice Meats Superannuation Fund to meet social or ethical considerations, environmental protection policies or labour standards. This is when the Trustee selects, retains or realises an investment. The Trustee is free to incorporate these considerations into its investment strategy as the Trustee feels appropriate.

## **Where can I get more information regarding Coles Choice Meats Superannuation Fund in the future?**

**11.** If at any time you require further information including information concerning Coles Choice Meats Superannuation Fund, the Fund Deed, the Fund's performance or your rights as a member, you can contact the Trustee.

This PDS is of a general nature. Each person's position is different. You should also seek independent advice from your professional advisors.

## Only the Trustee is responsible for this PDS

**12.** Notwithstanding that they may have been instructed by the Trustee of the Self Managed Superannuation Fund to assist in the giving of advice in the preparation of this PDS, no lawyer, accountant, financial planner, administration service provider or other person (“**Advisers**”) has been involved in the preparation of any part of this Product Disclosure Statement. Further, no Adviser has authorised or caused the issue of any other part of this Product Disclosure Statement. The Advisor has not provided legal advice for the proposed activities of the Self Managed Superannuation Fund and in particular whether they comply with the relevant legislation. To put the matter beyond doubt, it is the Trustee of the Self Managed Superannuation Fund, alone, that has authorised and is responsible for all matters relating to the preparation, updating and distribution of this PDS.

## Dictionary

### 13. Definitions

Where a term is written in bold letters or written in capital letters in this PDS, the meaning is either explained below or is explained in the trust deed:

**13.1 Accumulation Account** the account established for you by the Trustee. Each member of the Fund has an Accumulation Account. That member's contributions or contributions made on behalf of that member, as well as other amounts specific to that member (such as the proceeds of an insurance policy taken out by the Trustee for that member's benefit) are paid into that account.

**13.2 Annuity** refers to a financial product that is purchased by providing a lump sum (capital) to the financial product supplier. The supplier pays you an income for a specified time. You receive a contractual right to receive income and your access to the capital disappears when you buy an annuity.

**13.3 Commute** refers to the conversion of the right to receive a **lump sum payment** from a right to receive regular payment such as pension or annuity payments.

**13.4 Life Expectancy** the period that a person is expected to live in addition to their current age. For instance, a 40 year old Australian male would have a life expectancy of approximately 35 years. The Australian Government Actuary publishes a Life Expectancy Table from time to time. The trustee uses the most up-to-date Table to calculate a member's Life Expectancy at any given time.

**13.5 Normal Retirement Age** is as set out:

#### A. When is Normal Retirement Age reached - in years?

- Male at 65
- Female born before 1 July 1935 at 60
- Female born from 1 July 1935 to 31 December 1936 at 60 years and 6 months
- Female born between 1 January 1937 to 30 June 1938 at 61
- Female born between 1 July 1938 to 31 December 1939 at 61 years and 6



- months
- Female born between 1 January 1940 to 30 June 1941 at 62 years
- Female born between 1 July 1941 to 31 December 1942 at 62 years and 6 months
- Female born between 1 January 1943 to 30 June 1944 at 63 years
- Female born between 1 July 1944 to 31 December 1945 at 63 years and 6 months
- Female born between 1 January 1946 to 30 June 1947 at 64 years
- Female born between 1 July 1947 to 31 December 1948 at 64 years and 6 months
- Female born on or after 1 January 1949 at 65

**B. When is the Service Pension Age reached - in years?**

- Male at 60
- Female born before 1 July 1940 at 55
- Female born between 1 July 1940 to 31 December 1941 55 years and 6 months
- Female born between 1 January 1942 to 30 June 1943 at 56 years
- Female born between 1 July 1943 to 31 December 1944 at 56 years and 6 months
- Female born between 1 January 1945 to 30 June 1946 at 57 years
- Female born between 1 July 1946 to 31 December 1947 at 57 years and 6 months
- Female born between 1 January 1948 to 30 June 1949 at 58 years
- Female born between 1 July 1949 to 31 December 1950 at 58 years and 6 months
- Female born between 1 January 1951 to 30 June 1952 at 59 years
- Female born between 1 July 1952 to 31 December 1953 at 59 years and 6 months
- Female born on or after 1 January 1954 at 60 years

**13.6 Pension** refers to a financial product that is purchased by providing a lump sum (capital) to the financial product supplier, who invests the lump sum, manages that investment, and pays you a regular income from the proceeds of those investments. As well as paying you the proceeds of the investments, the financial product supplier may include in your payments part of the initial capital you contributed.

**13.7 Preservation Age** the minimum age after which the Preserved Benefits from Coles Choice Meats Superannuation Fund may be paid to you.

**13.8 Preserved Benefits** those benefits that can only be paid to you upon your Retirement.

**13.9 Retirement** occurs:

- if you have reached a Preservation Age less than 60, and
  - (i) an arrangement under which you were gainfully employed comes to an end; and

- (ii) the Trustee is reasonably satisfied that you never intend to become gainfully employed (either full time or part time); or
- if you have reached age 60 and an arrangement under which you were gainfully employed has come to an end on or after you attained that age; or
- when you reach your Normal Retirement Age and;
  - (i) an arrangement under which you were gainfully employed comes to an end; or
  - (ii) Superannuation Law provides that you have retired despite still being gainfully employed.

**13.10 Service Pension Age** as defined in this PDS.

**13.11 “SIS Legislation”** includes the following:

- (a) *Tax Laws Amendment (Simplified Superannuation) Act 2007*
- (b) *the Superannuation Industry (Supervision) Act 1993*
- (c) *the Superannuation (Financial Assistance Funding) Levy Act 1993*
- (d) *the Superannuation (Resolution of Complaints) Act 1993*
- (e) *the Superannuation (Rollover Benefits) Levy Act 1993*
- (f) *the Superannuation Industry (Supervision) Consequential Amendments Act 1993*
- (g) *the Superannuation Supervisory Levy Amendment Act 1993*
- (h) *the Occupational Superannuation Standards Amendment Act 1993*
- (i) and any regulations made under the above Acts
- (j) and all other requirements whether legislative or administrative including:
  - A. any administrative guidelines issued by the Responsible Authority;  
or
  - B. statements by government advising changes and any proposed changes to the SIS Legislation,

with which Coles Choice Meats Superannuation Fund must comply or in the opinion of the Trustees ought to comply in order to be a Complying Superannuation Fund or not to be in contravention or breach of the SIS Legislation.

**13.12 Superannuation Contributions Surcharge** an amount that you may be liable to pay if your taxable income is greater than the relevant superannuation surcharge level for a year of income.

**13.13 Trustee or Trustees** the trustee or trustees from time to time of the Fund.