

Application for Membership

Name of Fund: STEINER SUPERANNUATION FUND

Member's Name: Steiner, Michi Ann

(Minor's Name if on behalf of minor)

Address:

2/11 Pinetree Close

FITZGIBBON QLD 4018

Date of Birth: 22/12/1962

Occupation:

Telephone:

Fax:

Tax File Number:

Contributing Employer(s):

HOUSE OF NIKO PTY LTD

A.C.N. 129 268 211

2/11 Pinetree Close

FITZGIBBON QLD 4018

I hereby apply to become a Member of the abovementioned Fund.

* I apply as the parent or guardian of and on behalf of the minor referred to above.

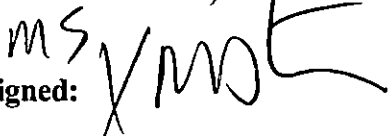
(Delete if inapplicable)

I understand that my membership is subject to terms and conditions specified in the Trust Deed governing the Fund.

This application is accompanied by a Product Disclosure Statement.

I nominate and agree to the Trustee named in the Deed acting as Trustee.

I have received from the Trustee a notice containing information needed for the purpose of understanding the main features of the Fund, its management and financial condition and investment performance. (The Trustee must attach these if the Member is joining at a time other than when the fund is established).

Signed: 

Dated: 28/1/09.

TRUSTEE INFORMATION MEMORANDUM TO MEMBERS

Binding Death Benefit Nomination

Binding Death Benefit Nomination in accordance with the SIS Act 1993

The operation of the Fund, of which you are a Member or are being invited to be a Member, is governed by a document called a Trust Deed. The Trustee of the Fund is bound to act in accordance with the requirements of the Trust Deed in administering the Fund.

Under the Trust Deed, the Trustee has a discretion to decide whether, in the event of your death, to pay the death benefit, which is payable to your Legal Personal Representative (that is, to the executor of your will or the administrator granted letters of administration of your estate if you do not leave a will) and/or to dependants of yours, and in what proportions.

However, the Trust Deed also enables you to override the Trustee's discretion by you giving a binding direction to the Trustee. This is a direction to the Trustee to pay any death benefit payable either to your estate or to dependants specified by you (or both) and in the proportions that you specify.

You may elect for the Trustee to exercise the discretion given to it to decide who to pay your benefit to, in the event of your death (see "Trustee Information Memorandum to Members – Indicative Non-Binding Death Benefit Nomination") or you can give a binding direction to the Trustee by completing the direction in this Nomination or you can give a non-lapsing binding nomination under clause 24.6A of the Governing Rules of the Fund (see "Trustee Information Memorandum to Members – Non-Lapsing Binding Nomination").

Important Points about Binding Nominations

If you decide to give a binding direction by completing this Nomination, it is important for you to note the following:

1. You can only direct the Trustee to pay the benefit either to your Legal Personal Representative (that is, to the executor of your will or the administrator granted letters of administration of your estate if you do not leave a will) or to the dependants that you specify on this Nomination (or both).
2. If you wish to give such a direction to the Trustee, you must specify the percentage of your total death benefit which is to be paid to each of the estate or your dependants, or both.
3. You can confirm, amend or revoke this Nomination at any time by giving written notice to the Trustee.
4. The direction that you give automatically ceases to have any effect 3 years after the date on which you sign and date this Nomination. If the direction ceases to have effect, the Trustee will have a discretion to decide who to pay the death benefit to.
5. If, on this Nomination, you direct the Trustee to pay any part of your death benefit to a person who is not a dependant (as described below), your direction will be void and of no effect and the Trustee will be required to decide to whom to pay your death benefit.
6. For the purposes of the Trust Deed, a dependant is:
 - a spouse of a Member
 - any children of a Member
 - any other person (whether related to the Member or not) with whom the Member has an interdependency relationship.

"Spouse" includes a de facto spouse and "children" includes step-children, adopted and ex-nuptial children.

Two persons (whether or not related by family) have an "interdependency relationship" if:

- (a) they have a close personal relationship;
- (b) they live together;
- (c) one or each of them provides the other with financial support; and

- (d) one or each of them provides the other with domestic support and personal care.

If two persons (whether or not related) have a close relationship, but do not satisfy these requirements because either or both of them suffer from a physical, intellectual or psychiatric disability, they are considered to have an interdependency relationship.

The following matters are to be taken into account when determining whether two people have an interdependency relationship, or had an interdependency relationship immediately before death:

- (a) all of the circumstances of the relationship between the persons, including (where relevant):
- (i) the duration of the relationship
 - (ii) whether or not a sexual relationship exists
 - (iii) the ownership, use and acquisition of property
 - (iv) the degree of mutual commitment to a shared life
 - (v) the care and support of children
 - (vi) the reputation and public aspects of the relationship
 - (vii) the degree of emotional support
 - (viii) the extent to which the relationship is one of mere convenience, and
 - (ix) any evidence suggesting that the parties intend the relationship to be permanent.
- (b) the existence of a statutory declaration signed by one of the persons to the effect that the person is, or (in the case of a statutory declaration made after the end of the relationship) was, in an interdependency relationship with the other person.

Each one of the above need not be met and the extent to which any one matter exists or does not exist does not necessarily of itself confirm or exclude an interdependency relationship.

If you have any doubt as to whether a person you wish to nominate to receive any part of your death benefit is a dependant, you should seek advice from the Trustee before completing this Nomination.

7. For this Nomination to be effective, it must be signed and dated by you in the presence of 2 witnesses who are both at least 18 years old and neither of the witnesses can be a person who you have nominated to receive a part of your death benefit.

8. In order for the Binding Nomination to be valid, it must be fully completed.

Please ensure the Nomination, Member Declaration and Witness Declaration are completed.

Please ensure that the beneficiaries named in this Nomination are dependants and/or your Legal Personal Representative.

Your Legal Personal Representative is either the person named as your executor in your will, or, if you do not have a valid will at the date of your death, the person who applies for and has been granted letters of administration for your estate.

9. Should you wish to nominate your legal personal representative, please write 'Legal Personal Representative' as the name of the beneficiary.

10. If your estate i.e. your Legal Personal Representative is to be paid a benefit, the death benefit will form part of your estate and will be distributed as part of your estate in accordance with your will, however, if you do not have a valid will on the date of your death, distribution of your estate will be in accordance with the laws of intestacy. The Court has power in some instances to, in effect, alter your will and the persons who might otherwise be entitled as beneficiaries of your estate. You should seek legal advice in this regard.

Binding Death Benefit Nomination

Name of Fund:

Member's Name:

(Minor's Name if on behalf of minor)

Address:

Date of Birth:

Occupation:

Telephone:

Fax:

1. The Nomination must be signed and dated by you in the presence of two witnesses aged 18 years or over. Both witnesses must also provide their date of birth, sign and date the Nomination. It is important to note that the witnesses cannot be persons nominated as beneficiaries.

2. If any of this information is not provided, then your Nomination may be invalid. The Trustee will contact you for clarification if this is the case.

3. It is not compulsory to complete this Nomination. Details of who a death benefit will be paid to in the situation where there is no valid Nomination can be found in Trustee Information Memorandum to Members – Binding Death Benefit Nomination.

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Member Declaration

I, the Member named above, direct the Trustee(s) of the Fund to pay my death benefit to the above person(s) in the proportions shown.

I understand that:

- I can amend or revoke this Nomination at any time by providing a new Nomination to the Trustee(s) of the Fund, signed and dated by myself in the presence of two witnesses who are aged 18 years or over;
- Unless amended or revoked earlier, this Nomination is binding on the Trustee for a period of 3 years from the date it is first signed or last confirmed;
- This Nomination revokes and amends any previous notice supplied to the Trustee of the Fund in regard to my nominated beneficiaries;
- If this Nomination is not correctly completed, it may be invalid;
- If I have nominated persons who are not dependants or my Legal Personal Representative (that is, the executor of my will or the administrator granted letters of administration of my estate if I do not leave a

will), the direction contained in the Nomination will be void and of no effect and the Trustee will have a discretion as to whom the benefit is payable and in what proportion.

I acknowledge that I have been provided with information by the Trustee of the Fund that enables me to understand my rights to direct the Trustee to pay my Death Benefit in accordance with this Nomination.

Signature of Member:

Date:

Witness Declaration

We declare that:

- this Nomination was signed by the Member in our presence;
- we are aged 18 or more; and
- we are not named as beneficiaries.

Signature of Witness:

Date:

Print Name of Witness:

Witness Date of Birth:

Signature of Witness:

Date:

Print Name of Witness:

Witness Date of Birth:

TRUSTEE INFORMATION MEMORANDUM TO MEMBERS

Indicative Non-Binding Death Benefit Nomination

Indicative Non-Binding Death Benefit Nomination

You may elect for the Trustee to exercise the discretion given to it to decide who to pay your benefit to, in the event of your death by completing the direction in this Nomination, or you can give a binding direction to the Trustee (see "Trustee Information Memorandum to Members – Binding Death Benefit Nomination") or you can give a non-lapsing binding nomination under clause 24.6A of the Governing Rules of the Fund (see "Trustee Information Memorandum to Members – Non-Lapsing Binding Nomination").

Important Points about Indicative Non-Binding Nominations

1. This Nomination Notice is not binding. The Trustees will take it into account in the event that a benefit is paid from the Fund on your death. However the Trustees have complete discretion as to which of your dependants and/or Legal Personal Representative (that is, to the executor of your will or the administrator granted letters of administration of your estate if you do not leave a will) may receive the benefit and in what proportion. If there are no dependants or Legal Personal Representative, the benefit may be payable to a person(s) or your estate as determined by the Trustees.
2. The beneficiaries named in this Notice must be dependants and/or your Legal Representative.
3. For the purposes of the Trust Deed, a dependant is:
 - a spouse of the Member
 - any children of the Member
 - any other person (whether related to the Member or not) with whom the Member has an interdependency relationship.

"Spouse" includes a de facto spouse and "children" includes step-children, adopted and ex-nuptial children.

Two persons (whether or not related by family) have an "interdependency relationship" if:

- (a) they have a close personal relationship;
- (b) they live together;
- (c) one or each of them provides the other with financial support; and
- (d) one or each of them provides the other with domestic support and personal care.

If two persons (whether or not related) have a close relationship, but do not satisfy these requirements because either or both of them suffer from a physical, intellectual or psychiatric disability, they are considered to have an interdependency relationship.

The following matters are to be taken into account when determining whether two people have an interdependency relationship, or had an interdependency relationship immediately before death:

- (a) all of the circumstances of the relationship between the persons, including (where relevant):
 - (i) the duration of the relationship
 - (ii) whether or not a sexual relationship exists
 - (iii) the ownership, use and acquisition of property
 - (iv) the degree of mutual commitment to a shared life
 - (v) the care and support of children

- (vi) the reputation and public aspects of the relationship
- (vii) the degree of emotional support
- (viii) the extent to which the relationship is one of mere convenience, and
- (ix) any evidence suggesting that the parties intend the relationship to be permanent.

(b) the existence of a statutory declaration signed by one of the persons to the effect that the person is, or (in the case of a statutory declaration made after the end of the relationship) was, in an interdependency relationship with the other person.

Each one of the above need not be met and the extent to which any one matter exists or does not exist does not necessarily of itself confirm or exclude an interdependency relationship.

4. Your Legal Personal Representative is either the person named as your executor in your will, or, if you do not have a valid will at the date of your death, the person who applies for and has been granted letters of administration for your estate. Should you wish to nominate your legal personal representative, please write 'Legal Personal Representative' as the name of the beneficiary.

5. If your estate i.e. your Legal Personal Representative is to be paid a benefit, the death benefit will form part of your estate and will be distributed as part of your estate in accordance with your will, however, if you do not have a valid will on the date of your death, distribution of your estate will be in accordance with the laws of intestacy. The Court has power in some instances to, in effect, alter your will and the persons who might otherwise be entitled as beneficiaries of your estate. You should seek legal advice in this regard.

Indicative Non-Binding Death Benefit Nomination

Name of Fund:

Member's Name:

(Minor's Name if on behalf of minor)

Address:

Date of Birth:

Occupation:

Telephone:

Fax:

Nomination

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			

**Legal Personal
representative (your
estate)**

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Member Declaration

I, the Member named above, request the Trustee of the Fund to pay my death benefit to the above person(s) in the proportions shown.

I understand that:

- in the event of my death, the Trustee has complete discretion as to which of my dependants and/or estate will receive any death benefit payable.
- this Notice revokes and amends any previous notice supplied to the Trustee of the Fund in regard to my nominated beneficiaries.

Signature of Member:

Date:

TRUSTEE INFORMATION MEMORANDUM TO MEMBERS

Non-Lapsing Binding Death Benefit Nomination

Non-Lapsing Binding Death Benefit Nomination

You may elect for the Trustee to exercise the discretion given to it to decide who to pay your benefit to, in the event of your death (see "Trustee Information Memorandum to Members – Indicative Non-Binding Death Benefit Nomination") or you can give a binding direction to the Trustee (see "Trustee Information Memorandum to Members – Binding Death Benefit Nomination") or you can give a non-lapsing binding nomination under clause 24.6A of the Governing Rules by completing the direction in this Nomination.

Important Points about Non-Lapsing Binding Death Benefit Nominations

1. This Memorandum refers to a Non-Lapsing Binding Death Benefit Nomination under clause 24.6A of the Governing Rules of the Fund.

2. Clause 24.6A of the Governing Rules of the Fund says:

24.6A Non-lapsing death benefit nomination - Death Benefit requested rule:

If the Trustees are given a written notice by a Member requesting that benefits be paid following the death of that Member to a person or persons or other permitted payees then the Trustees must:

- (a) by written resolution, accept the terms of the Member's notice; or
- (b) give written notice to the Member of a proposed rule in respect of the death benefit specifying the terms thereof in accordance with the Member's request

AND on the date of that resolution referred to in (a) or the date of the written acceptance by the Member of the death benefit rule referred to in (b), the Trustees are bound by those terms unless and until that Member and the Trustees otherwise in writing agree or until a later binding nomination in accordance with the SIS Act is given to the Trustees or a later non-lapsing nomination is given effect under (a) or (b).

3. This Nomination Notice must be fully completed in accordance with the details below:

The beneficiaries named in this Notice must be dependants and/or your Legal Personal Representative (that is, the executor of your will or the administrator granted letters of administration of your estate if you do not leave a will). For the purposes of the Trust Deed, a dependant is:

- a spouse of a Member
- any children of a Member
- any other person (whether related to the Member or not) with whom the Member has an interdependency relationship.

"Spouse" includes a de facto spouse and "children" includes step-children, adopted and ex-nuptial children.

Two persons (whether or not related by family) have an "interdependency relationship" if:

- (a) they have a close personal relationship;
- (b) they live together;
- (c) one or each of them provides the other with financial support; and
- (d) one or each of them provides the other with domestic support and personal care.

If two persons (whether or not related) have a close relationship, but do not satisfy these requirements because either or both of them suffer from a physical, intellectual or psychiatric disability, they are considered to have an interdependency relationship.

The following matters are to be taken into account when determining whether two people have an

interdependency relationship, or had an interdependency relationship immediately before death:

- (a) all of the circumstances of the relationship between the persons, including (where relevant):
- (i) the duration of the relationship
 - (ii) whether or not a sexual relationship exists
 - (iii) the ownership, use and acquisition of property
 - (iv) the degree of mutual commitment to a shared life
 - (v) the care and support of children
 - (vi) the reputation and public aspects of the relationship
 - (vii) the degree of emotional support
 - (viii) the extent to which the relationship is one of mere convenience, and
 - (ix) any evidence suggesting that the parties intend the relationship to be permanent.
- (b) the existence of a statutory declaration signed by one of the persons to the effect that the person is, or (in the case of a statutory declaration made after the end of the relationship) was, in an interdependency relationship with the other person.

Each one of the above need not be met and the extent to which any one matter exists or does not exist does not necessarily of itself confirm or exclude an interdependency relationship.

4. Your Legal Personal Representative is either the person named as your executor in your will, or, if you do not have a valid will at the date of your death, the person who applies for and has been granted letters of administration for your estate.

5. Should you wish to nominate your legal personal representative, please write 'Legal Personal Representative' as the name of the beneficiary.

6. If your estate i.e. your Legal Personal Representative, is to be paid a benefit, the death benefit will form part of your estate and will be distributed as part of your estate in accordance with your will, however, if you do not have a valid will on the date of your death, distribution of your estate will be in accordance with the laws of intestacy. The Court has power in some instances to, in effect, alter your will and the persons who might otherwise be entitled as beneficiaries of your estate. You should seek legal advice in this regard.

Non-Lapsing Binding Death Benefit Nomination (Clause 24.6A)

Name of Fund:

Member's Name: .

(Minor's Name if on behalf of minor)

Address:

Date of Birth:

Occupation:

Telephone:

Fax:

1. The Nomination must be signed and dated by you in the presence of two witnesses aged 18 years or over. Both witnesses must also provide their date of birth, sign and date the Nomination. It is important to note that the witnesses cannot be persons nominated as beneficiaries.
2. If any of this information is not provided, then your Nomination may be invalid. The Trustee will contact you for clarification if this is the case.
3. It is not compulsory to complete this Nomination.

	Nomination			
Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Name	Relationship	DOB	Gender	Proportion of Death Benefit
	<input type="checkbox"/> Spouse			
	<input type="checkbox"/> Child			
	<input type="checkbox"/> Interdependency relationship			
	<input type="checkbox"/> Other dependant			
	<input type="checkbox"/> Legal Personal representative (your estate)			

Member Declaration

I, the Member named above, direct the Trustee(s) of the Fund to pay my death benefit to the above person(s) in the proportions shown.

I understand that this Nomination is a non-lapsing binding nomination under clause 24.6A of the Governing Rules of the Fund.

This Notice revokes any previous notice supplied to the Trustee of the Fund with regard to the nomination of death benefits.

Signature of Member:

Date:

Witness Declaration

We declare that:

- this Nomination was signed by the Member in our presence;
- we are aged 18 or more; and
- we are not named as beneficiaries.

Signature of Witness:

Date:

Print Name of Witness:

Witness Date of Birth:

Signature of Witness:

Date:

Print Name of Witness:

Witness Date of Birth:

Product Disclosure Statement

STEINER SUPERANNUATION FUND

This Product Disclosure Statement must be attached to all Application Form(s) for Membership by Members or Employers. Any omitted details must be inserted.

Name of Member: Steiner, Michi Ann

Address of Member:

2/11 Pinetree Close
FITZGIBBON QLD 4018

Contact Details of Member:

Name & Address and Contact Details (ie Telephone, Fax, Email) of Trustee(s):

STEINER, Leo John
2/11 Pinetree Close
FITZGIBBON QLD 4018

STEINER, Michi Ann
2/11 Pinetree Close
FITZGIBBON QLD 4018

This Product Disclosure Statement provides key information to Members of a new self managed superannuation fund and to Members where the Governing Rules have been updated. The Governing Rules are the provisions contained in the Trust Deed establishing the Fund and any amendments to it. A copy is available from the Trustees.

Choosing the right superannuation fund as part of your investment strategy can be a very effective way of achieving your financial goals.

This product disclosure statement will help you to understand the main features of this Fund. We recommend that you get professional advice before investing.

Need Help?

If you need help about investing generally, then speak to a licensed financial adviser. If you have questions about this Fund particularly, speak to the Trustees or professional advisers.

Superannuation Generally

Superannuation provides you with income for your retirement. Superannuation funds pool contributions and invest them for the benefit of the Members.

Tax concessions apply to contributions to superannuation funds which, like this one, comply with rules set out in superannuation law. Tax deductions are available for some contributions. Tax concessions also apply to fund earnings and to benefit payments.

Members can generally speaking withdraw their investment in a superannuation fund (called a "benefit") when they retire. Benefits can also be paid if a Member dies or becomes totally and permanently disabled or if they are entitled to a transition to retirement income stream.

This means that you should only invest in superannuation money you can afford to put away until later.

Information about Benefits

Your Member's Benefit is the amount of contributions credited to your Member's Account in the records of the Fund from contributions made by you or your employer or other persons on your behalf plus where applicable, insurance policy proceeds. Contributions are invested so that the value of your Member's Benefit will vary from time to time.

You can generally take your benefits once you reach preservation age and have retired. The age of preservation is increasing gradually from 55 to 60 between the years 2015 and 2025. In addition, once you are aged 65 or more, you can take your superannuation even if you have not retired. Your preservation age can be determined by reading this PDS under the heading "Preservation of Benefits".

If you are aged 55 or over, you can reduce your working hours without reducing your income by rolling some of your superannuation into a retirement income stream. You can then top up your reduced income by drawing on your superannuation. This transition to retirement measure only allows you to access your superannuation benefits as a 'non-commutable' income stream, not a lump sum. This means that you generally still cannot take your superannuation as a lump sum cash payment while you are still working and will need to take your superannuation benefits as regular payments.

See later in this PDS for more information about Benefits.

If you become totally and permanently disabled your Member's Benefit will be paid subject to Superannuation law. Benefits can also be paid if you become temporarily totally disabled and you are insured under an insurance policy and the proceeds of the policy become available.

Preservation of Benefits

The Federal Government restricts when you can access most of your superannuation. In general, access to your superannuation will depend upon the 'preservation' classification that applies. There are three classes of preservation:

(1) Unrestricted Non-Preserved Benefits

Benefits that are generally rolled over from another superannuation fund which could have been cashed previously. These benefits can be paid to you at any time.

(2) Restricted Non-Preserved Benefits

Benefits that are not preserved but which cannot be cashed until you leave service with your current employer or are otherwise eligible to take a benefit from the Fund.

(3) Preserved Benefits

All contributions (including those you make) and earnings paid or accruing from 1 July 1999 are preserved. New employer eligible termination payments are also fully preserved.

Preservation of benefits is complex and the Government may change the rules from time to time and you should speak to the Trustees or obtain professional advice.

Preserved benefits can generally only be paid on taking advantage of a transition to retirement strategy; permanent retirement at or after your preservation age; reaching age 65; reaching age 60 and ceasing gainful employment with an employer; satisfying the compassionate grounds tests; meeting the financial hardship requirements; death; suffering total and permanent disability; permanent departure from Australia if you are an eligible temporary resident; satisfying any other condition for release specified in the superannuation law.

Your preservation age is worked out from the table below:

Birth Date	Preservation Age
Born before 01/07/1960	55
Born from 01/07/1960 to 30/06/1961	56
Born from 01/07/1961 to 30/06/1962	57
Born from 01/07/1962 to 30/06/1963	58
Born from 01/07/1963 to 30/06/1964	59
Born on or after 01/07/1964	60

A transition to retirement pension allows people who are still in the workforce to access their superannuation without having to retire or leave their job. If you do not use a transition to retirement strategy you must generally speaking, reach your preservation age and permanently; retire from the workforce; reach age 65; reach age 60 and cease gainful employment.

Nominations - Death Benefits

You may elect that the Trustees exercise their discretion to decide who is to be paid your death benefit. If you do not give the Trustees any direction at all then the Trustees will decide this. However you can give the Trustees an Indicative Non-Binding Nomination (see "Trustee Information Memorandum to Members – Indicative Non-Binding Death Benefit Nomination"), or you can give a Binding Death Benefit Nomination to the Trustees (see "Trustee Information Memorandum to Members – Binding Death Benefit Nomination") or you can give a Non-Lapsing Binding Nomination under rule 24.6A (see "Trustee Information Memorandum to Members – Non-Lapsing Binding Nomination"). These are available from the Trustees.

If you want to leave money to someone who is not your dependant, for example, your brother or sister, you must nominate your legal personal representative in your binding nomination and your brother or sister in your will.

Your dependant is your husband or wife or de facto husband or wife, your child including step child and adult child and any other person (whether related to you or not) with whom you have an interdependency relationship.

Two persons (whether or not related by family) have an "interdependency relationship" if:

- (a) they have a close personal relationship;
- (b) they live together;
- (c) one or each of them provides the other with financial support; and
- (d) one or each of them provides the other with domestic support and personal care.

If two persons (whether or not related) have a close relationship, but do not satisfy these requirements because either or both of them suffer from a physical, intellectual or psychiatric disability, they are considered to have an interdependency relationship.

The following matters are to be taken into account when determining whether two people have an interdependency relationship, or had an interdependency relationship immediately before death:

- (a) all of the circumstances of the relationship between the persons, including (where relevant):
 - (i) the duration of the relationship

- (ii) whether or not a sexual relationship exists
 - (iii) the ownership, use and acquisition of property
 - (iv) the degree of mutual commitment to a shared life
 - (v) the care and support of children
 - (vi) the reputation and public aspects of the relationship
 - (vii) the degree of emotional support
 - (viii) the extent to which the relationship is one of mere convenience, and
 - (ix) any evidence suggesting that the parties intend the relationship to be permanent.
- (b) the existence of a statutory declaration signed by one of the persons to the effect that the person is, or (in the case of a statutory declaration made after the end of the relationship) was, in an interdependency relationship with the other person.

Each one of the above need not be met and the extent to which any one matter exists or does not exist does not necessarily of itself confirm or exclude an interdependency relationship.

Your legal personal representative is your executor i.e. the person appointed by you in your will, or administrator i.e. the person appointed by the Court to administer your estate if you do not have an executor. If you want the Trustees to pay your benefit on your death to the people you chose by making a Binding Death Benefit Nomination you must:

- (a) complete a binding nomination form telling the Trustees who you want them to pay a benefit to and in what proportions; and
- (b) renew your binding nomination every three years.

Your Binding Death Benefit nomination will be invalid if it is not renewed every three years or if any of the people you nominate are not your dependants at the time of your death or your legal personal representative. If you have a valid Death Benefit binding nomination at the time of your death the Trustees will follow it even if your circumstances have changed, for example you have married.

If you do not make a binding nomination or if a nomination is invalid or if you make an Indicative Non-Binding Nomination, the Trustees will choose who to pay your benefit to. In this event the Trustees will take your wishes into account, however they will not be bound by them. The Trustees will consider the circumstances of all of your dependants in choosing to whom to pay the benefit and in what proportions. If you make a valid Non-Lapsing Binding Nomination the Trustees must follow it.

In some circumstances under superannuation law if you are in severe financial hardship you may be able to have your Member's Benefit paid to you by the Trustees however there are conditions to be complied with and benefits can only be paid to you so that certain expenses can be met e.g. treatment of life threatening illness, palliative care etc.

When your Member's Benefit becomes payable it will be paid as a lump sum benefit or as a pension. You should discuss these matters with your professional adviser before receiving your benefit.

PENSIONS

Federal Government "Simplified Superannuation" reforms altered the number and type of pensions that may be paid by superannuation funds. The Trustees must give Members a separate PDS for their pension before it commences. You should seek professional advice before asking the Trustees to commence paying you a pension.

Pensions that commenced before 1 July 2007

For pensions that commenced before 1 July 2007, the Trustees must continue to pay them under the previous pension payment standards unless the pension is an allocated pension.

Pensions that commenced between 1 July and 19 September 2007

For pensions that commenced between 1 July 2007 and 19 September 2007, these have been able to be paid under the previous or the new pension rules.

Pensions that commenced after 19 September 2007

All pensions that commenced after 19 September 2007 must meet the “new minimum pension standards”.

The “new minimum pension standards”

The new minimum standards mean that the superannuation pensions must satisfy all of the following requirements:

1. The pension must be account-based, except in limited circumstances.
2. A minimum amount must be paid at least annually.
3. The capital supporting the pension cannot be increased using contributions or rollover amounts once the pension has started.
4. The pension can be transferred only if a Member dies, to one of their dependants.
5. Neither the capital value of the pension nor the income from it as security can be used for borrowing.
6. Before commuting a pension, a minimum amount must be paid in certain circumstances.

There are no maximum draw down limits for new pensions that commenced after 19 September 2007, except for transition to retirement income streams.

Account-based pension

An account-based pension refers to a pension where an account balance is attributable to the Member. That is, the amount supporting the pension is allocated to a separate account for each Member.

There are limited circumstances in which SMSFs can pay non account-based pensions to Members. (For further information see Superannuation Determination SD 2004/1 available from the ATO (Australian Tax Office) website).

Minimum annual payments

The Trustees must pay a minimum amount each year to a Member from that Member’s pension account.

The minimum amount is worked out by multiplying the Member’s pension account balance by a percentage factor. The amount is rounded to the nearest 10 whole dollars.

The following table shows the relevant percentage factor based on the Member’s age.

Age	Percentage of account balance
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95 or more	14%

Account balance means:

- the pension account balance on 1 July in the financial year in which the payment is made, or
- if the pension commences during the financial year - the balance on the commencement day, or
- if the amount of the pension account balance is less than the withdrawal benefit that the Member would be entitled to if the pension was to be fully commuted – the amount of the withdrawal benefit.

Where the pension commences after 1 July, the minimum payment amount for the first year is calculated proportionately to the number of days remaining in the financial year, starting from the commencement day.

That is, you multiply the minimum payment amount by the remaining number of days in the financial year divided by 365 (or 366 in a leap year).

Minimum payment amount = minimum payment amount x remaining number of days /365 (or 366).

If the pension commences on or after 1 June, no minimum payment is required to be made for that financial year.

Certain payments cannot be used to boost a Member's pension

Once a pension has begun to be paid to the Member no further amounts can be added to the capital from which the pension is being paid. This means the Member's pension account cannot be increased by contributions or rollover amounts.

Transfer of pension

If a Member dies the pension can only be transferred or paid to another person who:

- is a dependant of the Member, which includes:
 - a surviving spouse or de facto spouse
 - a child of the deceased who is under 18 years of age
 - a child of the deceased aged between 18 years and 25 years of age, who was financially dependant on the deceased
 - a child of the deceased aged 18 years of age or over, who has a permanent disability
 - any person who relied on the deceased for financial maintenance at the time of their death, or
 - any person who lived with the deceased in a close personal relationship where one or both of them provided financial and domestic support and personal care.

Capital value of pension cannot be used as security for borrowings

When applying for loans, Members cannot use the capital value of the pension or the income from it as security for a borrowing.

Minimum payment prior to commutation

If a pension that commenced after 19 September 2007 is to be commuted, at least a minimum amount must be paid from the pension beforehand.

The minimum payment(s) must occur in the financial year in which the commutation is to take place. The amount paid must be at least the pro rata of the minimum annual payment amount.

For pensions that commence in the same financial year in which they are commuted, the pro-rata minimum payment amount is calculated based on the number of days from the start date of the pension to the day it is commuted.

Pro-rata minimum payment amount = minimum annual payment amount x days from start of pension to day pension commuted / 365 (or 366)

The requirement to make a minimum payment prior to commutation does not apply in circumstances where the commutation arises on the death of a Member or where the purpose of the commutation is to:

- Pay a superannuation contributions surcharge liability;
- Give effect to a payment split under the family law provisions; or
- Give effect to a client's right to return a financial product under the Corporations Act 2001.

'Commutation' is a technical term which generally means withdrawing some or all of your money as a lump sum. Some retirement income streams do not allow the withdrawal of a lump sum. These are non-commutable income streams.

Transition to retirement

The transition to retirement measure allows Members who have reached their preservation age, to have access to their superannuation benefits without having to retire or leave their job. This allows Members access to their superannuation by drawing down transition to retirement income streams.

New rules commenced on 1 July 2007.

Income streams which commenced before 1 July 2007 and that complied with the transition to retirement rules at the time satisfy the new requirements and may continue to be paid under the former rules.

Transition to retirement income streams commencing on or after 1 July 2007 requirements:-

- It must be an account-based income stream. This means an account balance must be attributable to the recipient of the income stream.

- The payment of a minimum amount to be made at least annually – currently 4% of the account balance where the Member is under age 65.
- The total payments made in a financial year must be no more than 10% of the account balance (at the start of each year). This is the maximum amount of income stream benefits that can be drawn down each year.
- Restrictions on the commutation of the income stream (except in limited circumstances).
- There is no provision made for an amount or percentage to be left over when the income stream ceases.
- The income stream can be transferred only on the death of the Member to one of their dependants, or cashed as a lump sum to a dependant, non-dependant or the Member's estate.
- The capital value of the income stream and the income from it cannot be used as security for borrowing.

Commutation of transition to retirement income streams

If a transition to retirement income stream is commuted, the resulting lump sum benefit cannot be taken in cash unless the Member satisfies a condition of release with a 'nil' cashing restriction (for example, retirement) or the purpose of the commutation is to:

- cash an unrestricted non-preserved benefit
- pay a superannuation contributions surcharge liability
- give effect to a payment split under family law, or
- ensure a payment can be made to give effect to a release authority or transitional release authority.

Retirement as a Member after commencing of a transition to retirement income stream

If you retire or qualify for another condition of release with a 'nil' cashing restriction (for example if you have a terminal medical condition or a permanent incapacity) after the commencement of a transition to retirement income stream, you have the following options:

- Continue to receive the income stream
- Commute the income stream to purchase another income stream
- Commute the income stream and take the resulting lump sum benefit in cash
- Commute the income stream and roll it back into superannuation

The options available vary depending on the type of income stream that was taken and the time since its commencement. Members should seek professional advice about these options.

Maximum amount of superannuation that can be accessed by Members receiving a transition to retirement pension

There is no specific limit on the amount of superannuation benefits that may be drawn down under the transition to retirement measure however no more than 10% of the account balance, as at the start of the financial year, may be paid each year.

CONTRIBUTIONS

There are a number of terms explained below:

Concessional Contributions

Concessional contributions are 'before-tax' contributions. They are usually tax deductible if tax laws are complied with. The concessional contributions include:

- Super Guarantee (SG) contributions, also called "mandated employer contributions". These are the before-tax minimum level of superannuation contributions that an employer must contribute for eligible employees. The rate is currently 9%. They are made up of:
 - contributions to reduce the employer's potential liability to the Superannuation Guarantee Charge;
 - superannuation guarantee shortfall components, that is, Superannuation Guarantee Charge payments sent to a fund from the Australian Taxation Office (ATO) after the Tax Office has obtained payment of the charge from the employer;
 - contributions made in order to satisfy an obligation under an industrial award or agreement; and

- payments to a fund from the Superannuation Holding Accounts Reserve - this relates to small superannuation accounts.
- Employer contributions made under a salary sacrifice arrangement
- Personal contributions claimed as a tax deduction by a self-employed person
- Personal contributions claimed as a tax deduction that meet eligibility rules.

These contributions in the Fund are taxed at a concessional rate of 15%. There is no limit on concessional contributions as such, however any concessional contributions that exceed specified amounts will be taxed at a rate of 31.5% plus the Medicare Levy, on top of the 15% tax paid by the Fund, imposing a 'concessional contributions cap'.

For those under 50, the limit on concessional contributions is \$50,000 per year. The \$50,000 limit will be indexed to Average Weekly Ordinary Time Earnings but will only increase in \$5,000 increments.

Until 30 June 2012 for those aged 50 or more, the limit is \$100,000. If you turn 50 during that period you will be able to use the transitional arrangements. For example, if you turn 50 on 1 January 2011 you will be able to make \$100,000 of contributions in the 2010-2011 and 2011-12 financial years. The \$100,000 limit will not be indexed.

From the 2012-13 financial year, the maximum amount of concessional contributions per annum will return to the indexed \$50,000 amount.

Your employer can claim a tax deduction on superannuation contributions as long as the contributions are required under an industrial award, determination or notional agreement preserving state awards. Employers can claim a full deduction for contributions to superannuation funds made on behalf of their employees under the age of 75.

Self-employed Members are able to claim a full tax deduction for superannuation contributions made until they turn 75 as long as they meet the eligibility criteria. If you wish to claim a deduction for a superannuation contribution, you will have to notify the Fund. You can notify the Fund either at the time you lodge your income tax return, or at the end of the following financial year after the contribution was made, whichever is earlier. You will not be able to vary the notice after this time.

If you wish to claim a tax deduction for a contribution you will need to notify the Trustees before you lodge your income tax return, or before the end of the following financial year after the contribution was made, whichever is the earlier. This notification cannot be varied after this time.

Contributions above the concessional cap count towards the non-concessional contributions cap. If your contributions exceed both the concessional and non-concessional contributions caps in an income year you could end up paying 93% tax on the excess amount.

Non-Concessional Contributions

Non-concessional contributions are also known as 'after-tax' contributions and these contributions include:

- personal contributions for which tax deductions are not claimed
- contributions made by a person's spouse
- transfers from foreign superannuation funds

Non-concessional contributions over a limit of \$150,000 per year are taxed at a rate of 46.5% plus the Medicare levy. The tax liability is levied on the individual who nominates the superannuation fund to release monies to pay the liability. The balance of the excess contribution will be able to remain in the Fund.

Members under the age of 65 are able to make a contribution of \$450,000 over a three year period under a 'bring forward' option. This means that a Member could contribute \$400,000 in the first year and provided they do not contribute more than \$50,000 for the two subsequent financial years, will not be deemed to have exceeded the cap and consequently will not be taxed at the higher rate.

For existing funds, Members who have made contributions in excess of the transitional limits before 7 December 2006 were able to apply to withdraw these amounts without penalty prior to 30 June 2007. Contributions in excess of the transitional limits made on or after 7 December 2006 are subject to the tax on the excess unless it is a genuine inadvertent breach.

Are there any exemptions from the non-concessional cap?

There are two ongoing exemptions to the non-concessional cap.

The proceeds from the disposal of eligible small business assets are exempt up to a lifetime limit of \$1 million (indexed). The \$1 million exemption may include up to \$500,000 of capital gains that are disregarded under the capital gains tax (CGT) retirement exemption and proceeds from the disposal of assets that qualify for the CGT 15-year exemption. The latter includes pre-CGT assets, assets on which there is no capital gain or loss, and assets disposed of after the permanent disablement of the owner. The proceeds from a settlement for an injury resulting in permanent disablement are also exempt.

What is included in the non-concessional cap?

The cap applies to all non-concessional contributions made on behalf of an individual. For example, contributions made by one spouse for the benefit of the other spouse will be counted against the receiving spouse's cap.

The Government co-contribution is not included in the cap.

Contributions above the concessional cap also counts towards the non-concessional contributions cap.

Non-concessional contributions are not able to be split with a spouse.

Acceptance of Contributions

Mandated Employer Contributions

The law allows funds to accept mandated employer contributions at any time. This means Trustees may accept mandated employer contributions for a person regardless of the age of the person or the number of hours they work.

For Members under 65 Years of Age

The Fund can accept any contributions made in respect of a Member under 65. If the Member is under the age of 18 at 30 June, they would need to derive eligible employment income or business income in the income year before income tax deductions for superannuation can be claimed.

Members Aged 65 but Less than 70

For a Member in this age group, the Fund can accept personal contributions or employer contributions that are not mandated employer contributions during a financial year provided they can demonstrate that, in that financial year, they were gainfully employed on at least a part-time basis.

Gainful employment means employment or self employment for gain or reward in any business, trade, profession, vocation, calling, occupation or employment. For this reason a person who only receives passive income such as trust distributions or dividend income would also fail to meet the gainful employment test.

In order to meet the work test, Members must have worked at least 40 hours in a period of not more than 30 consecutive days. This amount of paid work only has to be demonstrated once each financial year. For example, a person who has worked 40 hours in a fortnight will be able to make contributions for the rest of the financial year.

Member aged 70 but less than 75

If the Member is between 70 and 74 years of age the contributions can only be accepted if they are received on or before the date 28 days after the end of the month in which the Member turns 75.

Members Aged 75 or over

The Trustees may only accept mandated employer contributions.

Caps on Contributions

Fund-capped contributions are contributions by, or on behalf of, the Member to the Fund. However fund-capped contributions do not include employer contributions made in respect of the Member; contributions arising from structured settlements or orders made for personal injuries; relating to the sale

of certain small business assets; payments from the Commissioner of Taxation in relation to superannuation guarantee shortfall components; transfers from the Superannuation Holding Account; Government co-contributions and contributions covered by a valid and acknowledged notice under section 290-170 of the Income Tax Assessment Act, 1997.

The Fund cannot accept any fund-capped contributions in a financial year that exceed:

- for Members 64 years of age or less on 1 July of the financial year, three times the non-concessional contributions cap amount.
- For Members between 65-75 on 1 July of the financial year, the non-concessional cap amount.

Any amount provided to the Fund in excess of those amounts must be returned to the Member.

Eligible Spouse Contributions

Eligible spouse contributions may be accepted by the Fund at any time if the spouse is under the age of 65. If the spouse is aged 65 but under 70, eligible spouse contributions may be only accepted if the spouse is at least gainfully employed on a part-time basis. If the spouse is 70 or over, the Fund cannot accept eligible spouse contributions. There are no age limits or employment tests for the person making the contributions.

Superannuation Contributions Splitting

Certain contributions can be split with a spouse. Superannuation contributions that can be split include:

- employer contributions
- personal contributions
- allocated surplus contribution amounts
- amounts transferred from the superannuation holding accounts special account
- superannuation guarantee charge amounts from the Tax Office, and
- super co-contribution amounts.

Members can apply to split an amount of either or both taxed splittable contributions and untaxed splittable contributions. The application must be made either:

- in the following financial year (ie the application must be made between 1 July and 30 June in the financial year following the year in which the contributions were made), or
- during the financial year if the entire benefit is to be rolled over or transferred before the end of that financial year.

The maximum splittable amount for any financial year is :

- for taxed splittable contributions, the lesser of:
 - the concessional contributions and
 - concessional contributions cap for that financial year, and
- for untaxed splittable employer contributions, 100% of the concessional contributions cap for that financial year.

For income tax purposes, amounts split to a spouse's account are treated as a contributions splitting eligible termination payment (ETP) and are taken to have been rolled over to the spouse's account.

If you have an employer, who is an Employer Sponsor or a Participating Employer of the Fund, they may contribute part of your income to the Fund and in this case contributions made personally by you are unlikely to be deductible for taxation purposes although if you are on a smaller wage, you may be entitled to a co-contribution from the Federal Government.

Super Co-Contributions

If you earn less than \$60,342 a year, make personal super contributions and are otherwise eligible, the Government will make a Super Co-contribution to your Fund.

If your total income for tax purposes (assessable income plus reportable fringe benefits) is \$30,342 (2008/09 financial year) or less a year, the Government will put in one dollar and fifty cents for every dollar you put into your super, up to a maximum Super Co-contribution of \$1,500 a year.

The eligibility criteria for the Super Co-contribution have been widened to include more people.

You will be eligible for the Super Co-contribution in a year of income if:

- you make personal superannuation contributions to a complying superannuation fund or a Retirement Savings Account (RSA);

- your total income (assessable income plus reportable fringe benefits) is less than \$60,342;
- 10% or more of your total income is from eligible employment;
- you do not hold an "eligible temporary resident visa" at any time during the year;
- you lodge an income tax return for the year of income; and
- you are less than 71 years old at the end of the year of income

When your income is more than \$30,342 but less than \$60,342 (2008/09 financial year) a year of income, your Super Co-contribution will be adjusted based on your income and how much you personally contribute. The maximum amount of co-contributions is reduced by 5 cents for each \$1 your total income is over \$30,342 phasing out completely where your total income is \$60,342 or more.

The co-contribution scheme has also been extended to include the self-employed. If you are self-employed and you meet the criteria for eligibility above you may be entitled to government co-contribution.

Employment Termination Payments

From 1 July 2007, the tax treatment of certain payments made in consequence of the termination of employment (called eligible termination payments until 1 July 2007) changed.

Transitional arrangements applied to payments made between 1 July 2007 and 30 June 2012 if you were entitled, as at 9 May 2006, to such a payment specified under:

- a written contract
- an Australian or foreign law (or an instrument under such a law), or
- a workplace agreement under the Workplace Relations Act 1996.

These documents must do this by referring to the amount of the payment or a method or formula to work it out. It may allow you to choose how the payment is made – for example, as a payment made in kind, such as shares.

The transitional employment termination arrangements do not apply to employment termination payments made on death.

You can read further information on this topic on the ATO website, "Employment termination payments" NAT 70643.

An employment termination payment is a lump sum payment made in consequence of the termination of employment. It can include:

- amounts for unused rostered days off
- amounts in lieu of notice
- a gratuity or 'golden handshake'
- an employee's invalidity payment (for permanent disability, other than compensation for personal injury), and
- certain payments after the death of an employee.

Employment termination payments do not include:

- a payment for unused annual leave or unused long service leave, or
- the tax-free part of a genuine redundancy payment or an early retirement scheme payment.

Transitional employment termination payments may be rolled over into superannuation.

Transitional termination payments may be:

- contributed (in full or in part) to your superannuation fund, or
- used (in full or in part) to buy a superannuation annuity before 1 July 2012.

Transitional employment termination payments that are not rolled over

Any invalidity or pre-July 1983 amounts that form part of a transitional employment termination payment are tax-free.

The tax on any remaining, taxable component will depend on your age, as shown in the following table.

Your age	Tax on taxable component of transitional employment termination payments
Under preservation* age on the last day of the income year in which the payment is made.	<ul style="list-style-type: none"> • Up to \$1 million – taxed at a maximum rate of 30% plus Medicare levy. • Amount over \$1 million – taxed at the top marginal tax rate plus Medicare levy.
Preservation age* or over on the last day of the income year in which the payment is made.	<ul style="list-style-type: none"> • Up to \$145,000 – taxed at a maximum rate of 15% plus Medicare levy. • Amount over \$145,000 and up to \$1 million – taxed at a maximum rate of 30% plus Medicare levy. • Amount over \$1 million – taxed at the top marginal tax rate plus Medicare levy.

* Preservation age is the age at which retirees can access their superannuation benefits generally when they retire. They are set out in this PDS.

Concessional thresholds for transitional employment termination payments

The lower threshold of \$145,000 in the above table is for the 2008–09 income year, indexed annually. The upper cap amount of \$1 million is not indexed.

These thresholds apply to the taxable components of all the transitional termination payments you receive during the transitional period, not just those you receive in any one income year. That is, when determining the tax on the taxable component, you must take into account any transitional employment termination payments received during earlier income years in the transitional period. This includes any directed termination payments, see below. However, these thresholds do not apply to employment termination payments that don't qualify for the transitional arrangements. That is, when applying the thresholds to transitional employment termination payments you do not need to take into account any employment termination payments that don't qualify for the transitional arrangements.

Directed termination payments

A directed termination payment is a transitional employment termination payment that you direct the payer to make to a complying superannuation plan or to purchase a superannuation annuity.

If you choose a directed termination payment, the payer must comply with the direction and give you the details of how the payment is made up.

When a directed termination payment is made on your behalf, the payment is tax-free. However, the taxable component of the payment will be included in the assessable income of the superannuation fund.

Information About Amounts Debited to the Fund and Your Account

Under the Governing Rules, the Trustees may debit your account with expenses to pay taxes, administrative and other expenses, to pay for insurance policies or premiums for third party annuities and other taxes in accordance with the governing rules, subject to complying with the law.

The Trustees can create an equalisation account which is to be used to stabilise the investment earnings of the Fund and to provide for expenses as the Trustees consider appropriate, however this is subject to superannuation law.

Investments

The Trustees must determine an investment strategy that will indicate how the Trustees will invest.

The strategy must reflect the purpose and circumstances of the Fund and have regard to investing in a way to maximise Member returns bearing in mind the risks, diversification and the ability of the Fund to pay benefits and other costs of the Fund as they become due.

All investments must be made in accordance with the investment strategy.

The Trustees have a defence to an action for loss or damage suffered as a result of the Trustees making an investment where the Trustees can show that the investment was made in accordance with an investment strategy formulated in accordance with superannuation law.

Trustees cannot lend money or provide financial assistance to a Member or their relative. The Trustees cannot borrow money except in very limited circumstances as provided by superannuation law.

Assets cannot be acquired from a related party although there are some very limited exceptions, for example, if the asset is a listed security acquired at market value or the asset is business real property. Business real property usually relates to land and buildings used wholly and exclusively in a business that is associated with the Members.

INFORMATION ABOUT RISKS ASSOCIATED WITH THE FUND

The Fund must invest in accordance with its investment strategy determined by the Trustees.

The value of the Fund's assets may be increased or reduced by changes in asset prices. Accordingly the value of your benefit may be reduced. This could affect the Trustees' capacity to make benefit payments to you.

In some cases if your benefit is a pension then there may be a decrease in benefit or pension amounts payable to you if the value of the assets in the Fund decreases.

In other cases, if you receive a complying pension, the Trustees may bear the risk of the asset being insufficient to make payments to you.

If a benefit is commuted the Trustees may purchase an annuity from a life assurance company or other provider and you will have a regular income and normally the risk will then be borne by that provider.

Trustees choose the investments in accordance with their investment strategy. If the Trustees offer more than one strategy you may choose the appropriate strategy but you cannot choose investments the Trustees are to make within the strategy.

There are risks in choosing to invest in superannuation - superannuation and taxation laws may change. There are also risks in choosing particular investments as all investments are subject to varying risks and generally all change in value.

The significant risks of investing generally include inflation that may exceed the return on your investment. Individual assets can and do fall in value for many reasons such as changes in the internal operations or management of the Fund or company in which the money is invested or in its business environment.

Market risks, market sentiment and economic, technological, political and legal conditions can and do change and this can mean that changes in the value of investment markets can affect the value of the investments in the Fund.

Interest rate risks can arise where there are changes in interest rates which can have a positive or negative impact directly or indirectly on investment value or returns.

There are currency risks if investments are in other countries and if their currencies change in value relatively to the Australian Dollar, the value of the investment can change.

Derivatives can be used to reduce risk, or to gain exposure to other types of investments. Risks associated with these derivatives include the value of the derivative failing to move in line with the underlying asset, potential liquidity of the derivative or the Fund may not be able to meet payment obligations as they arise.

Under the Governing Rules, the Trustees are not liable for any loss or detriment to the Fund unless it is due to the Trustees' dishonesty or wilful or reckless failure to exercise the degree of care and diligence necessary.

The Trustees are to be indemnified by the Fund to the maximum extent the law permits.

Changes to superannuation law may affect your ability to access your benefit. Superannuation benefits may be split by agreement or by Court Order with your spouse if you and your spouse permanently separate.

Changes can occur to the taxation of superannuation which may affect the value of your benefit.

If the Trustees borrow in accordance with superannuation law, the Fund may, if the loan is not repaid or terms of the loan not complied with, lose the asset purchased with the borrowed funds or part of its value. See further details about borrowing below.

The Fund must always comply with the definition of a self managed superannuation fund and comply with superannuation law. This amongst other things requires that generally either the Trustees must be identical to the Members or that any corporate Trustee has as its director(s) the identical Member(s). Failure by the Trustees to comply with superannuation and tax law could affect your benefits adversely.

Borrowing

Amendments to the SIS Act in September 2007 allow superannuation funds to borrow money for investment in certain limited circumstances and to enter instalment warrant arrangements. The Governing Rules of the Fund permit borrowing and instalment warrants.

The SIS Act prohibits borrowing by superannuation funds except in limited circumstances. The September 2007 amendments provide:-

- the borrowed money must be applied to the acquisition of an asset that is otherwise permitted to be acquired by the Trustees
- the loan must be a limited recourse loan and the lender's security is limited to the assets bought with that loan
- the asset must not be an in-house asset or other asset not permitted under superannuation law
- the asset must be held on trust for the Fund so that the Fund has a beneficial interest in the asset with the legal title being held by a separate trustee
- The Fund must have a right to acquire the legal title of the asset on payment of one or more instalments.

The provision must be read in conjunction with other sections of the SIS Act such as the sole-purpose test, investment strategy requirement, related-party acquisition rules, in-house asset rules, prohibition against charging and arms length dealing requirements.

See also Taxpayer Alert 2008/5 available at www.ato.gov.au and for more general information "Instalment warrants and super funds - questions and answers" available at <http://ato.gov.au/super/content.asp?doc=/Content/00132054.htm>.

Cashing rules

Before 10 May 2006 Trustees were required to pay benefits to Members who were over age 65 and did not meet the work test; or 75 years of age (regardless of their work status).

The compulsory cashing rule was abolished with effect from 10 May 2006.

This means that there is no forced payment of benefits out of superannuation funds after age 65.

Government Age Pension Arrangements

Effect of the pension assets test on pensioners, including age pensioners

The pension assets test taper rate has been halved from 20 September 2007 so that recipients only lose \$1.50 of pension per fortnight (rather than \$3) for every \$1,000 of assets above the relevant threshold.

This applies to the following payments:

- age and service pension;
- disability support pension;
- carer payment;

- wife pension;
- widow B pension; and
- bereavement allowance.

How has the assets test changed for people with complying income streams

The 50 per cent assets test exemption for purchased 'complying' income streams has been removed. This change applies only to income streams purchased on or after 20 September 2007. It does not affect 'complying' income streams purchased before this date.

The income test

The income test treatment of superannuation pensions has not changed. Income streams with a term of greater than five years are assessed under the income test on the basis of the gross annual income from the product reduced by an annual allowance for return of capital. Income streams with a term of less than five years are assessed under the social security deeming rules.

TAXATION

You should seek taxation advice from your accountant.
Below is some information about tax and superannuation.

Tax on Payments from a Superannuation Fund

Superannuation benefits paid from a taxed fund either as a lump sum or as an income stream (such as a pension) are tax free for people aged 60 or more. All pensions that meet the simplified minimum standards are taxed the same on payment. This includes pensions that were already commenced by the Fund prior to 1 July 2007.

Pension payments for individuals aged under 60 are taxed but are eligible for a 15 per cent offset with any exempt component being tax free. Once the pension recipient turns age 60, their pension will be tax free.

A person receiving an income stream from an untaxed source will become eligible for a 10 per cent tax offset after the age of 60.

If you choose to take your benefits in pension form, then earnings on the assets supporting that pension will be exempt from tax. Earnings on other assets will be subject to tax as assessable income of the Fund at 15 per cent.

"Reasonable Benefit Limits" are no longer relevant as they have been abolished.

Tax on Money Transferred

There is no tax if you transfer money from one superannuation fund to another, unless the amount transferred contains an untaxed component.

An untaxed component attracts the 15% tax on contributions and may also be subject to the superannuation tax surcharge.

Tax on Investment Earnings of the Fund

Investment earnings by the Fund are taxed at a maximum rate of 15%, with capital gains taxed normally at 10% in the accumulation phase and if the asset is held for at least 12 months.

Tax File Numbers

What will happen if I don't give my TFN to the Trustees?

If the Trustees do not have your TFN:

- The Trustees will have to pay additional income tax (called 'no TFN contributions tax') on some types of contributions
- The Trustees may not be able to accept some types of contributions, and
- You may miss out on super co-contributions.

TFN Contributions Tax

If you have not quoted your TFN by the end of the financial year and your membership of the Fund commenced:

- before 1 July 2007, the assessable contributions will be taxed an extra 31.5% once those contributions reach \$1,000 in an income year. The extra tax is on all assessable contributions made in the income year, including the first \$1,000, or
- on or after 1 July 2007, all the assessable contributions made during the income year will be taxed an extra 31.5%.

The extra tax on these assessable contributions is in addition to the standard 15% rate of tax payable by superannuation funds on their taxable income.

Taxation of Benefits

Taxation of superannuation payments to a person aged 60 or more

- All lump sum benefits paid from a taxed source to a person aged 60 or over are tax free.
- All pensions paid from a taxed source to a person aged 60 or over are tax free. The tax free status also applies to pension benefits that are already being paid.
- RBLs no longer apply.
- People who receive a lump sum superannuation payment or a pension payment from a taxed source will not need to include it in their tax return.

Taking your superannuation benefits before 60

- Lump sums will comprise two components — an exempt component and a taxable component.
 - The exempt component will be paid tax free and comprise: the pre-July 83 component; the CGT exempt component; the post-June 1994 invalidity component; the concessional component and the non-concessional (post-tax) contributions;
 - The taxable component includes: the current post-July 1983 component and the non qualifying component. It will be paid tax free up to the low-rate threshold (\$145,000 in 2008/09) and amounts above the threshold will be taxed at 15 per cent. The tax rate will be 20 per cent for individuals aged under 55 years.
- Pension payments for people under age 60 are taxed under the current arrangements, although tax will be lower in some cases.
- The full superannuation pension rebate of 15 per cent will apply to all pensions paid from a taxed source to a person who is aged 55 to 59 years.
- Once the pension recipient turns 60, their pension will be tax free.
- When any part payment of a superannuation benefit is made, the benefit will generally be considered to include both exempt and taxable components with the relevant proportions of each reflecting the proportions such components make up in the total benefit. This will apply to both lump sums and pensions. Existing pensioners will retain the current 'deductible amount' on their pension until they reach age 60 when the benefits become tax free.

Death Benefits

Taxation treatment of death benefits paid to a dependant

If death benefits are paid as a lump sum to a dependant they are tax free. A dependant for these purposes is a spouse or former spouse, a child less than 18, a person with whom the deceased had an interdependency relationship just before he or she died, or any other person who was dependant on the deceased just before he or she died.

If a dependant chooses to take a death benefit as a pension stream, the taxation treatment will depend on the age of the primary beneficiary and dependant.

- If the primary beneficiary was age 60 or over at the time of death, the pension payments to the dependant will be tax free.
- If the primary beneficiary was under age 60 at the time of death, the pension will continue to be taxed at the dependant beneficiary's marginal rate (less any deductible amount and pension rebate). If (or when) the dependant is aged 60 and over, the pension payment will be tax free.

Taxation treatment of benefits paid to a non-dependant

The taxable component of a lump sum paid to a non-dependant will be taxed concessionally at 15 per cent. A pension will not be able to revert or be paid to a non-dependant upon the death of a person. These pensions will be paid out to the non-dependant as a lump sum.

Lump Sum Benefits

You may choose to take a lump sum benefit from your Fund. A super lump sum benefit can include a:

- taxable component, and
- tax-free component.

The **taxable component** is the part of the benefit that is taxable. Though tax must be paid on the entire taxable component, it may include two parts – one where tax has already been paid and one where tax has not yet been paid. These are called taxed and untaxed elements of the taxable component.

- A **taxed element** is the amount of your benefit that has already had tax paid within the Fund. You may need to pay additional tax on it when it is paid out, depending on your age when you take the lump sum. You **may** need to include the taxed element in your tax return.
- An **untaxed element** is the part of your benefit that hasn't had any tax paid on it in the Fund, but is still taxable. You **must** include it in your tax return.

The **tax-free component** is the part of a benefit that is tax-free and is not included in your tax return.

The Fund will need to calculate these components for each benefit that is paid. When a super benefit is paid from a superannuation interest, the tax-free and taxable components are calculated in the same proportion that these components make up the total value of the superannuation interest.

How do funds calculate the tax-free component of a superannuation interest?

The tax-free component of a superannuation interest is the total value of the following segments:

- the contributions segment, and
- the crystallised segment.

The contributions segment generally includes all contributions made from 1 July 2007 that have not been included in the assessable income of the Fund. Typically these would be a Member's personal contributions not claimed as an income tax deduction. Roll-over super benefits are regarded as contributions. However, the taxable component of a roll-over super benefit is not included in the contributions segment.

The crystallised segment includes the following existing components of a superannuation interest that are consolidated into the tax-free component:

- the concessional component
- the post-June 1994 invalidity component
- undeducted contributions
- the capital gains tax (CGT) exempt component, and
- the pre-July 83 component.

The crystallised segment is calculated by assuming that an eligible termination payment (ETP) representing the full value of the superannuation interest is paid just before 1 July 2007.

How do funds calculate the taxable component of a superannuation interest?

The taxable component of the superannuation interest is calculated by subtracting the tax-free component from the total value of the superannuation interest.

Although the taxable component can consist of an element taxed in the Fund and/or an element untaxed in the Fund, the taxable component of a superannuation interest in a taxed fund normally consists solely of an element taxed in the Fund.

PAYG withholding obligations for funds paying lump sum benefits

Age of Member	Tax free component	Taxable component
60 years and over	The entire payment is tax-free after a Member turns 60 and funds are not required to: <ul style="list-style-type: none"> • withhold any tax from a payment, or • issue a payment summary. 	
Preservation age but under 60	No tax withheld.	<ul style="list-style-type: none"> • Amount up to low rate cap – no tax withheld. • Amount above low rate cap – withhold tax at the rate of 16.5%
Below preservation age	No tax withheld.	Withhold tax at the rate of 21.5%

If the marginal tax rate(s) applying to the lump sum is less than the rate of withholding applied to the payment, the Member will only be taxed on their taxable component at the marginal tax rate.

If the Member's marginal tax rate is higher than the rate of withholding applied to payment, the Member will receive a tax offset to ensure the rate of tax on the taxable component does not exceed the rate of tax withheld.

The low rate cap is the limit set on the amount of the taxable component of a super lump sum benefit that you can receive at a lower (or nil) rate of tax.

The low rate cap applies if you have reached your preservation age (currently 55 if born before 1 July 1960) but are below 60.

The low rate cap reflects the previous low-rate threshold for eligible termination payments. It has been introduced to keep the existing tax treatment of super lump sum payments between the age of 55 and age 60.

The low rate cap will start at \$145,000 for the 2008-09 income year indexed to average weekly ordinary time earnings (AWOTE) and rounded down to the nearest multiple of \$5,000. The cap does not reduce, even if average weekly ordinary time earnings decrease.

INFORMATION ABOUT LABOUR STANDARDS, ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATION

The Trustees will inform you if labour standards or environmental, social or ethical considerations are or will be taken into account when the Trustees select, retain or realise an investment. Unless you are notified otherwise the Trustees do not take any such considerations into account however the Trustees may incorporate those things into their investment strategy.

ADDITIONAL INFORMATION-CONTACT DETAILS

If you require further information concerning the Fund or the Governing Rules or your rights as a Member or the Fund's performance you may contact the Trustees whose contact details appear at the beginning of this Product Disclosure Statement.