

Claiming Your Benefit

This document provides you with the information you need to know when claiming your superannuation benefit. This document and the documents called 'Benefit Statement' and 'Interest Rate Table' constitute your 'Periodic Statement' on exiting the Plan.

Steps to follow:

A **Read** all the information in this brochure carefully. It is important that you make the right decision about your super. If you need assistance or have any questions, call us on **1300 654 384** or send your enquiry via email at **info@qantassuper.com.au**.

B **Consider** your options carefully and if necessary, seek advice from a qualified financial adviser.

You have 4 options

- 1 To transfer your benefit to Division 8 of the Qantas Superannuation Plan (Qantas Super). This will occur automatically* if payment instructions are not received prior to you leaving employment
- 2 To transfer your benefit to Qantas Super Division 9 or 14 (if over 55)
- 3 Transfer your benefit to another complying superannuation fund of your choice
- 4 To receive your benefit as cash (providing preservation rules allow this)

* refer to page 3 – Division 8 Transfer

C **If you select** option 2, 3 or 4, complete the Estimated Superannuation Benefit form ensuring you:

- complete all relevant sections, sign and date the form
- if you are between the age of 55 and 60 and are permanently leaving the workforce, complete a statutory declaration to confirm this; and
- obtain certified copy of proof of identity (refer to page 4 – Member Identification)

If you are transferring to Division 9 or 14, please also complete the *Application form* contained in the relevant Product Disclosure Statement (PDS) and a *Tax File Number Declaration*.

Return all completed paperwork in the enclosed prepaid envelope.

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This chart will assist you with completing the *Estimated Superannuation Benefit (ESB) form*. The numbers correspond with the relevant options on the ESB form. For explanation of key terms, refer to page 4.

If you don't complete the ESB form, your benefit will automatically transfer to Qantas Super Division 8.

Total Superannuation Benefit

This amount will automatically transfer to Division 8 if payment instructions are not received prior to you leaving employment (refer to page 3). Your total benefit can also be rolled over to another complying superannuation fund.

- 1** Select Option 1 only if you want to rollover your total benefit to another superannuation fund

Preserved Benefit**

This amount cannot be taken as cash. It must remain in superannuation (in Division 8 or another complying superannuation fund) until you meet certain conditions (refer to page 4 for more details)

- 2** Select Option 2 to rollover your preserved benefit to:
- Division 14 (if eligible)
 - another superannuation fund

If you don't provide instructions your benefit will automatically transfer to Division 8

Non Preserved Benefit**

This amount can be taken as cash, or remain in superannuation (in Division 8 or another complying superannuation fund).

- 3** Select Option 3 to transfer to:
- Division 9 (if eligible)
 - another superannuation fund

- 4** Select Option 4 to withdraw as cash

If you don't provide instructions your benefit will automatically transfer to Division 8

** Please identify 'Qantas Superannuation Plan' as your rollover institution if you want to transfer benefits to:

- Division 9 – Flexible Income Stream
- Division 14 – Transition to Retirement

How your benefit is taxed

The exact amount of tax payable on your benefit depends on:

- the type of benefit (e.g. resignation, retirement, ill health, etc.);
- the age at which the benefit is taken in cash.

Tax on benefits

If you take any part of your benefit in cash after age 60, no tax will be payable. Prior to age 60, some tax may be payable and will be deducted from your benefit by the Plan.

For taxation purposes, your superannuation benefit will be divided into two parts as follows:

Component	Component Description	Tax you pay
Tax Free Component	Your crystallised (tax-free) component at 1 July 2007 plus any non-concessional contributions made after 1 July 2007.	Nil.
Taxable Component	The balance of your benefit.	The amount of tax depends upon the age you receive the benefit: If you are age 60 or older Nil If you are between your preservation age and 60 Nil on the first \$165,000* and 15%* on the balance If your age is less than your preservation age 20%*

* This rate does not include Medicare Levy or Flood Levy.

* This amount is the threshold for the 2011/2012 financial year and will change with increases in Average Weekly Ordinary Time Earnings (AWOTE) in \$5,000 increments.

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About Medicare Levy and the Flood Levy.

An additional Medicare Levy of 1.5% applies and will be deducted from the taxable component of the benefit.

The Flood levy will apply to all taxpayers who have a taxable income over \$50,000 in the 2011/2012 financial year and will apply to certain payments made by super funds.

Qantas Super must withhold the levy from any of the following payments that we make to you from **1 July 2011 to 30 June 2012**:

- the taxable component of a benefit, if you are under age 60;
- the taxable component of a death benefit paid to non-dependants for tax purposes; and
- the taxable component of any pension payments if you are under age 60 (Division 9 and 14).

The levy is calculated as follows:

Taxable income/taxable component	Levy
up to \$50,000	Nil
\$50,001 to \$100,000	0.5 cents for each dollar over \$50,000
over \$100,000	\$250 plus 1 cent for each dollar over \$100,000

If the Plan pays you a lump sum benefit during 2011/2012, the Flood Levy is payable on the full amount of the taxable component.

Exemptions

No levy is payable by anyone who has received an Australian Government Disaster Recovery Payment in relation to a flood event in 2010/2011. If you wish to claim an exemption from paying the levy, you will need to complete a Flood Levy exemption declaration, available from the Australian Taxation Office. It is not compulsory for you to lodge an exemption declaration. You can declare your exemption status when you lodge your 2011/2012 income tax return and the ATO will credit any Flood Levy payments that were withheld during the year. For more information, visit www.ato.gov.au/floodlevy

Important information about your benefit

Rollovers

Rollover means transferring your benefit from the Plan to a complying superannuation fund.

Your benefit will automatically rollover into Division 8, which is a complying fund, after the Plan receives your final contributions. Subject to eligibility requirements, you can then remain in Division 8, rollover into Division 9 (Flexible Income) and Division 14 (Transition to Retirement). You can also transfer your benefit to another complying superannuation fund. No tax will be deducted on any amount rolled over. Tax is not assessed until you make withdrawals from your superannuation fund.

Division 8 Transfer

If you ceased employment with the Qantas Group on or after 1 November 2011, your benefit will be automatically transferred to Division 8, our Retained Benefits division, after final contributions have been received and processed by us.

Division 8 is designed for former Qantas employees who want to keep their super with Qantas Super. For members who cease employment on or after 1 November 2011, no administration fees will apply for the first 90 days from the date a member ceases employment. Administration fees will then commence. Refer to the Division 8 Member Guide (Product Disclosure Statement) for information on fees.

From 1 November 2011, members who are transferred to Division 8 will have their total benefit entitlement invested in the same Member Investment Choice (MIC) Option that applied to their previous division of membership. For some defined benefit members, the member may have previously made an MIC Option selection for a portion of their benefit (e.g. accumulation accounts). On transfer to Division 8, the member's total benefit will be invested in line with that MIC Option selection. If no MIC Option selection has been made, the member's total benefit will be invested in the Growth Option (the default MIC Option).

If you have made a non-binding or binding death benefit nomination, your existing nomination will apply to your Division 8 membership. To update your death benefit nomination, complete the *Nomination of Beneficiaries* form, available in the Publications section of our website.

Division 8 has an eligibility requirement to have a minimum balance of \$5,000. The Plan will review your account balance 90 days from the date you ceased employment. If the account balance is below \$5,000, your benefit will be transferred out of Division 8 and into the Plan's nominated Eligible Rollover Fund – refer below.

If you do not wish to have your benefit transferred to Division 8, you will need to complete your payment instructions and provide them to the Plan prior to you leaving employment.

Eligible Rollover Fund (ERF)

The Plan will transfer your benefit to the Plan's nominated ERF if you do not meet the membership and eligibility requirements, such as your account balance being less than \$5,000.

The Plan's nominated ERF is AUSfund:

The AUSfund Administrator
PO Box 2468
Kent Town SA 5071
Ph 1300 361 798
Fax 1300 366 233
www.unclaimedsuper.com.au

The Product Disclosure Statement for AUSfund is available at www.unclaimedsuper.com.au

If your benefit is paid to the Plan's ERF you will cease to be a member of the Plan and will become a member of AUSfund. Any insurance benefits will cease. You will need to directly contact AUSfund about your benefit.

Insurance Cover

Any Death or Total and Permanent Disablement (TPD¹) insurance cover held at the time you cease employment will automatically transfer to your Division 8 membership. This will be referred to as Retained Cover. This insurance cover is provided by MLC Limited.

Retained Cover will be calculated at the date you cease to be employed within the Qantas Group. The amount of the Death and TPD benefit will be determined as the total Death Benefit (as defined in the Plan's Trust Deed) that would have been payable if you had died on that date, less the actual benefit entitlement on ceasing employment, rounded up to the next whole unit of cover. Each unit will be equivalent to \$10,000 of insurance cover.

Members who cease employment on or after 1 November 2011 will automatically receive Retained Cover at no cost for the 90 day period commencing from the date ceased employment.

If you remain in Division 8, insurance premium deductions for Retained Cover will commence after 90 days of leaving employment. The Retained Cover insurance premiums will vary according to your age, and your occupational group. Refer to the *Insurance Guide* available on our website for more information.

Retained Cover provided in Division 8 can be cancelled or reduced at any time and premium deductions will then stop or be reduced. Members will be required to complete the *Application to reduce or cancel additional voluntary cover* form to cancel or reduce cover. The form is available on our website.

1. Division 2 members are entitled to an income stream TPD benefit. On transfer to Division 8, both the Death and TPD benefit will be a lump sum benefit equivalent to the Death Benefit (with dependants) less the actual benefit entitlement on ceasing employment, rounded up to the next whole unit of cover.

Continuation Option

If you choose to leave the Plan, and you are under the age of 60, from 1 November 2011, you can apply directly to MLC Limited for a Continuation Option on ceasing employment with the Qantas Group. This is an individual policy between you and MLC Limited for Death only insurance up to the value of the insured component of the Death Benefit that applies to you at the date you cease employment. You will be responsible for payment of premiums directly to MLC Limited.

Contact MLC Limited on 02 8908 6111 to arrange a Death only insurance Continuation Option.

Final Interest Payment

Final Interest Payment is applied from the date of ceasing employment to the date of payment from the Plan or to the date of transfer to another Division of Qantas Super. The Final Interest Payment can be positive or negative. Refer to the Interest Rate Table for more details.

Choice of Fund

If you have elected to have your future superannuation contributions paid to a super fund other than the Plan, you are no longer eligible to remain in your current division. You have 1 month from the date your last contribution is received to provide payment instructions to the Plan. If your signed written instructions are not received, your benefit will be transferred to Division 8 (Retained Benefits), or if your balance is less than \$5,000, your benefit will be transferred to the Plan's Eligible Rollover Fund (ERF).

Refer to page 3 for information on the Plan's ERF.

Member Identification

The Plan is required by law to identify members prior to paying the member their benefit. When requesting a benefit payment, rollover or commencing an income stream, please ensure you provide the Plan a certified copy of your current driver's licence or passport. Your benefit will not be paid or rolled over unless this is provided.

If you don't have a driver's licence or passport, you will need to provide alternate forms of identification. For details on alternate forms of identification and on who can certify your document(s) please call us.

If you are rolling over your benefit to a Self Managed Super Fund (SMSF), you must also provide a certified copy of a bank statement for the SMSF bank account into which the rollover payment is being made.

Fees and Expenses

Investment management fees and the tax on investment income are deducted from the Plan's invested funds before the investment return is calculated. Those deductions are borne indirectly by you and may affect your investment return. Further information about these deductions can be obtained by contacting the Plan. Any interest credited to your superannuation benefit between the date of your last annual Benefit Statement and your exit date is therefore net of these costs.

There are no exit fees.

Member Dissatisfaction Procedures/Complaints

Any questions or complaints you have concerning your superannuation benefit or your membership in the Plan can be handled through the Plan's Member Dissatisfaction Procedure. Details are available on the website or by calling the Plan on **1300 654 384**.

Death Benefits

The tax payable on a death benefit is determined by:

- who the benefit is being paid to ('Dependants' or 'Non-dependants' as defined by the Tax Act), and
- the tax components and tax status of the benefit.

For more information, refer to our *Tax on Super* Fact Sheet, available on our website.

The Member Dissatisfaction Procedures also apply to beneficiaries receiving a benefit due to a Death Claim.

Surcharge Offset Account

If you have incurred a surcharge tax liability on taxable contributions, and the Plan has made surcharge tax payments to the Australian Taxation Office (ATO), these payments will have been accumulated in your surcharge offset account and charged with interest. At exit, the balance in this account is deducted from your benefit.

Family Law Offset Account

If a payment has been made to your spouse as a consequence of a divorce or split (under the Family Law Act 1975), the payment amounts will have been accumulated in your Family Law Offset Account and charged with interest. At exit, the balance in this account is deducted from your benefit.

Information on Request

The Trustee is obliged to provide you with any information you reasonably need to understand your superannuation benefit.

Any information you might require in relation to your period of membership in the Plan can be accessed by contacting the Plan.

For further information please contact the Plan using the contact details below.

Contact Information

Contact Person: Superannuation Inquiries Officer

Postal address: Qantas Superannuation Plan
Locked Bag A4075
Sydney South NSW 1235

Email address: info@qantassuper.com.au

Telephone: 1300 654 384 (Call from Australia)

+61 2 9374 3930 (Call from Overseas)

Facsimile: 02 9372 6288

Key terms

Preserved Benefit

Government regulations require the preserved portion of your benefit to be retained in the superannuation system until you meet a condition of release. For further information on conditions of release, refer to the *Learn About Super* section of our website. Your *Estimated Superannuation Benefit* form indicates the amount you must preserve.

Restricted Non-preserved (RNP) Benefit

The restriction on your RNP benefit will be removed once you leave your employer. RNP will then become an Unrestricted Non-preserved benefit

Unrestricted Non-preserved (UNP) Benefit

Your UNP benefit can be rolled over or taken in cash after any tax is deducted (refer page 2). Note that if UNP amounts are transferred into another Division of Qantas Super, the UNP amount may be rolled over or taken as cash at any time in the future.

Disclaimer

The information contained in this brochure is provided to help you understand your benefit in the Qantas Superannuation Plan. The information is not intended to constitute financial product advice, general or personal advice. Nor can it take the place of such advice from a financial adviser briefed on all your relevant individual financial circumstances. The Trustee of the Plan, the Company or any Director, Employee or Agent of either the Trustee or the Company gives no warranty of reliability or accuracy, and accepts no responsibility arising in any other way (including by reason of negligence) for errors or omissions herein. The information in this brochure is factual and is correct as at the creation date. The Trustee recommends that members seek individual financial advice before making any decision with regard to their superannuation.

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