



# Information Booklet Supplement

for Defined Benefit members

Issued 17 March 2015

## Contents

1	HOW YOUR SUPER WORKS .....	3
	Building your benefits .....	3
	Accessing your benefits .....	3
	Managing your account .....	5
	Spouse solutions .....	7
	Nominating your beneficiaries .....	7
2	HOW WE INVEST YOUR MONEY .....	9
	Member Investment Choice (MIC) options .....	9
	Choosing or changing your investment option .....	9
	Understanding your investment options .....	9
3	FEES AND COSTS .....	17
	Additional explanation of fees and costs .....	18
4	HOW SUPER IS TAXED .....	19
	Tax on contributions .....	19
	Tax on earnings .....	20
	Tax on withdrawals .....	20
	Providing your TFN .....	20
6	OTHER INFORMATION .....	21
	Eligible Rollover Fund .....	21
	Privacy Policy .....	21
	Governing Qantas Super .....	22
	Definitions .....	23

# Before you start

This *Information Booklet Supplement – Defined Benefit* (Information Booklet Supplement) is designed to provide you with additional details about your membership in Division 1, 2 or 3 of Qantas Super.

The information in this document should be read together with the *Information Booklet* for the relevant Qantas Super defined benefit division (Division 1, Division 2 or Division 3). You should also read this document together with the *Your Insurance Guide – Additional Voluntary Death and TPD Cover* (Insurance Guide). Please read it carefully and keep it with your personal financial documents.

Each year you will receive an annual statement, which will show details of your transactions and current benefit entitlements. In addition, the Trustee also publishes an annual report on our website to supplement the information provided on your annual statement.

The information in this document is of a general nature and is not intended to constitute personal financial product advice as it has not been prepared taking account of your objectives, financial situation or needs. The Trustee recommends that before acting on any information contained in this document, you consider its appropriateness and seek financial advice tailored to your personal circumstances from a licensed financial adviser.

This *Information Booklet Supplement* is intended to help you understand the general features of your benefits through Qantas Super. It is not comprehensive and does not cover all terms that apply to benefits. Its content may not apply or may be modified in respect of individuals, groups or categories of members to reflect grandfathered benefits or other arrangements. For more comprehensive information, and before making a decision regarding your benefits in Qantas Super, please refer to the Trust Deed and Rules (Trust Deed) or contact the Qantas Super Helpline. In the event of any discrepancy between this *Information Booklet Supplement* and the Trust Deed, the terms of the Trust Deed will prevail.

Some terms used in this document have a specific meaning which is set out under 'Definitions' in the 'Other information' section.

**Note:** We may update the *Information Booklet Supplement* from time to time. For the latest version, or any additional information, please check our website. You can request a paper copy of updated information at any time free of charge by calling the Qantas Super Helpline on 1300 362 967.

Division 1, Division 2 and Division 3 (Defined Benefit Divisions) are defined benefit divisions of the Qantas Superannuation Plan ABN 41 272 198 829, RSE R1005486 (Qantas Super). The trustee of Qantas Super is Qantas Superannuation Limited ABN 47 003 806 960, AFSL 288330, RSE licence L0002257 (QSL, we, us, our or Trustee). Insurance in the Defined Benefit Divisions is provided through group policies with an external insurer, MLC Limited ABN 90 000 000 402, AFSL 230694 (MLC or Insurer).

Qantas Super is the default super fund for eligible employees of Qantas Airways Limited ABN 16 009 661 901 and associated employers (Qantas Group, Company or Employer). The Defined Benefit Divisions are closed to new employees. Qantas Super Gateway is the division for new employees of the Qantas Group.

# 1 How your super works

## Building your benefits

Throughout your years of employment, it is important to build your super to support your needs in retirement.

### Contributing to super

Other than compulsory employer contributions (superannuation guarantee contributions and contributions specified by an enterprise bargaining agreement), a contribution may only be made into your super by or for you if you are:

- under 65 years of age; or
- aged 65 to 75 years and have been gainfully employed during the financial year in which the contribution is made for at least 40 hours over a consecutive 30 day period. You cannot make contributions to super after age 75.

There are different types of contributions that can be made. Refer to the *Information Booklet* for your Defined Benefit Division for more information.

### Contribution caps

The Government has set limits, called contribution caps, on the amount of concessional and non-concessional contributions you can make into super. If you exceed these limits you may pay extra tax. For more information about the caps on contributions to super, refer to the 'How super is taxed' section.

- **Concessional contributions.** These are employer contributions or any contributions made from before-tax salary.
- **Non-concessional contributions.** These are contributions made from after-tax salary where a tax deduction is not claimed.

**ALERT:** You are responsible for monitoring the level of contributions made to all of your super funds against your contribution caps. Neither the Trustee nor your employer can do this on your behalf.

## Accessing your benefits

### Preservation

Superannuation law restricts your access to super until you retire or meet certain conditions. This restriction is called 'preservation'. All super is subject to preservation. This includes any investment earnings credited to your super.

Generally, this means that you can't access your super as cash until you:

- reach age 65, or cease your current employment on or after age 60;
- retire permanently from the workforce after reaching your 'preservation age' as shown in the table below;
- reach your 'preservation age' and receive your benefits as a non-commutable income stream such as from a transition to retirement income stream, prior to ceasing employment. A non-commutable income stream is an income stream that cannot be converted to a lump sum after commencement (except in limited circumstances);
- suffer severe financial hardship;
- qualify on compassionate grounds;
- suffer Permanent Incapacity;
- suffer Temporary Incapacity;
- have a Terminal Medical Condition; or
- die.

Your preservation age can be worked out using the following table:

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

### Family law

Family law legislation allows some couples living together on a genuine domestic basis, who are separating or divorcing, to 'split' their super entitlements. This applies to married couples and some de facto (including same sex) couples depending on which State or Territory they live in.

To meet the requirements of the Family Law Act, the Trust Deed allows the Trustee to pay part or all of a member's account in accordance with the 'split' to a non-member spouse or to another super arrangement of their choice. The preservation requirements apply to the amount paid to, or for, the non-member spouse.

## 1 How your super works

This means the Trustee can pay out the separation entitlement to (or for) the non-member spouse shortly after separation or divorce. The amount paid will be debited to a member's account in accordance with the separation agreement or order, and consistent with the Family Law Act.

If this applies to you, either:

- we will deduct the amount from your account; or
- an offset account will be maintained for you, which will be credited or debited with the earnings applicable to your Member Investment Choice (MIC) option. The value of the offset account will be deducted from your benefit. Generally this will occur when you leave your Defined Benefit Division but may be earlier. To reduce the impact of this when you leave, you can make voluntary after-tax (non-concessional) contributions to your account to reduce or eliminate the value of any offset account. Any non-concessional contributions made count towards your non-concessional contributions cap.

Under the Family Law Act, the Trustee may be required to provide certain information about a member's super to a non-member spouse or other person.

**Note:** If the Trustee is required to 'split' a member's account under the Family Law Act prior to the expiry of the nominated term for an investment in the Term Deposit option, your investment may not be credited with interest (including for the period prior to redemption) or may be credited with less interest than the amount that would otherwise have accrued.

Refer to the 'Fees and Costs' section for information about fees that apply when the Trustee provides information or makes a payment pursuant to family law legislation.

### Contribution splitting

Contribution splitting allows you to transfer any Member Voluntary Contributions made from your before-tax salary (concessional contributions), after the deduction of any applicable contributions tax, up to the concessional contribution cap, to an account established for your spouse. Certain criteria must be met.

For information on concessional contribution caps refer to 'Tax on contributions' in the 'How super is taxed' section.

Rollovers into your Defined Benefit Division, other concessional contributions and any non-concessional contributions **cannot** be split.

The transfers to your spouse's super may be made to their account in Qantas Super or another approved super fund. If your spouse is not a member of Qantas Super, an account within Qantas Super Gateway may be established for this purpose. All split contributions transferred to your spouse are subject to the preservation rules.

Criteria that must be met for contribution splitting to occur include:

- your spouse must satisfy the definition of Spouse as defined under 'Dependants' in 'Definitions' in the 'Other information' section of this document and be:
  - under their preservation age; or
  - between their preservation age and 64 years and either not retired from the workforce or have never been gainfully employed;
- applications for transfer may only be made for concessional contributions in the prior financial year, unless you are exiting your Defined Benefit Division;
- if you are exiting your Defined Benefit Division, a transfer may be made at exit for concessional contributions in the current financial year; and
- you must complete the *Split transfer request* form which is available on our website.

**Note:** The Trustee has imposed restrictions on splitting contributions where a portion of your account balance is invested in the Term Deposit option. The Trustee will not accept a request to split contributions where satisfaction of your request would require redeeming the Term Deposit option prior to the expiry of your nominated term.

### Temporary residents

A temporary resident is a holder of a temporary visa under the Migration Act 1958. The Australian Government requires Qantas Super to pay temporary residents' unclaimed super to the Australian Tax Office (ATO) after at least six months have passed since the later of:

- the date a temporary resident's visa ceased to be in effect; and
- the date a temporary resident permanently left Australia.

The ATO identifies and informs Qantas Super of the impacted members on a twice yearly basis.

Once your benefit has been transferred to the ATO, you will need to claim it directly from the ATO. As the Trustee relies on Australian Securities and Investments Commission (ASIC) relief, you may not be issued a notice about the transfer or an exit statement in this circumstance.

If your benefit has not yet been transferred to the ATO, you can claim it from Qantas Super under the Departing Australia Superannuation Payment (DASP) regime. Information regarding DASP procedures and current taxation rates can be found at [www.ato.gov.au](http://www.ato.gov.au).

### Unclaimed money and lost members

In some circumstances, if an amount is payable to you and the Trustee is unable to ensure that you will receive it, the Trustee may be obliged to pay the amount to the ATO on your behalf.

The Trustee is also required to transfer to the ATO a lost member's account:

- with a balance of less than \$2,000; or
- which has been inactive for a period of twelve months and the Trustee is satisfied that it will never be possible to pay an amount to the member.

If your account balance is transferred, you will be able to reclaim it from the ATO. Interest will be paid from 1 July 2013 on all unclaimed and lost super accounts reclaimed from the ATO.

The Government has announced that it will increase the threshold for small accounts to be transferred to the ATO to \$4,000 (on 31 December 2015) and to \$6,000 (on 31 December 2016).

### Choice of fund

Under legislation governing the ability of employees to choose their super fund, you may be eligible to select another fund to which your employer contributions may be made (this is called 'Choice of fund'). Your employer will inform you if you are eligible to choose your fund.

In addition, you may request that the Trustee pay some or all of your existing account balance in your Defined Benefit Division to another super fund that you nominate (this is called 'Portability').

If you choose another super fund to receive employer contributions made in respect of you, but you do not transfer your existing account balance (if any) in your Defined Benefit Division to another super fund, the Trustee will transfer your remaining account balance in your Defined Benefit Division, including any death and Total and Permanent Disablement (TPD) insurance that may apply, to the retained division of Qantas Super. The transfer will generally be processed 30 days after the date the last employer contribution is made to your account. The amount transferred will be the benefit that you would have received if you resigned on the date that the transfer is processed (including a deduction for your share of expenses, if applicable). Refer to our website for more information.

If you subsequently elect to have your super contributions recommence in Qantas Super, you may transfer any benefits in the retained division to the division that you rejoin.

## Managing your account

### Adding money

#### Regular payroll deduction

If you want to make Member Voluntary Contributions, you may (if approved by Qantas Airways Limited) ask your employer to make regular deductions from your pay (before-tax and/or after-tax) into your Defined Benefit Division.

You can commence, change or cancel your regular Member Voluntary Contributions at any time. Changes will generally take effect from your next available pay. Simply complete the *Superannuation contribution authority* form available from payroll or on our website.

**Note:** Generally, regular contributions deducted from your salary are suspended during periods of leave without pay (including during periods of maternity and parental leave).

#### Contributions with BPAY®

With BPAY you can make additional after-tax (non-concessional) Member Voluntary Contributions to your super whenever it suits you – seven days a week using your bank's or financial institution's internet or phone banking services, regardless of where you are in the world.

## 1 How your super works

All you need is Qantas Super's BPAY biller code and your individual BPAY reference number which can be found by:

- logging into your super account online using your PIN; or
- contacting us.

® Registered to BPAY Pty Ltd ABN 69 079 137 518

### One-off contributions by cheque

You may also make additional after-tax (non-concessional) Member Voluntary Contributions by completing a *Voluntary contribution advice form – lump sum* and returning it to us (at the address on the form) with a cheque made payable to 'Qantas Superannuation Limited'.

### Rollover to consolidate your super

At any time you may roll over super balances from other super funds into your Defined Benefit Division. Simply complete the online rollover tool on our website.

You may also be able to transfer any UK pension benefits you have into your account. Qantas Super has been accepted by the UK authorities as a Qualifying Recognised Overseas Pensions Scheme (QROPS). For more information about this, please contact us.

### Making contribution decisions:

The level of any contributions you may wish to make will depend on your personal circumstances and tax position. The Trustee recommends you seek financial advice tailored to your personal circumstances from a licensed financial adviser to assist you in making your decisions.

You should also consider the effect of contribution caps and limitations that apply if your Tax File Number has not been provided to the Trustee.

## Withdrawing money

### Cash withdrawal

If you have satisfied the preservation rules (see 'Accessing your benefits' in the 'How super works' section), you may have the option of cashing out a portion of your benefit. To request a withdrawal, complete the *Withdrawal* form available on our website or by contacting us, and provide us with a certified copy of your proof of identity (as detailed on the form).

### Portability

Portability allows you to move the eligible portion of your existing benefit from one super fund to another. If you want to transfer all or part of your existing benefit, you need to complete the *Portability transfer request* form setting out details of the super fund to which you wish to transfer, and return it to us. A copy of the form is available on our website.

You are not able to transfer funds if:

- the Trustee has effected a similar request for you in the previous 12 months; or
- you apply for a partial transfer and your total account balance remaining in your Defined Benefit Division, after the transfer, would be less than \$5,000.

Transfers will normally be made within 3 business days (if you haven't provided the Trustee with an investment direction), or otherwise within 30 days of your transfer request being received by the Trustee.

In addition, if a portion of your account balance is invested in the Term Deposit option and you make a valid portability request, the Trustee is not required to rollover or transfer any amount of your account balance that is invested in the Term Deposit option within 30 days. This is because the issuer of the term deposits imposes restrictions on when the Trustee can redeem a term deposit investment on your behalf. However, the amount invested in the Term Deposit option will be rolled over or transferred in accordance with your instructions within 30 days after the expiry of the nominated term.

### Transfers to KiwiSaver

If you permanently emigrate to New Zealand, you may be able to transfer your super to a complying New Zealand Kiwi Saver Scheme (conditions apply). For more information, please contact us.

### Transition to retirement income streams

If you are eligible to establish a transition to retirement income stream, you may do so to access some of your super before you stop working.

Information about our transition to retirement solution, including eligibility requirements, is available on our website.

**Note:** Any portion of your account balance that is invested in the Term Deposit option cannot be transferred to a transition to retirement income stream prior to the end of the nominated term. In this case, you must also leave a minimum of \$5,000 invested in your MIC option at the time you transfer amounts to a transition to retirement income stream.

### Member identification

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the Trustee is required to identify you before paying you your benefit. When requesting a benefit payment or commencing an income stream please provide us with a certified copy of your current driver's licence or passport.

Your benefit cannot be paid unless this is provided. If you do not have a current driver's licence or passport and need to provide alternate forms of identification, or for more details on who can certify your document, please refer to our website or contact us.

### Anti-detriment payments

Where a lump-sum benefit is to be paid to certain eligible Dependant(s), either directly or through your estate, the Trustee may pay an additional amount known as an 'anti-detriment payment'. This payment is intended to increase the death benefit to what it would have been if contributions tax (of up to 15%) had not been paid on the taxable contributions.

An anti-detriment payment can only be made where a death benefit is paid to an eligible dependant, which includes:

- your spouse (as defined under 'Dependant' in 'Definitions' in the 'Other information' section);
- your former spouse (subject to being eligible under superannuation legislation to receive a death benefit from Qantas Super);
- your child, of any age (as defined under 'Dependant' in 'Definitions' in the 'Other information' section); or
- your estate (provided the ultimate beneficiaries are your spouse, former spouse, or child of any age).

### Spouse solutions

As an employee of the Qantas Group, you can apply to establish an account for your spouse in our Qantas Super Gateway (**Gateway**) division.

To be eligible, your spouse must not already be a member of Qantas Super, and must satisfy the definition of a spouse dependant (as set out under 'Dependant' in 'Definitions' in the 'Other information' section). An initial amount of a minimum of \$1,500 is required to establish an account in Gateway for your spouse. For more information on establishing an account for your spouse within Gateway, refer to the Qantas Super *Gateway Member Guide - Product Disclosure Statement*, available on our website.

### Nominating your beneficiaries

A beneficiary nomination allows you to nominate the person or people you wish to receive your benefit in the event of your death. Your Defined Benefit Division offers the option of a non-binding death benefit nomination or a binding death benefit nomination. You can select the type of nomination you wish to provide on the *Nomination of beneficiaries* form, available on our website, or make a non-binding nomination online.

If you don't make a nomination, you revoke your nomination or you do not have a valid binding or non-binding nomination in place, the Trustee will decide, subject to Qantas Super's Trust Deed and Rules and the relevant legislative requirements, who should receive the death benefit and in what proportions.

## 1 How your super works

### Non-binding death benefit nomination

A non-binding death benefit nomination enables you to indicate your preference for the distribution of your death benefit between your dependants and/or your legal personal representative. This nomination doesn't bind the Trustee to pay your death benefit to these individuals, but it will be an important consideration.

The Trustee has the obligation to decide, subject to Qantas Super's Trust Deed and Rules and the relevant legislative and general law requirements, who should receive the benefits and in what proportion.

### Binding death benefit nomination

If you provide Qantas Super with a valid binding death benefit nomination that is valid and in effect at the date of your death, the Trustee in accordance with superannuation legislation must pay your benefit to the beneficiaries you have nominated in the proportions set out in your nomination.

For a binding death benefit nomination to be valid, the following requirements must all be met:

- any person nominated to receive all or part of your death benefit must either be one of your dependants, and/or your legal personal representative as at the date of your nomination and the date of your death;
- the allocation of your death benefit between each of the nominated beneficiaries must be clear and add up to exactly 100%;
- the binding death benefit nomination must be made on Qantas Super's *Nomination of beneficiaries* form and be signed and dated by you in the presence of two witnesses who are at least 18 years of age, neither of whom are nominated in the *Nomination of beneficiaries* form;
- the binding death benefit nomination must be given to the Trustee before the date of your death; and
- the binding death benefit nomination was made or last confirmed within the past 3 years and has not been revoked.

Except where a nominated person is not eligible to receive all or part of the death benefit at the date of your death (see below), if the *Nomination of beneficiaries* form does not satisfy any of these requirements, the nomination will be invalid. An invalid binding death benefit nomination will be treated as a non-binding death benefit nomination by the Trustee.

If, during the period of the binding nomination, a nominated person is not eligible to receive part of the death benefit at the date of your death and the nomination is otherwise valid, that portion of the death benefit will be paid to the remaining eligible nominated beneficiaries. The death benefit will be allocated to each of the remaining eligible beneficiaries in the same proportion that their benefit bears to the total benefit payable to all remaining eligible beneficiaries. If there are no remaining eligible nominated beneficiaries, your death benefit will be paid to your legal personal representative.

A valid binding death benefit nomination remains in effect for three years from the date it was signed, unless it is revoked by you.

Details of your binding death benefit nomination will appear on your annual statement each year along with its expiry date and you can also view these details after logging in to your account on our website.

It is your responsibility to ensure your nomination is up to date and confirmed before it expires.

For more information on who qualifies as a dependant, refer to 'Dependant' under 'Definitions' in the 'Other information' section.

## 2 How we invest your money

**Note:** Member Investment Choice (MIC) only applies to your voluntary accumulation accounts. Voluntary accumulation accounts are the accounts that make up your Supplementary Benefit. Refer to the *Information Booklet* for your Defined Benefit Division for more information. The defined benefit component or underpin of your benefit cannot have MIC applied as it is a fixed benefit based on salary and service.

### Member Investment Choice (MIC) options

You can actively manage the investment of any voluntary accumulation account you establish in Qantas Super with our range of MIC options:

- Cash option
- Conservative option
- Balanced option
- Growth option
- Aggressive option

### Term Deposit option

In addition to selecting a MIC option, if your defined benefit underpin has been crystallised (this will generally occur upon you reaching your Superannuation Date), you may also choose to invest a portion of your account balance in the Term Deposit option. The Term Deposit option invests in fixed rate, fixed term investments, providing a secure return on funds, for a specific period.

If you don't make a choice your super will be invested automatically in the **Growth option**.

This means that, for your defined benefit components, you do not bear the primary investment risk.

**ALERT:** You must consider the likely investment return, the risk, and your investment timeframe when choosing an option in which to invest.

### Choosing or changing your investment option

You can choose to have your voluntary accumulation accounts and future contributions invested in any MIC option.

You can only choose one MIC option. You may choose to vary your MIC option at any time, in which case your existing account balance (excluding any portion of your account balance invested in the Term Deposit option) and future contributions will also be invested in that MIC option. A *Member Investment Choice (MIC) option notification* form, which can be used to change your MIC option, is available on our website. You can also change your MIC option by logging into your super account online.

**Switches are made weekly.** All investment option switches are processed effective the first Wednesday following the date your notification is received. We will notify you of any changes to the frequency of switching as required by law. The Trustee may also suspend processing of investment switches during times of investment market volatility or illiquidity.

### Understanding your investment options

#### Summary of investment risks

All investments, including super, involve a degree of investment risk. There are a number of risks such as:

- **Market risk.** The value of your investments may rise or fall depending on investment returns earned by Qantas Super.
- **Inflation risk.** The risk on the rate of return on investments.
- **Interest rate risk.** The risk on the value of different asset classes. For the Term Deposit option, the interest rate remains fixed for the nominated term even if market rates increase or decrease during that term.

- **Liquidity risk.** This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay. This may be due to there being not enough buyers in the market for the particular investment or due to disruptions in investment markets. Securities for small companies may from time to time become less liquid, particularly when investment markets are falling. There may also be restrictions about when the investment can be converted into cash because of the terms of the investment.
- **Currency risk.** If an investment is held in international assets, a rise in the Australian dollar relative to other currencies may negatively impact investment values or returns.
- **Gearing and derivatives risk.** Underlying funds may use derivatives and gearing (borrowing). The value of derivatives is linked to the value of the underlying assets and can be highly volatile.
- **Credit risk.** There is a risk of loss arising from a borrower defaulting on debt and/or a decline in the perception of credit quality within the market. This has the potential to arise with various investments including derivatives and fixed interest and mortgage securities.
- **Counterparty risk.** There is a risk that the issuer of an investment that Qantas Super holds or the other party to a contract with the Trustee may fail to meet its legal obligations. This risk can arise in relation to arrangements such as derivative contracts, brokerage agreements, as well as repurchase and foreign exchange contracts.

### Things you should consider

When considering how you want your voluntary accumulation accounts invested, it is important to consider the following:

#### Diversification

Spreading assets over a large number of investments reduces the reliance on a small number of investments. Spreading investments is known as diversification.

For the MIC options, the Trustee spreads assets across different investment classes and across a number of investment managers. This reduces the reliance on a small number of asset classes and managers, and also reduces the potential volatility of overall returns.

It is important to recognise that although the Trustee is seeking to minimise investment risk, this risk cannot be eliminated. Every investment carries some investment risk, and each investment option has the possibility of negative returns.

#### Investment timeframe

Your investment timeframe reflects how long you anticipate your super monies will be invested. For some members this may be a short period, for example, if they are planning to retire shortly and draw down some of their super monies. For others this may be a much longer period, for example, members who have just commenced their career may have a very long investment timeframe.

Your investment timeframe will be an important factor in your choice of investment option. The longer your investment timeframe, the more time you have to ride out the volatility of higher risk investments. Importantly, your investment timeframe reflects the length of time you expect your funds to be invested until you need to draw them as cash. Your funds may remain invested with Qantas Super for many years before they are taken as cash or income.

#### Risk tolerance

Most members will have a different tolerance to risk and the potential of low or negative returns. For example:

- some may be happy to target high returns over the long term, by investing in growth assets and accepting the risk of receiving a negative return in some years;
- some may take a more balanced approach, not seeking the higher possible returns and, at the same time, reducing the risk of a negative return; or
- some may be more conservative, and be most concerned to avoid a loss in any year rather than seeking higher long-term returns.

Importantly there is no 'right answer'. Ultimately, your investment decision will require you to make a judgement about which option will best help you achieve your financial goals.

It is possible that, over time, your investment timeframe will change and/or your risk tolerance may also change. It is therefore worthwhile to review your investment choice from time to time and make changes if appropriate.

### Standard risk measure

The level of risk of each investment option is set out in 'Your investment options in detail' in the 'How we invest your money' section. The level of risk of each investment option has been determined using the Standard Risk Measure, which is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

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

You should ensure you are comfortable with the risks and potential losses associated with the investment option you select.

### Asset classes

The investment options are invested in different asset classes. Generally asset classes are divided into two types.

#### 1. Return seeking assets

Return seeking assets are aimed at growth investments expected to deliver higher returns over time, but whose return may be more variable from year to year. Return seeking assets include Australian and international shares and private equity.

- **Equities or shares** - Shares or equities represent a share of the ownership of companies. Their return is derived from dividends paid to shareholders from company profits, and from changes to the share price.

- **Return seeking alternatives** - There are a range of other return seeking assets used by Qantas Super, including unlisted infrastructure, hedge funds, unlisted property and credit (return seeking). These are specialist asset classes. Their returns are derived from a combination of dividends, distributions and interest, plus changes in the capital values.

#### 2. Risk controlling assets

Risk controlling assets are those which are expected to provide lower and more stable investment returns, and diversification benefits when combined with return seeking assets.

- **Risk diversifying alternatives** - These may include credit (lower risk) and diversified hedge funds.
- **Fixed interest** - Fixed interest investments or bonds are issued by public organisations and companies. Each bond will normally have a fixed rate (and dates) of interest payment and the original capital is repaid at the end of the bond term. Because bonds can be traded, their market value will vary throughout the term of the bond. Bonds are available in Australia and overseas.
- **Cash** - Some cash investments may be placed with financial institutions, who pay interest on these amounts. Cash investments are generally 'on-call' which means they can be accessed at any time.

Each of the investment options has its assets invested in different proportions. Refer to the 'Your investment options in detail' in this section for more information.

### Managing currency exposure

Investments in international assets introduce an exposure to the currencies in which those assets are traded. The impact of currency movements can be removed from the investment performance of international assets by 'hedging' those investments to the Australian dollar.

To ensure that Qantas Super's exposure to currency movements is maintained at appropriate levels, a portion of the international assets is hedged.

## 2 How we invest your money

### Who do we invest your super with?

We appoint professional investment managers to invest the majority of Qantas Super's assets. We regularly review their performance and can remove managers and add new ones. Details of our investment managers are included in the Qantas Super annual report each year which is available on our website.

### Changes to the investment options

We may change our investment options, investment return objectives and/or strategic asset allocations when required. We may do this without prior notice in some cases. When required, members will be advised, either online or in our next communication, of any changes which represent a significant material change to an investment option.

### Labour standards, or environmental, social or ethical considerations

The Trustee does not take into account labour standards, or environmental, social or ethical considerations when it decides how the assets of Qantas Super are invested. In addition, the Trustee's current policy is not to impose any specific requirements on its investment managers about the extent to which they take these considerations into account when selecting, retaining or realising investments. Accordingly, if an investment manager, as agent of the Trustee, takes these considerations into account it will do so on behalf of the Trustee.

### How investment returns are calculated

Investment returns for each MIC option are applied using Credited Interest Rates (CIRs). The CIR represents, as far as practicable, the net investment returns (net of investment tax) on Qantas Super's assets for each MIC option, after the Trustee has deducted the investment fees incurred by Qantas Super. CIRs can be positive or negative. The CIR for each of the investment options is currently determined weekly and published on our website.

The actual investment earnings applied to your accumulation accounts are based on the CIR for the MIC Option you are invested in, the period of time that you were invested in the MIC Option and the timing of cash flows into and out of your account. For application purposes, the CIRs are first annualised and then an adjustment is made to take into account the actual number of days in each CIR period.

Where CIRs are not available, interim CIRs (ICIRs) determined by the Trustee are used to calculate account balances. ICIRs may be positive or negative. ICIRs for a period will then be replaced by the final declared CIR for that period once the CIR for an investment option has been calculated. The Trustee reviews the ICIRs on a regular basis and may increase or decrease the ICIR that is applied to your account balance at any time. The ICIRs are also used to determine your final payment from Qantas Super, should you cease to be a member before a CIR is determined for the period. If a death benefit is payable, the CIR/ICIRs for the Cash option will be applied to your total benefit, including your accumulation accounts, from the day following the date of death to the date of payment.

A history of the CIRs and investment returns is available from the 'Investments' section of our website.

**ALERT:** Investment returns and CIRs can be positive or negative. Past performance is not a reliable indicator of future performance.

### Term Deposits

Currently, the assets for the Term Deposit option are invested in term deposits issued by National Australia Bank Limited (NAB), one of Australia's four largest banks.

#### Key features of the Term Deposit option

- **Interest rates.** Provide a fixed interest rate which will not change for the nominated term. A fixed interest rate is determined at the start of the term. Interest is accrued daily and paid at maturity (ie the expiry of the nominated term). Refer to our website for the latest interest rates on offer.
- **Length of investment.** Available for terms of 6 or 12 months.

- **Frequency of offer.** This option is only available for investment at certain times of the year, generally quarterly.
- **At maturity.** There is no automatic reinvestment in the Term Deposit option on the expiry of the nominated term. At maturity, the principal amount invested, plus any interest earned (net of tax), will be invested in the MIC option that applies to your account on the maturity date.
- **Minimum investment amount.** The minimum investment amount required to invest in the Term Deposit option is \$5,000 (each time you wish to invest in this option). You'll also need to leave a minimum of \$5,000 in your MIC option. This is required for any regular deductions from your account e.g. for fees and insurance premiums.  
**Note:** If the balance in your MIC option drops below \$5,000 we may not accept a further application to invest in the Term Deposit option or accept certain other requests (e.g. a partial withdrawal request) until the required minimum is restored.
- **Maximum investment amount.** If you are eligible to invest in the Term Deposit option, you may invest up to 80% of your available account balance in the Term Deposit option. Your available account balance is the total value of your super account (on the business day prior to the next investment date), less any amounts that are already invested in the Term Deposit option.

The Term Deposit option has a short-term focus and, on its own, is generally not suitable as a long-term strategy for building your retirement savings. Before deciding to invest in the Term Deposit option, you should seek advice from a licensed financial adviser as part of an overall investment plan that is tailored to your own personal circumstances.

#### How to invest in the Term Deposit option

To invest a portion of your account balance in the Term Deposit option, complete the Term Deposit option application form available on our website leading up to each offer period.

Withdrawal from your MIC option will be effective the day prior to the next investment date for the Term Deposit option.

#### Redeeming your Term Deposit option before maturity

Generally, investments in the Term Deposit option cannot be withdrawn or switched between investment options before the end of the nominated term. Therefore, before investing in this investment option, you should consider whether you are likely to want to access or move your super prior to the end of the nominated term.

There are only very limited circumstances when money can be withdrawn from the Term Deposit option, which currently include:

- Permanent Incapacity;
- severe financial hardship;
- compassionate grounds;
- death;
- Terminal Medical Condition; and
- to satisfy a Family Law split.

The Trustee may also agree with the issuer of the underlying investments, terms on which withdrawals may be permitted in other situations.

**Note:** If money is withdrawn from the Term Deposit option prior to the expiry of the nominated term, you may not receive any interest on your investment or you may receive less interest than the amount that would have otherwise accrued.

## 2 How we invest your money

### Cash option



#### Overview

For investors who want exposure to cash and short-term money market returns. The risk of negative returns is very low. The returns are stable but usually low.

#### Investment objective

By investing in cash and the short-term money market, the **Cash option** provides access to stable, but usually low, returns.

The investment option aims to:

- achieve a return equal to the UBSA Bank Bill Index, after tax and investment expenses, over a rolling one year period; and
- never achieve a negative annual return.

#### Minimum suggested time to invest

No minimum time applicable.

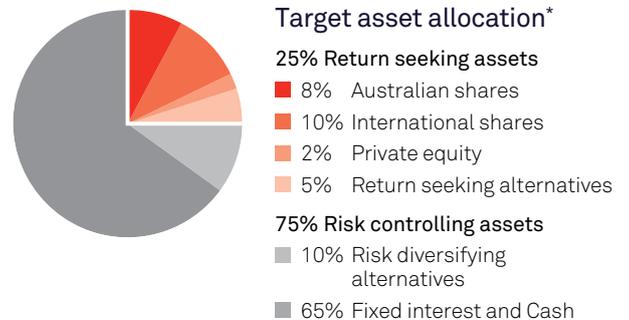
#### Risk level

The investments have a very low degree of risk.

The estimated number of negative annual returns (net of tax) over any 20 year period is 0 years.



### Conservative option



#### Overview

For investors who want stable, modest returns, with a relatively low to medium likelihood of negative returns.

#### Investment objective

A large proportion of the **Conservative option** is invested in risk controlling assets, resulting in stable, modest returns, with a relatively low likelihood of negative returns. The small allocation to return seeking assets provides some growth opportunities.

The investment option aims to:

- achieve a return that exceeds CPI by at least 3% pa over a three year period, after tax and investment fees;
- outperform the notional return on the benchmark portfolio; and
- limit the likelihood of a negative annual return to one in 20 years (or 5%).

#### Minimum suggested time to invest

3 years.

#### Risk level

The investments have a low to medium degree of risk.

The estimated number of negative annual returns (net of tax) over any 20 year period is 1.2 years.



\* The target asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time.

## Balanced option



### Overview

For investors who want a return above CPI over a five year period, who are comfortable with a medium degree of risk.

### Investment objective

The **Balanced option** provides a mix of asset classes, combining the growth features of the return seeking assets with the stability of the risk controlling assets.

The investment option aims to:

- achieve a return that exceeds CPI by at least 3.5% pa over a five year period, after tax and investment fees;
- outperform the notional return on the benchmark portfolio; and
- limit the likelihood of a negative annual return to three in 20 years (or 15%).

### Minimum suggested time to invest

5 years.

### Risk level

There may be short-term to medium-term volatility in these asset classes, as the investments have a medium degree of risk.

The estimated number of negative annual returns (net of tax) over any 20 year period is 2.8 years.



## Growth option



### Overview

For investors who want a high return above CPI over a five year period, with a medium to high degree of risk.

### Investment objective

The **Growth option** is dominated by return seeking assets, although a small proportion of risk controlling assets are held.

The investment option aims to:

- achieve a return that exceeds CPI by at least 4% pa over a five year period, after tax and investment fees;
- outperform the notional return on the benchmark portfolio; and
- limit the likelihood of a negative annual return to four years in every 20 years (20%).

### Minimum suggested time to invest

5 years.

### Risk level

There may be short-term to medium-term volatility in these asset classes, as the investment has a medium to high degree of risk.

The estimated number of negative annual returns (net of tax) over any 20 year period is 3.5 years.



\* The target asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time.

## 2 How we invest your money

### Aggressive option



#### Overview

For investors who want a very high return above CPI over a seven year period, with a high degree of risk.

#### Investment objective

With all of the assets invested in return seeking assets, the **Aggressive option** is expected to provide the highest level of returns in the long term. However this portfolio has the highest level of volatility and the likelihood of negative returns in any year is the highest.

The investment option aims to:

- achieve a return that exceeds CPI by at least 4.5% pa over a seven year period, after tax and investment fees;
- outperform the notional return on the benchmark portfolio; and
- limit the likelihood of a negative annual return to five in 20 years (or 25%).

#### Minimum suggested time to invest

7 years.

#### Risk level

There may be short-term to medium-term volatility in these asset classes, as the investment has a high degree of risk.

The estimated number of negative annual returns (net of tax) over any 20 year period is 4.2 years.



### Term Deposit option



#### Overview

For investors who want the short-term security of a fixed interest rate.

#### Investment objective

The **Term Deposit option** invests 100% in cash investments and has a short-term focus. It aims to provide a fixed interest rate on investments held for an agreed term.

#### Minimum suggested time to invest

Fixed for the term you select either 6 or 12 months.

#### Risk level

The investment has a very low degree of risk. The estimated number of negative annual returns (net of tax) over any 20 year period is 0 years. However, there are restrictions on early withdrawal from this investment option.



\* The target asset allocation is an indication of the proportion of the investment option assets that are allocated to each asset class. The actual asset allocation to each of the asset classes may vary from time to time.

## 3 Fees and costs

The table below shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of Qantas Super as a whole. Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged but these will depend on the nature of the activity, advice or insurance chosen by you.

Taxes, insurance fees and other costs relating to insurance are set out in another part of this document.

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

Type of fee	Amount	How and when paid																
Investment fee <sup>1</sup>	<b>MIC options</b> % pa of the balance of your voluntary accumulation accounts	Deducted from the investment returns of the relevant investment options before the Credited Interest Rate (CIR) is calculated for the period (or the interim CIR if you leave your Defined Benefit Division before the CIR is declared). It is not deducted directly from your voluntary accumulation accounts but is reflected in the CIR, or interim CIR, applied to your account.  A different percentage fee applies to each investment option.  <b>Note:</b> You do not bear the cost of investment fees charged in relation to your defined benefit entitlement while it is accruing.  The Term Deposit fee is deducted directly from the portion of your account that is invested in your MIC option at the time that the nominated portion of your account is invested in the Term Deposit option.																
	<table border="1"> <thead> <tr> <th>Investment option</th> <th>Base fee<sup>2</sup></th> <th>Performance-based fee<sup>2</sup></th> </tr> </thead> <tbody> <tr> <td>Cash</td> <td>0.18</td> <td>0.00</td> </tr> <tr> <td>Conservative</td> <td>0.35</td> <td>0.00 – 0.07</td> </tr> <tr> <td>Balanced</td> <td>0.42</td> <td>0.00 – 0.11</td> </tr> <tr> <td>Growth</td> <td>0.46</td> <td>0.00 – 0.12</td> </tr> <tr> <td>Aggressive</td> <td>0.50</td> <td>0.00 – 0.15</td> </tr> </tbody> </table>		Investment option	Base fee <sup>2</sup>	Performance-based fee <sup>2</sup>	Cash	0.18	0.00	Conservative	0.35	0.00 – 0.07	Balanced	0.42	0.00 – 0.11	Growth	0.46	0.00 – 0.12	Aggressive
Investment option	Base fee <sup>2</sup>	Performance-based fee <sup>2</sup>																
Cash	0.18	0.00																
Conservative	0.35	0.00 – 0.07																
Balanced	0.42	0.00 – 0.11																
Growth	0.46	0.00 – 0.12																
Aggressive	0.50	0.00 – 0.15																
	<b>Term Deposit option</b> \$25 for each term deposit investment.																	
Administration fee	Refer to the <i>Information Booklet</i> relevant to your Defined Benefit Division for more information.																	
Buy-sell spread	Nil	Not applicable.																
Switching fee	Nil	Not applicable.																
Exit fee	Nil	Not applicable.																
Advice fees relating to all members investing in a particular investment option	Nil	Not applicable.																
Other fees and costs <sup>3</sup>	\$150 for family law information requests	Paid by the eligible person requesting the information at the time of the request.																
Indirect cost ratio <sup>4</sup>	Nil	Not applicable.																

<sup>1</sup> Includes all investment costs incurred by the Trustee that relate to each investment option.

<sup>2</sup> Estimated for 2014/2015.

<sup>3</sup> Refer to 'Additional explanation of fees and costs' in this section for more information and details of other fees, such as insurance fees.

<sup>4</sup> The indirect cost ratio is based on the indirect costs of the investment option. See 'Defined fees' in this section.

## 3 Fees and costs

### Additional explanation of fees and costs

#### Tax

The fees and costs that may apply are inclusive of any applicable GST. Information about tax, including the impact of adjustments and offsets on the tax payable on earnings, is provided in the 'How super is taxed' section.

#### Family law fees

The Family Law Act allows Qantas Super to charge fees for certain activities relating to family law. In your Defined Benefit Division, a family law fee of \$150 applies for a request for information.

#### Investment fees

Investment fees represent the direct costs of investing and managing Qantas Super's investments. They do not include transactional and other costs incurred in respect of underlying investments that are not charged directly to Qantas Super.

Investment fees are not deducted directly from your accumulation accounts but are reflected in the CIR applied to your accumulation accounts. A different percentage applies for each investment option. The investment fees stated in the 'Fees and costs' table on the previous page are an estimate based on the current internal and external costs of managing investments in each of the investment options. The exact cost of managing your investments will vary from time to time.

Trustees of super funds are required to establish and maintain adequate financial resources to cover any losses incurred as a result of specific operational risk events. An operational risk event may occur as a result of inadequate or failed internal processes, people and systems, or from external events. To meet this requirement, Qantas Super is establishing a reserve of approximately 0.25% of invested assets over three years from 1 July 2013. To fund the reserve, deductions will be made from the investment returns on the assets of Qantas Super over the period from 1 July 2013 to 30 June 2016. This is a cost to you that will be reflected in the CIR applied to your accumulation accounts. We estimate that this will result in an increase of 0.084% pa in investment fees that will apply from 1 July 2013 until 30 June 2016. This estimate has been included in the investment fees disclosed in the table on the previous page (rounded to two decimal places).

We will let you know what the actual investment fees for each investment option have been for the relevant financial year in the Qantas Super annual report.

You do not bear the cost of investment fees charged in relation to your defined benefit entitlement while it is accruing.

#### MIC options

Investment fees for the MIC options include base investment fees and performance-based fees.

##### ■ Base investment fees

Base investment fees include the direct costs charged by the external investment managers we use, the fees paid to our custodian and the Trustee's internal investment related costs.

##### ■ Performance-based fees

Some of Qantas Super's investment managers also receive performance-based fees which are calculated as a percentage of any investment performance that is achieved above an agreed threshold.

Performance-based fees are difficult to predict because the level of any outperformance by investment managers is not known in advance. The actual performance-based fees incurred by Qantas Super will depend on investment performance and will differ for each investment option.

The estimated performance-based fees for each investment option are included in the table at the beginning of this section.

In addition to base investment fees and performance-based fees, there may be additional costs associated with underlying investment funds. These costs include management and performance-based fees to underlying investment managers as well as a range of transaction costs, such as brokerage, stamp duty and costs incurred when buying and selling units. These costs are not deducted directly or indirectly from your account or the return received by the Trustee as they are reflected in the investment returns from the underlying investment that are applied to the relevant investment option.

These costs are not indirect costs of the investment option that form part of the indirect cost ratio.

#### Term Deposit option

The investment fee for the Term Deposit option is \$25, each time you invest in the Term Deposit option. This fee is deducted directly from the portion of your account that is invested in your MIC option. This deduction is in addition to the amount you wish to invest in the Term Deposit option and is deducted at the time your investment in the Term Deposit option is made.

#### Change in fees

The Trustee has the right to amend the level of fees charged in the future without your consent. Any increase in fees will be communicated to you at least 30 days before it is applicable. Any difference between the estimated investment fees and the actual investment fees is not a change in fees. If you cease employment or exercise choice of fund, and you decide to leave your benefit in the retained division of Qantas Super, different fees and charges will apply.

## 4 How super is taxed

This section provides a general explanation as to how tax legislation may apply to Qantas Super and your benefits. It is not intended to take into account your personal circumstances or needs, or your personal taxation position. You should obtain professional advice prior to making any decision based on the taxation treatment of Qantas Super on your benefits.

### Tax on contributions

#### Concessional contributions

Concessional contributions (under the cap – see below) are generally taxed at 15%. Individuals with combined income and concessional contributions exceeding \$300,000 in an income year will be subject to an additional 15% tax on those contributions exceeding the \$300,000 threshold and up to the concessional contributions cap.

**Note:** Concessional contributions include any before-tax Company and Member Voluntary Contributions made to your super, along with any Notional Taxed Contributions (NTCs) deemed to have been made by the Company for the provision of your defined benefits. The NTC is a government prescribed formula as calculated by the actuary for Qantas Super and grandfathering rules for NTCs may apply. Refer to the relevant Concessional contributions fact sheet on our website for information on how to calculate the value of concessional contributions (including NTCs) made on your behalf.

#### Concessional contributions cap

The concessional contributions cap in each year is:

- if, on the last day of the financial year, you are under age 49 – \$30,000<sup>1</sup>
- if, on the last day of the financial year, you are age 49 or more – \$35,000<sup>2</sup>

<sup>1</sup> Indexed annually in line with Average Weekly Ordinary Times Earnings (AWOTE) in increments of \$5,000 (rounded down).

<sup>2</sup> This amount is not indexed.

The ATO will include any concessional contributions made in excess of the cap in your assessable income and apply tax at your marginal tax rate (subject to a 15% tax offset to account for the contributions tax payable on the contributions within the super fund – see above). Interest will also be charged to you by the ATO for any excess concessional contributions that increase your tax liability for the relevant financial year; this is to account for the deferred payment of tax on these monies.

You may also have the option to withdraw any excess concessional contributions (less any contributions tax) from your account. Upon request, Qantas Super will transfer the excess concessional contributions (less any contributions tax) to the ATO to include the gross amount of the excess concessional contributions in your assessable income. The net amount (if any) will then be refunded to you through the issue of an amended income tax assessment.

More information on the concessional contributions caps are contained on our website.

**ALERT:** You are responsible for monitoring the level of concessional contributions made to all of your super funds against your cap. Neither the Trustee nor your employer can do this on your behalf. Qantas Super can accept concessional contributions above the cap.

Any concessional contributions made above the cap will also count against your non-concessional contributions cap.

#### Non-concessional contributions

No tax is paid on non-concessional contributions (NCCs) under the cap. Any NCCs above the cap will be taxed at the rate of 46.5%. This tax is payable by you, and you must withdraw this amount from your super account to pay the tax.

#### Non-concessional contributions cap

For 2014/2015, the non-concessional contributions (NCC) cap is \$180,000.

If you are under 65 on 1 July in a financial year, you can bring forward up to two years of NCCs. For the 2014/2015 financial year, this would give you a limit of \$540,000 for all of the 2014/2015, 2015/2016 and 2016/2017 financial years. If you bring forward the full two years of NCCs (that is, you make \$540,000 NCCs in the 2014/2015 financial year), you may not make any NCCs for the following two years.

**ALERT:** It is important that you monitor your NCCs made to all of your super funds against the NCC cap to minimise the amount of extra tax that could become payable. Neither the Trustee nor your employer can do this on your behalf.

If you have more than one super fund, all NCCs made to all your funds are added together and collectively count towards the NCCs cap.

## 4 How super is taxed

### Tax on earnings

Generally, Qantas Super's investment returns are subject to tax at the rate of 15%, although adjustments are made for imputation credits, capital gains and other factors.

- **MIC options.** The tax on investment returns is incorporated into the CIRs and ICIRs which are declared on an after-tax basis.
- **Term Deposit option.** The tax on interest earned on a term deposit is deducted before interest is credited to your account.

### Tax on withdrawals

#### Tax on cash benefits

If you take any part of your benefit in cash after age 60, generally no tax will be payable. Prior to age 60 some tax may be payable. This tax will be deducted from your benefit by Qantas Super.

The tax you pay depends on your age:

- **60 and over.** Generally you won't pay tax on your super withdrawals.
- **55 to 59.** For the 2014/2015 financial year, the first \$185,000 of your taxable component, the part of your super you have to pay tax on, is tax free. This amount changes in line with the AWOTE in increments of \$5,000. Amounts above this are taxed at 17%\*.
- **Under 55.** The full taxable component is taxed at 22%\*.

For taxation purposes your lump sum super benefit will be divided into two parts - a tax-free component and a taxable component. For further information on tax on your benefit, refer to our *Tax on super* fact sheet available on our website.

\*Inclusive of the current Medicare Levy of 2%.

#### Tax on death benefits

Death benefits paid to dependants (as defined under tax laws) are tax-free. If some or all of your death benefit is paid to your legal personal representative, the benefit may be subject to tax of up to 32%\* if it is ultimately paid to a non-dependant (under tax laws).

#### Surcharge tax

Surcharge was a tax on contributions that applied between 20 August 1996 and 30 June 2005. The surcharge only applied to the surchargeable super contributions and certain eligible termination payments (rolled into super funds) of higher income individuals.

Surcharge payments were assessed each year by the ATO for each member. When a surcharge assessment was received by Qantas Super:

- the assessment amount was paid to the ATO; and
- the member's benefit entitlements were offset by the assessment amount. If this applied to you, an offset account is maintained for you, which is credited or debited with the earnings applicable to your MIC option. The value of the offset account will be either:
  - deducted from your account balance; or
  - deducted from your benefit. Generally, this will occur when you leave your Defined Benefit Division but may be earlier.

To reduce the impact of this when you leave, you can make voluntary after-tax (non-concessional) contributions to your account to reduce or eliminate the value of any offset account. Any non-concessional contributions made count towards your non-concessional contributions cap.

#### Benefit transferred or rolled over

If your benefit is transferred to another complying super fund or rollover fund, no tax is paid at the time of transfer. The assessment of whether any tax is payable will be deferred until you access your benefit as cash.

#### Providing your TFN

Superannuation legislation authorises the Trustee to collect your Tax File Number (TFN), which will only be used for legal purposes. These purposes may change in the future as a result of legislative change. The Trustee may disclose your TFN to another super provider when your benefit is being transferred unless you request (in writing) that your TFN is not to be disclosed to any other trustee.

You are not required to provide your TFN and declining to do so is not an offence. However, giving your TFN to the Trustee will have the following advantages (which may not otherwise apply):

- the Trustee will be able to accept all types of contributions to your account;
- the tax on contributions to your account will not increase;
- other than the tax that may ordinarily apply, no additional tax will be deducted when you start receiving your super benefit; and
- it will make it easier to trace different super accounts in your name so that you may receive all your super benefits when you retire.

To check whether Qantas Super has your TFN, log into your super account online or contact us.

## 5 Other information

### Eligible Rollover Fund

An Eligible Rollover Fund (ERF) is a super fund specifically designed to hold unpaid super benefits. Qantas Super's nominated ERF is AUSfund. The Product Disclosure Statement for AUSfund is available at [www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au).

If your benefit is transferred to the ERF, you will no longer be a member of Qantas Super and you will need to contact the ERF about your benefit. Please note that the conditions, fees and investment strategy of the ERF will be different from those of Qantas Super.

Contact details for Qantas Super's nominated ERF are:

The AUSfund Administrator  
PO Box 543  
Carlton South VIC 3053  
Phone: 1300 361 798  
Fax: 1300 366 233  
[www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au)

### Privacy Policy

The Trustee respects the privacy of your personal information and is committed to complying with the Australian Privacy Principles in the Privacy Act 1988 (Cth).

**Collection of personal information:** We collect personal information about you so that we can admit you as a member of Qantas Super and provide you with services and benefits in connection with your membership of Qantas Super. We also collect personal information about you from your employer.

**Consequences if the information is not collected:** If we do not collect your personal information, or if that information is incomplete or inaccurate, we may be unable to admit you as a member of Qantas Super or provide you with these services and benefits. It may also prevent us from being able to contact you.

If you do not provide your tax file number (TFN), additional tax will be payable on Company or before-tax Member Voluntary Contributions, you will be unable to make after-tax Member Voluntary Contributions and you will not qualify for the government co-contributions scheme (if eligible).

**Disclosure of your personal information:** We may disclose your personal information to third parties, such as your employer, Qantas Super's administrator, insurer, professional advisers, and organisations who provide services to us in relation to your membership of Qantas Super. The administrator of Qantas Super may disclose personal information to service providers in India and other countries outside of Australia. Any such disclosure will only be made for the purposes of the management and administration of Qantas Super, and the use of personal information is strictly controlled. We may also disclose your personal information to regulatory bodies such as the Australian Taxation Office, where this is required by law.

**Our Privacy Policy:** Our Privacy Policy sets out our approach to the management of personal information. Subject to the Privacy Act 1998 (Cth), you can have access to and seek correction of your personal information. Our Privacy Policy contains information about how you can do this. Our Privacy Policy also contains information about how you can make a complaint about a breach of privacy. The Privacy Policy is available on Qantas Super's website, [www.qantassuper.com.au](http://www.qantassuper.com.au).

**Marketing:** We may use your personal information to let you know about products and services and seminars that we think may be of interest to you. However, you may opt out of receiving marketing information at any time by using the contact details of the Trustee or Qantas Super's administrator provided below. More information is in our Privacy Policy which is available on Qantas Super's website, [www.qantassuper.com.au](http://www.qantassuper.com.au).

Trustee contact details:

The Privacy Officer  
Qantas Superannuation Limited  
GPO Box 4303  
Melbourne VIC 3001  
Phone: 1300 362 967

Administrator contact details:

The Privacy Officer  
Mercer Outsourcing (Australia) Limited  
GPO Box 4303  
Melbourne VIC 3001  
Phone: 1300 362 967

## 6 Other information

### Governing Qantas Super

#### The Trust Deed and Rules

The Trust Deed and Rules is a legal document governing Qantas Super, and sets out the rights and obligations of members, the Qantas Group and the Trustee. A copy of the Trust Deed and Rules is available on our website.

The Trustee has discretion to amend the Trust Deed and Rules, however Qantas Airways Limited must approve amendments to the Trust Deed and Rules.

Qantas Super is a complying, regulated superannuation fund under the Superannuation Industry (Supervision) Act 1993 (SIS). As a complying fund, Qantas Super is eligible to receive concessional tax treatment while it maintains its complying status.

#### The Trustee

Qantas Super's trustee is Qantas Superannuation Limited. The Board of Qantas Superannuation Limited comprises Directors who are either appointed by Qantas Airways Limited or elected by the members of Qantas Super. The Directors must ensure that Qantas Super is properly administered in accordance with the terms of the Trust Deed and Rules and complies with all legislation. For example, Qantas Super and its assets are kept entirely separate from the Qantas Group's assets.

The Trustee must also operate within the limits of current applicable legislation.

Directors appointed by Qantas Airways Limited may be removed at any time at the discretion of Qantas Airways Limited.

Employee Members elect Member-elected Directors. Member-elected Directors must be members of Qantas Super and employed by the Qantas Group to be eligible for election. Once elected, they serve for a maximum period of four years, or longer if re-elected.

A Member-elected Director may be removed from office under the provisions of the Trustee's Constitution, Qantas Super's Trust Deed and Rules or SIS in the event of the following:

- death;
- mental or physical incapacity;
- retirement;
- termination of employment;
- in the opinion of the Trustee, no longer meeting one or more of the criteria for fitness and propriety relevant to the Member-elected Director set out in the APRA Prudential Standards;
- becoming a disqualified person within the meaning of Part 15 of SIS or disqualified from managing corporations under Part 2D.6 of the Corporations Act;
- suspension or removal of the Trustee under Part 17 of SIS;
- resigning from the position of Director;
- tenure of the position expiring;
- ceasing to be a member of Qantas Super;
- ceasing to satisfy any condition required to be eligible for appointment;
- ceasing to be eligible to continue to act as a Director under the Board Renewal and Performance Assessment Policy; or
- on the written request to the Trustee by a simple majority of the members of the relevant group of Qantas Super.

The Trustee Directors are listed in Qantas Super's annual report each year and on our website.

## Definitions

In explaining how Qantas Super works, it is necessary to use certain terms which have a very specific meaning. These are defined below (or earlier in this document).

**Additional Voluntary Cover** You can apply to increase your death and Total and Permanent Disablement insurance cover to a level that you feel is right for you with our Additional Voluntary Cover. Please see the *Insurance Guide*, available on our website, for information about Additional Voluntary Cover, including how to apply.

**Dependant** means the following:

- your spouse which includes:
  - your husband, wife, widower or widow;
  - a person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple regardless of whether you are of the same sex or opposite sex; or
  - any other person (whether of the same or opposite sex) with whom you are in a relationship registered under a law of certain States or Territories (currently Queensland, Victoria, Tasmania, the ACT and NSW);
- your children which includes:
  - an adopted child, a stepchild or an ex-nuptial child;
  - a child of your spouse; and
  - someone who is your child under the Family Law Act 1975 (Cth);
- any person who, in the opinion of the Trustee, was wholly or partially financially dependent on you at the time of your death;
- any person with whom you had an interdependency relationship<sup>1</sup> at the time of your death; and

**Note:** Other conditions may need to be satisfied for an individual to qualify as a dependant, depending on circumstances at the time.

<sup>1</sup> An 'interdependency relationship' exists where you and another person satisfy the following four requirements at the time of your death:

- you had a close personal relationship; and
- you lived together; and
- one or each provided financial support to the other; and
- one or each provided domestic support and personal care to the other of a type and quality normally provided in a close personal relationship (other than by a friend or flatmate).

If a close personal relationship existed but the other requirements of an interdependency relationship were not satisfied because one or both of you suffered from a physical, intellectual or psychiatric disability, or if you are temporarily living apart, then an interdependency relationship may still exist.

**Member Voluntary Contributions** Refer to the relevant Information Booklet for your Defined Benefit Division for more information.

**Permanent Incapacity** means ill-health (whether physical or mental) where the Trustee is reasonably satisfied that you are unlikely, because of ill-health, to engage in gainful employment for which you are reasonably qualified by education, training or experience.

**Standard Insurance Cover / Standard Insurance Benefit** As a member of Divisions 1, 2 or 3, you are automatically covered 24 hours a day, seven days a week for death, disablement and Terminal Illness until your Superannuation Date. This automatic cover is known as Standard Insurance Cover. Standard Insurance Cover is part of a package of benefits for members, so you are not able to decline, change or cancel the cover.

**Superannuation Date** Generally, your Superannuation Date is the date at which you are entitled to a Qantas Super retirement benefit. Your Superannuation Date depends upon the division and category you're in.

**Temporary Incapacity** means ill-health (whether physical or mental) that caused you to cease to be gainfully employed but that does not constitute Permanent Incapacity.

**Terminal Medical Condition** means that two medical practitioners (including at least one specialist practicing in an area related to your illness or injury) have certified that you suffer from an illness or have incurred an injury, that is likely to result in your death within a period that is within 12 months of the date of certification and that period has not ended.

## Contacting us



**Postal  
address**

Qantas Superannuation Plan  
GPO Box 4303  
Melbourne VIC 3001



**Qantas Super  
Helpline**

1300 362 967 (within Australia)  
+61 3 8687 1866 (outside Australia)  
Monday to Friday 8am to 7pm AEST/AEDT



**Website and  
online enquiries**

[www.qantassuper.com.au](http://www.qantassuper.com.au)



**Fax Number**

+61 3 9245 5827