DIVISION 1

Information Booklet

for Division 1 members

Issued 17 March 2015

Contents

QANTAS SUPER

Before you start

Before you start to read this *Information Booklet for Division 1 members* (Information Booklet) you should be aware of the information below.

Qantas Super Division 1 (Division 1) is a division 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 Division 1 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).

This *Information Booklet* has been prepared and issued by the Trustee and outlines the superannuation arrangements for employees of the Qantas Group who are members of Division 1. It includes information about the benefits, options, entitlements and obligations of Division 1 members. Additional information about Qantas Super and general information about superannuation, which may be applicable to members of Division 1, is set out in the *Information Booklet Supplement for Defined Benefit members* (Information Booklet Supplement). This booklet is available on Qantas Super's website.

Full details of Division 1 are contained in the Qantas Superannuation Plan Trust Deed and Rules (Trust Deed), a copy of which is available on Qantas Super's website.

A number of terms used in this *Information Booklet* have specific meanings, which are set out in the Trust Deed. There are also other terms used throughout this *Information Booklet*, which are not set out in the Trust Deed, that have been created with an aim to simplify the explanation of some aspects of the benefit design.

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* 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* and the Trust Deed, the terms of the Trust Deed will prevail.

Information in this *Information Booklet* may be subject to change from time to time. Changes that are not materially adverse will be updated and made available on Qantas Super's website. You can request a paper copy of updated information at any time free of charge.

1 About Qantas Super – Division 1

Membership

Division 1, previously known as the Improved Old Benefits category, is a 'defined benefit' division of Qantas Super. **Division 1 was closed to new members on 1 July 1988.**

If you were employed by the Qantas Group before 1 July 1988 and have continued to be employed by the Qantas Group, you may be a member of Division 1.

Your membership category within Division 1 depends on your occupation:

- Category A: Ground Staff
- Category B: Flight Attendant
- Category C: Technical Aircrew

As a member of Division 1 you are entitled to receive a benefit when you leave the Qantas Group. The amount you are entitled to is based on a range of factors including your salary, length of service, age, amount of contributions and reason for leaving the Qantas Group e.g. retirement or resignation.

Benefits of being a member in Division 1

- **We exist entirely for the benefit of members.** We do not profit from Qantas Super members.
- **Guaranteed minimum benefit on retirement.** If you retire after your Superannuation Date you are guaranteed to receive a minimum benefit based on your age and years of service with the Qantas Group. This provides greater certainty over the amount you will have to live on in retirement.
- **Employer contributions.** The amount of Company Contributions depends on your membership category. Your employer also contributes up to 2% of your Member Compulsory Contributions.
- **Convenient payment options for making contributions.** You can make Member Voluntary Contributions by regular payroll deductions, using BPAY® or by cheque.

  ® Registered to BPAY Pty Ltd ABN 69 079 137 518
- **Ability to consolidate your super.** At any time you may roll over super balances from other super funds into your Division 1 account. Simply complete the online rollover tool by logging into your account at www.qantassuper.com.au.
- **Investment Choice.** You can choose how certain components of your super are invested. These components of your super include the balances of the accounts that make up your Supplementary Benefit (outlined on page 7). Refer to the *Information Booklet Supplement* for detailed information on the investment options available to you.
- **We provide flexible insurance cover.** You are automatically covered for death, Total and Permanent Disablement (TPD), total but temporary disablement and serious ill-health 24 hours a day, seven days a week. Conditions apply. You also have the flexibility to increase your death and TPD cover based on your personal circumstances (provided you satisfy the eligibility and other rules) with our Additional Voluntary Cover.
- **Access to Best Doctors through our insurer, MLC Limited.** Best Doctors is a free medical advice service provided by leading medical specialists around the world.
- **Enjoy the benefits of Qantas Super over your whole life.** When retirement approaches you can invest all or part of your benefit in our income stream solution.
- **Ability to nominate who you wish to receive your death benefit.** You can nominate the person or people you wish to receive your benefit in the event of your death. Qantas Super offers a non-binding death benefit nomination or a binding death benefit nomination.
- **Solutions for you and your spouse.** You and your spouse can join Qantas Super Gateway and take advantage of many of the features and benefits we provide in the Gateway division.
- **Keeping you informed.** To help you understand your benefits and make informed decisions, we provide a member website, regular communications and education seminars.
- **You can stay with Qantas Super if you leave the Qantas Group.** If you cease employment with the Qantas Group, you can, provided you meet the minimum balance requirement, keep your money with Qantas Super.

2 Your super benefit

Your super benefit is the amount of money you are entitled to receive from your super fund. Your Division 1 benefit is calculated taking into consideration a range of factors including your reason for leaving the Qantas Group, your age, salary, contributions and years of service at the time your benefit is determined.

Types of super benefit

Depending on your circumstances, you may be entitled to one of the following benefits:

Vested Benefits:

- Retirement Benefit;
- Early Retirement Benefit;
- Late Retirement Benefit;
- Resignation Benefit (including in the case of Summary Dismissal);
- Retrenchment Benefit (or Ill Health); or
- Serious Ill Health Benefit.

Insured Benefits:

- Death Benefit (including Terminal Illness);
- Total and Permanent Disablement (TPD) Benefit; or
- Disability Benefit (in the case of total but temporary disablement).

Vested Benefits are subject to a minimum equal to the Minimum Requisite Benefit (MRB) amount for the period up to your Superannuation Date. After this date, they are subject to a legislated Superannuation Guarantee (SG) Minimum requirement. The MRB is the minimum benefit needed to be paid to ensure that the Qantas Group meets its SG requirements. The Plan Benefit Certificate details how the MRB is calculated. Contact the Qantas Super Helpline if you'd like a copy of the Plan Benefit Certificate.

Your Death Benefit is subject to a Minimum Death Benefit (MDB) requirement. The MDB equals the MRB plus a minimum legislated death benefit. Refer to the *Information Booklet Supplement* for more information.

Components and factors for your super benefit

Your super benefit will be calculated using one or more of the following components/factors (depending on the type of benefit):

- Accumulated Credit;
- Additional Voluntary Cover;
- Age Factors;
- Credited Service;
- Discount Factor;
- Guaranteed Minimum Benefit;
- Insured Benefit;
- Past Service Accumulation;
- Past Service Sum Insured;
- Salary Factors;
- Supplementary Benefit; and
- Vesting Factors

Accumulated Credit

Your Accumulated Credit is the sum of:

- contributions made to your:
  - Member Contribution Balance (which is the aggregate of your Member Account and your Member Deemed Account); ***plus***
  - Company Account;

plus

- interest at the applicable Credited Interest Rates, less contributions tax, if applicable.

Your Member Contribution Balance will accrue compound interest at the following rates:

- for the period of membership up to 30 June 1987, 2.75% pa; ***plus***
- for the period of membership after 30 June 1987, at the applicable Credited Interest Rate, subject to a minimum of 2.75% pa.

Additional Voluntary Cover

You may be eligible to increase your death and TPD cover to a level that you feel is right for you by applying for **Additional Voluntary Cover**. Conditions apply. Refer to the *Your Insurance Guide – Additional death and TPD cover* booklet (Insurance Guide), available on our website, for more information, including the costs that apply.

Age Factors

	For members of	Date
Superannuation Date	Category A	1 July following your 60th birthday.
	Category B	1 July following your 55th birthday.
	Category C	1 July following your 55th birthday.
Retirement Date	Category A	Your Superannuation Date, or with the consent of your employer, any earlier date on or after your 55th birthday.
	Category B	Your Superannuation Date, or any earlier date on or after the first anniversary of your appointment following your 55th birthday.
	Category C	Your Superannuation Date, or at your employer's discretion, any earlier date on or after your 50th birthday.
Early Retirement Date	Category A	Not applicable
	Category B	Any date not more than 5 years prior to your Superannuation Date, subject to completing 20 or more years of Credited Service.
	Category C	Any date not more than 5 years prior to your Superannuation Date, subject to completing 20 or more years of Credited Service.

Credited Service

Credited Service is the length of time, in years and complete months, that you were continuously employed by the Qantas Group, excluding any period during which you were on unpaid leave or a casual employee. Adjustments may also be made for any periods of part-time employment.

Discount Factor

If you leave the Qantas Group before your Superannuation Date due to serious ill health, your Guaranteed Minimum Benefit (defined below) will be discounted by 3% for each complete year from the date of you leaving the Qantas Group (due to serious ill health) up to your Superannuation Date.

Guaranteed Minimum Benefit

Depending on the type of benefit you are eligible for, a component of your benefit may be guaranteed. This is known as your Guaranteed Minimum Benefit (GMB) and is calculated using the formula set out in the following table (and may be subject to discounting in the case of a Serious Ill Health Benefit):

For a member of:	Guaranteed Minimum Benefit
Category A	Your Final Average Salary x (8 x period of Credited Service completed after age 20 and prior to age 60) ÷ 40.
Categories B and C	Your Final Average Salary x (8 x period of Credited Service completed after age 20 and prior to age 55) ÷ 35.

Your Minimum Guaranteed Benefit is capped at a maximum of 8 times your Final Average Salary and is calculated based on your membership category at the date your benefit becomes payable.

Your period of Credited Service is calculated based on complete years and months, pro rata for part time service and may be impacted by any periods of unpaid leave.

Insured Benefit

Your Insured Benefit was initially determined based on your contributions and the Insured Benefit Factor (refer to Table 1 in the *Appendix* section) for your age when you joined Qantas Super. It increases by 2% each year, up to 10 years prior to your Superannuation Date. Your Insured Benefit also increases based on increases in your Company, Member Compulsory and Member Deemed Contributions and the Insured Benefit Factor applying to your age at the time the increase is calculated.

Past Service Accumulation

If you change membership categories while you are a member of Division 1 you may be entitled to receive a Past Service Accumulation (also known as a Past Service Benefit) as part of your total benefit.

A Past Service Accumulation is any additional amount of Company Contributions (see table below)and interest that you would have accumulated assuming you had been in your final category for the entire time you were a member of Division 1.

For the purposes of calculating your Past Service Accumulation it is assumed that:

For your period as a member of:	Company Contributions had been made at the following rates:
Category A	2 x your Member Compulsory Contributions ***plus*** Member Deemed Contributions ***plus*** Productivity Contributions.
Category B	2.5 x your Member Compulsory Contributions ***plus*** Member Deemed Contributions ***plus*** Productivity Contributions.
Category C	2.5 x your Member Compulsory Contributions ***plus*** Member Deemed Contributions ***plus*** Productivity Contributions.

Past Service Sum Insured

A Past Service Sum Insured is only applicable if you are survived by a Dependant and is calculated as: Past Service Accumulation x Past Service Sum Insured Factor (refer to Table 2 in the *Appendix* section).

Salary Factors

	Description
Superannuation Salary*	Includes your base pay and functional allowances but generally excludes any overtime, shift penalties, band payments (or equivalent) and other allowances. The hours included in your base pay vary in accordance with the requirements of your occupational group.
Final Average Salary (FAS)	Your highest final average annual Superannuation Salary calculated over any consecutive five years in the most recent 10 year period.

* Superannuation Salary amounts are as advised by the Qantas Group. Details on how salary is calculated can be found on the People section of the Qantas Group intranet, or by contacting Qantas People Services or the relevant payroll department.

Supplementary Benefit

Your Supplementary Benefit is made up of the following accounts within Division 1:

- Productivity Account;
- Voluntary Contribution Account (also known as Member Voluntary Account);
- Salary Sacrifice Account;
- Rollover Account;
- Surcharge Account;
- Family Law Account; and
- DB Offset Account.

For accounts other than the Surcharge Account and Family Law Account, your balance is the sum of any contributions credited to the account plus interest at the applicable Credited Interest Rate, less any contributions tax.

Any balances in your Surcharge Account and/or Family Law Account will be negative and are equal to the amount of any surcharge tax or family law payments made by us on your behalf, plus interest applied on the outstanding balances, less any contributions you make to offset these amounts. When you leave Division 1, any balance in these accounts is deducted from your benefit.

Note: You can choose how the accounts that make up your Supplementary Benefit (also known as voluntary accumulation accounts) are invested. Refer to the 'How we invest your money' section of the *Information Booklet Supplement* for more information.

Vesting Factors

Period of Credited Service (years)	Vesting Factor – Category A	Vesting Factor – Categories B and C
10	0.3333	0.5000
11	0.4000	0.6000
12	0.4667	0.7000
13	0.5333	0.8000
14	0.6000	0.9000
15	0.6667	1.0000
16	0.7333	1.0000
17	0.8000	1.0000
18	0.8667	1.0000
19	0.9333	1.0000
20	1.0000	1.0000

The Vesting Factors may be prorated where the period of Credited Service includes years and complete months.

Accessing your super benefit

All super accumulated after 30 June 1999 is subject to preservation. This includes any investment earnings credited to your super. The preservation rules, set out below, do not apply to any non-preserved super which had accrued before 1 July 1999.

Generally, you can only access the preserved portion of your super in cash when you permanently retire from the workforce after reaching your preservation age (between age 55 and 60 depending on your date of birth).

You may also be able to access your super in certain other circumstances such as if you become totally and permanently disabled or to start a transition to retirement account after reaching your preservation age. If you die, a death benefit will be payable to your beneficiaries. Please refer to the *Information Booklet Supplement* for information about nominating a beneficiary, including the different types of nominations and the conditions that apply.

If you resign or are retrenched from the Qantas Group, the preserved component of your benefit will need to be transferred to another division of Qantas Super or to another complying super fund. You will generally be able to access any non-preserved components of your benefit in cash.

Please refer to the *Information Booklet Supplement* for more information about when you can access your super, including details of the tax, if any, that may be payable.

3 Contributions

Contributions are the amounts of money you, or your employer, pay to your super. As a member of Division 1, you are required to make Member Compulsory Contributions to Qantas Super from your salary. You may also choose to make additional contributions, referred to as Member Voluntary Contributions, from your after-tax salary or request your employer to make additional contributions from your before-tax salary on your behalf.

Your employer also makes regular contributions (Company Contributions) on your behalf. The amount of Company Contributions depends on your membership category.

The Government has set general limits on the amount of contributions that can be made to super. Additional tax may be payable if these limits are exceeded. Please refer to the *Information Booklet Supplement* for more information.

This section outlines the types of contributions that may be, or in some cases are required to be, made to your Division 1 account.

Member Contributions

Member contributions include:

- Member Compulsory Contributions;
- Member Deemed Contributions;
- Member Voluntary Contributions; and
- Other Member Voluntary Contributions.

These are detailed in the following table.

<table>
<tr><th>Contribution type</th><th>Amount of contribution</th></tr>
<tr><td>Member Compulsory Contributions

Contributions you are required to pay to your Division 1 account.

You must make Member Compulsory Contributions each pay period until you reach your Superannuation Date.</td><td>

A percentage of your Superannuation Salary at the time you joined Qantas Super; plus
a percentage of each subsequent increase in your Superannuation Salary; less
your Member Deemed Contributions (if applicable).

The applicable percentage is based on your age at the time you joined Qantas Super, or at the time each additional Member Compulsory Contribution amount becomes payable, as set out in the following table:
<table>
<tr><th>Your age at the time you joined Qantas Super or when additional contribution becomes payable</th><th>% of your Superannuation Salary or Superannuation Salary increase</th></tr>
<tr><td>24 or less</td><td>4%</td></tr>
<tr><td>From 25 to 29</td><td>5%</td></tr>
<tr><td>From 30 to 34</td><td>6%</td></tr>
<tr><td>From 35 to 39</td><td>7%</td></tr>
<tr><td>From 40 to 44</td><td>8%</td></tr>
<tr><td>From 45 to 49</td><td>9%</td></tr>
<tr><td>50 and older</td><td>10%</td></tr>
</table>
The Member Compulsory Contributions you pay are subject to a minimum of 4% of your Superannuation Salary. If your Member Compulsory Contributions calculated as described above are less than 4%, your Member Deemed Contributions will be adjusted to ensure the minimum requirement is satisfied.

These contributions are deducted from your salary, either after-tax or before-tax. In the case of before-tax contributions, your contribution rate will be increased to allow for the 15% contributions tax.

Credited to your Member Account.

Note: Any increase in your Member Compulsory Contributions commences on the next 1 July following the increase in your Superannuation Salary or when any unrecognised salary increases accumulate to $1,000 pa or more.
</td></tr>
</table>

Contribution type	Amount of contribution
Member Deemed Contributions Contributions paid by your employer, as a before-tax contribution, until your Superannuation Date. These are deemed to be member contributions.	2% of your Superannuation Salary, provided that the Member Compulsory Contributions you pay are at least 4% of your Superannuation Salary. If required, the Member Deemed Contribution rate of 2% will be reduced by an amount required to ensure that your Member Compulsory Contributions meet the 4% minimum requirement. Credited to your **Member Deemed Account**.
Member Voluntary Contributions Additional amounts, if any, you choose to pay to your Division 1 account from your after-tax salary, or that you request your employer to make on your behalf from your before-tax salary.	**After-tax contributions** A percentage (via payroll deduction) or a dollar amount (via BPay or cheque) of your after-tax salary nominated by you. If you choose to make regular Member Voluntary Contributions you may vary the amount throughout the year. Changes will take effect from the next available pay period following your change notification being received. Credited to your **Voluntary Contribution Account (also known as Member Voluntary Account).**
	Before-tax contributions Also known as salary sacrifice contributions. These contributions are an amount agreed between you and your employer, and can be made on a regular basis or as one-off contributions at any time via payroll. Credited to your **Salary Sacrifice Account.**
Other Member Voluntary Contributions	**Surcharge offset contributions** A dollar amount nominated by you to offset all or part of any negative Surcharge Account balance arising from Surcharge Tax payments made to the Australian Tax Office by Qantas Super on your behalf. Surcharge Tax was applicable to certain contributions made between 20 August 1996 and 30 June 2005 by, or on behalf of, 'high income' earning members. Credited to your **Surcharge Account.**
	Family Law offset contributions A dollar amount nominated by you to offset all or part of any negative Family Law Account balance arising from any family law payments made on your behalf by Qantas Super to your spouse as a consequence of a divorce or split (under the Family Law Act 1975). Credited to your **Family Law Account.** **Note:** Surcharge Offset Contributions and Family Law Offset Contributions can only be made by you as lump-sum after-tax contributions to Qantas Super. These contributions cannot be made through payroll deductions.
	Transfers from other super funds If applicable, you may transfer amounts you hold in other approved superannuation funds to your Division 1 account. Any tax that may apply to this amount will be deducted when it is paid. Credited to your **Rollover Account.**

For further information on how you can make Member Voluntary Contributions, refer to the *Information Booklet Supplement*, available on our website.

Company contributions

Company contributions include:

- Company Contributions;
- Superannuation Guarantee (SG) Contributions;
- Member Deemed Contributions;
- Productivity Contributions; and
- Other Company Contributions.

These are detailed in the following table.

<table>
<tr><th>Contribution type</th><th colspan="3">Amount</th></tr>
<tr><td rowspan="7">Company Contributions
Before-tax contributions made by your employer on your behalf.
Company Contributions are made until your Superannuation Date.</td><td>Members of</td><td>Years of Credited Service</td><td>Company Contribution Rate</td></tr>
<tr><td rowspan="2">Category A</td><td>First 5 years</td><td>An amount equal to your Member Compulsory Contributions</td></tr>
<tr><td>Period after 5 years</td><td>2 x your Member Compulsory Contributions</td></tr>
<tr><td rowspan="2">Category B</td><td>First 2 years</td><td>An amount equal to your Member Compulsory Contributions</td></tr>
<tr><td>Period after 5 years</td><td>2.5 x your Member Compulsory Contributions</td></tr>
<tr><td>Category C</td><td>All</td><td>2.5 x your Member Compulsory Contributions</td></tr>
<tr><td colspan="3">Credited to the Company Account.</td></tr>
<tr><td>Member Deemed Contributions</td><td colspan="3">Contributions paid by the employer that are deemed to be Member Contributions. Refer to Member Deemed Contributions on previous page.</td></tr>
<tr><td>Productivity Contributions
An additional form of before-tax contributions made by your employer on your behalf.</td><td colspan="3">2% of your Superannuation Salary less Member Deemed Contributions.
Credited to your Productivity Account.</td></tr>
<tr><td>Superannuation Guarantee (SG) Contributions
Before-tax contributions made by your employer after your Superannuation Date.</td><td colspan="3">The SG amount specified by the Government.
Credited to your Productivity Account.</td></tr>
<tr><td>Other Company Contributions</td><td colspan="3">Additional contributions made by the Qantas Group for the purpose of establishing a reserve to cover death and disability liabilities.
Additional contributions will, if required, also be made to ensure there are sufficient assets within Qantas Super to meet the cost of the Guaranteed Minimum Benefit and Past Service Benefit.
Note: These contributions do not form part of your super benefit.</td></tr>
</table>

Other Contributions

Transfers from other super funds	If applicable, you may transfer amounts you hold in other complying superannuation funds to your Division 1 account. Any tax that may apply to this amount will be deducted when it is paid. Credited to your **Rollover Account.**
Government co-contribution	If you're a low or middle income earner the Government will contribute extra money to your account if you contribute your own money after-tax and meet certain rules. For more information, refer to our *Government super contributions* fact sheet available on our website. Credited to your **Voluntary Contribution Account**.
Low income super contribution	The Government will make a contribution (of up to $500) of 15% of eligible concessional contributions (including employer contributions) made by or for individuals with an adjusted annual taxable income of up to $37,000. For more information, refer to our *Government super contributions* fact sheet available on our website. Credited to your **Voluntary Contribution Account**.

4 How to calculate your super benefit

Calculating your Vested Benefit

The following table outlines the different types of vested benefits and how they are calculated. For details on when you can access these benefits as cash, refer to 'Accessing your super benefit' in the 'Your super benefit' section.

Benefit type	Amount
Retirement Benefit If you retire upon reaching your Retirement Date.	This is a lump sum benefit equal to: ■ Greater of your: – Accumulated Credit *plus* Past Service Accumulation; and – Guaranteed Minimum Benefit; ***plus*** ■ Supplementary Benefit.

Example

Tom is a Category B member who retires at age 55 after 21 years of Credited Service. His FAS is $52,000 and he has the following balances:

Member Contribution Balance $200,000, Company Account $350,000, Productivity Account $500 and Surcharge Account -$1,000. He has a $0 balance in all other accounts. His Past Service Accumulation is $25,000.

Accumulated Credit
= $200,000 + $350,000 = **$550,000**

Guaranteed Minimum Benefit
= $52,000 x (8 x 21) ÷ 35 = **$249,600**

Past Service Accumulation = **$25,000**

Supplementary Benefit = $500 - $1,000 = **-$500**

Tom's **Retirement Benefit** is:

The greater of:	
– Accumulated Credit *plus* Past Service Accumulation ($575,000); and – Guaranteed Minimum Benefit ($249,600)	$575,000
plus Supplementary Benefit	-$500
Total benefit	**$574,500**

Benefit type	Amount
Early Retirement Benefit If you retire after reaching your Early Retirement Date, but before your Retirement Date.	This is a lump sum benefit equal to your: ■ Accumulated Credit; ***plus*** ■ Past Service Accumulation; ***plus*** ■ Supplementary Benefit.

Example

Kate is a Category B member who retires at age 51 (within 5 years of her Superannuation Date) after 22 years of Credited Service. Her FAS is $70,000 and she has the following balances:

Member Contribution Balance $150,000, Company Account $300,000, Productivity Account $1,000 and Salary Sacrifice Account $50,000. She has a $0 balance in all other accounts and her Past Service Accumulation is $20,000.

Accumulated Credit
= $150,000 + $300,000 = **$450,000**

Past Service Accumulation = **$20,000**

Supplementary Benefit = $1,000 + $50,000 = **$51,000**

Kate's **Early Retirement Benefit** is:

Accumulated Credit; ***plus***	$450,000
Past Service Accumulation; ***plus***	$20,000
Supplementary Benefit.	$51,000
Total benefit	**$521,000**

Benefit type	Amount
Late Retirement Benefit If you retire after your Superannuation Date.	This is a lump sum benefit equal to your: ■ Retirement Benefit (as at your Superannuation Date); *plus* ■ Additional contributions (net of tax) made after your Superannuation Date, to your accounts that make up your Supplementary Benefit; *plus* ■ Additional interest (at the applicable Credited Interest Rates), credited after your Superannuation Date.

Example

Using the Retirement Benefit example on page 11, let's assume Tom retires instead at age 60 (five years after his Superannuation Date). His Retirement Benefit (as calculated on page 11, at his Superannuation Date) is $574,500.

Additional contributions (net of contributions tax) made to Tom's account following his Superannuation Date = $22,000. Calculated as:

SG Contributions (before-tax) of $20,000; ***plus***

Member Voluntary Contributions (after-tax) of $5,000; ***less***

Contributions tax (on the SG Contributions) of $3,000.

Additional interest of $2,000 is credited to Tom's account.

Tom's **Late Retirement Benefit** is:

Retirement Benefit; ***plus***	$574,500
Additional contributions; ***plus***	$22,000
Additional interest.	$2,000
Total benefit	**$598,500**

Benefit type	Amount
Resignation Benefit If you leave the Qantas Group prior to your Superannuation Date for reasons other than retirement, retrenchment, death, disablement or serious ill-health.	This is a lump sum benefit equal to your: ■ Accumulated Credit (with a Vesting Factor applied to the Company Account); *plus* ■ Supplementary Benefit. **Note:** If resignation is the result of a Summary Dismissal, the benefit paid will equal the Resignation Benefit minus the Company Account.

Example

George is a Category A member who resigns after 20 years of Credited Service. He has the following account balances:

Member Contribution Balance $70,000, Company Account $180,000, Productivity Account $1,000 Family Law Account -$10,000. He has a $0 balance in all other accounts.

Vesting Factor =
His vesting factor is 1.

Accumulated Credit
= $70,000 + (180,000 x 1) = **$250,000**

Supplementary Benefit
= $1,000 - $10,000 = **-$9,000**

George's **Resignation Benefit** is:

Accumulated Credit; ***plus***	$250,000
Supplementary Benefit,	-$9,000
Total benefit	**$241,000**

Benefit type	Amount
Retrenchment Benefit If you leave the Qantas Group prior to your Early Retirement Date, due to retrenchment or ill health.	This is a lump sum benefit equal to your: ■ Resignation Benefit; *plus* ■ Past Service Accumulation. **Note:** If you leave the Qantas Group due to ill health, but are not eligible for a Serious Ill Health Benefit or a TPD Benefit, you may be paid a benefit equal to the Retrenchment Benefit

Example

Following from the Resignation Benefit example on page 12, assume that George has been retrenched. His Resignation Benefit (as calculated on page 12) is $241,000.

He also has a Past Service Accumulation amount of $25,000.

George's **Retrenchment Benefit** is:

Resignation Benefit; ***plus***	$241,000
Past Service Accumulation.	$25,000
Total benefit	**$266,000**

Benefit type	Amount
Serious Ill Health Benefit If you leave the Qantas Group prior to your Superannuation Date, due to serious ill health, as determined by the Trustee after consideration of medical evidence.	This is a lump sum benefit equal to: ■ Greater of your: – Accumulated Credit *plus* Past Service Accumulation; and – Discounted Guaranteed Minimum Benefit (equals the Guaranteed Minimum Benefit reduced by the Discount Factor); *plus* ■ Supplementary Benefit.

Example

Sarah is a Category C member who ceases work due to serious ill health at age 48, after 21 years of Credited Service. Her FAS is $80,000 and she has the following balances: Member Contribution Balance $100,000, Company Account $250,000, Productivity Account $2,000 and Salary Sacrifice Account $50,000. She has a $0 balance in all other accounts and her Past Service Accumulation is $20,000. Sarah has 7 years remaining until she reaches her Superannuation Date.

Accumulated Credit
= $100,000 + $250,000 = **$350,000**

Past Service Accumulation = **$20,000**

Guaranteed Minimum Benefit (calculated up to date of leaving the Qantas Group)
= $80,000 x 8 x 21 ÷ 35 = **$384,000**

Discount Factor (calculated as 3% for each year from date of leaving the Qantas Group up to Superannuation Date) = 7 x 3% = **21%**

Discounted Guaranteed Minimum Benefit = $384,000 reduced by 21% = **$303,360**

Supplementary Benefit
= $2,000 + $50,000 = **$52,000**

Sarah's **Serious Ill Health Benefit** is:

The greater of her:	
– Accumulated Credit *plus* Past Service Accumulation ($370,000); and – Discounted Guaranteed Minimum Benefit ($303,360)	$370,000
plus Supplementary Benefit	$52,000
Total benefit	**$422,000**

Calculating your Insured Benefit

IMPORTANT NOTE: Your Disability Benefit, and a portion of your Death and Total and Permanent Disablement (TPD) Benefit which is above your relevant Vested Benefit, is known as Standard Insurance Cover. Standard Insurance Cover is provided through group policies with the Insurer and is subject to certain terms and conditions. These terms and conditions (including definitions that determine when an insurance benefit will be paid, how unpaid leave impacts your Standard Insurance Cover and how to make a claim) are detailed later in this section.

It is important to remember that although an insurance benefit may be payable to the Trustee as the policy owner, you can only receive that insurance benefit if the preservation rules have been satisfied (see 'Accessing your super' in the 'Your super benefit' section for more information). If an insurance benefit is paid to the Trustee as the policy owner and it cannot be paid to you under the preservation rules, it will be held in your account until a preservation rule has been satisfied.

You can't reduce the amount of standard insurance you have (you were automatically provided with this cover when you joined Qantas Super). But you can increase your insurance by buying voluntary insurance for death and total and permanent disablement (TPD). For more information please read the *Insurance Guide* available on our website.

If you cease employment with the Qantas Group, your insurance benefits may continue in a retained division within Qantas Super. Refer to our website for more information.

Benefit type	Amount
Death Benefit (with Dependants) Payable if you die (or are diagnosed with a Terminal Illness*), prior to your Superannuation Date, and you have a Dependant(s).	This is a lump sum benefit equal to: ■ Greater of your: – (greater of Accumulated Credit and Insured Benefit) *plus* Past Service Sum Insured; and – Guaranteed Minimum Benefit (calculated assuming you had remained a member until your Superannuation Date); *plus* ■ Supplementary Benefit. *plus* ■ Additional Voluntary Cover for death (if any).

* If you are diagnosed with a Terminal Illness, you may receive an advance payment of up to $3 million of your death cover.

Example

John is a Category B member who dies at age 40 after 20 years of Credited Service. He has 15 years remaining until his Superannuation Date. John has a Dependant. He has $100,000 of Additional Voluntary Cover for death. His FAS is $50,000. He has the following balances: Member Contribution Balance $80,000, Company Account $150,000, Productivity Account $500 and Salary Sacrifice Account $10,000. He has a $0 balance in all other accounts. John's Insured Benefit is $200,000 and his Past Service Accumulation is $50,000.

Accumulated Credit
= $80,000 + $150,000 = **$230,000**

Past Service Sum Insured
= $50,000 x 1.63430 = **$81,715**

Guaranteed Minimum Benefit
= $50,000 x (8 x 35) / 35 = **$400,000**

Supplementary Benefit
= $500 + $10,000 = **$10,500**

John's **Death Benefit (with Dependants)** is:

The greater of his:	
– Accumulated Credit (which has been determined to be greater than John's Insured Benefit) *plus* Past Service Accumulation ($311,715); and – Guaranteed Minimum Benefit ($400,000)	$400,000
plus Supplementary Benefit	$10,500
plus Additional Voluntary Cover	$100,000
Total benefit	**$510,500**

Benefit type	Amount
Death Benefit (without Dependants) Payable if you die (or are diagnosed with a Terminal Illness*) prior to your Superannuation Date, and you **do not** have a Dependant(s).	This is a lump sum benefit equal to: ■ Greater of your: – Accumulated Credit; and – Insured Benefit *plus* ■ Supplementary Benefit *plus* ■ Additional Voluntary Cover for death (if any).

* If you are diagnosed with a Terminal Illness, you may receive an advance payment of up to $3 million of your death cover.

Example

Following on from the Death Benefit (with Dependants) example above, assume that John has no Dependants upon his death.

John's **Death Benefit (without Dependants)** is:

Accumulated Credit (which has been determined to be greater than John's Insured Benefit)	$230,000
plus Supplementary Benefit	$10,500
plus Additional Voluntary Cover	$100,000
Total benefit	**$340,500**

Benefit type	Amount
TPD Benefit (with Dependants) Payable if you become Totally and Permanently Disabled (as defined under the Trustee's insurance policy with the Insurer and set out on page 19), prior to your Superannuation Date, and have a Dependant(s).	This is a lump sum benefit equal to: ■ Greater of your: – Accumulated Credit *plus* Past Service Accumulation; and – Guaranteed Minimum Benefit (calculated assuming you had remained a member until your Superannuation Date); *plus* ■ Supplementary Benefit (minus the Productivity Account); *less* ■ Any Disability Benefit (see below) or other payments, relating to your disability, already paid; *plus* ■ Additional Voluntary Cover for TPD (if any). Your TPD Benefit will not be less than any Vested Benefit for which you would have otherwise been eligible. **Note:** If you become totally and permanently disabled, you may, with the approval of the Trustee and the Qantas Group, elect to receive a monthly Disability Benefit instead of a TPD lump-sum Benefit.

Example

Louise is a Category A member who becomes permanently disabled at age 45 after 25 years of Credited Service. She has 15 years remaining until her Superannuation Date. Louise has a Dependant. She has $0 Additional Voluntary TPD Cover. Her FAS is $60,000 and she has the following balances:

Member Contribution Balance $100,000, Company Account $180,000, Voluntary Contribution Account $20,000 and Productivity Account $1,000. She has a $0 balance in all other accounts. Louise's Past Service Accumulation is $50,000.

Accumulated Credit
= $100,000 + $180,000 = **$280,000**

Past Service Accumulation = $50,000

Guaranteed Minimum Benefit
= $60,000 x (8 x 40) / 40 = **$480,000**

Supplementary Benefit (minus Productivity Account
= $20,000 - $1,000 = **$19,000**

Louise's **TPD Benefit (with Dependants)** is:

The greater of her:	
– Accumulated Credit *plus* Past Service Accumulation ($330,000); and – Guaranteed Minimum Benefit ($480,0000)	$480,000
plus Supplementary Benefit	$19,000
Total benefit	**$499,000**

Benefit type	Amount
TPD Benefit (without Dependants) Payable if you become Totally and Permanently Disabled (as defined under the Trustee's insurance policy with the Insurer and set out on page 19), prior to your Superannuation Date, and **do not** have a Dependant(s).	This is a lump sum benefit equal to: ■ Accumulated Credit *plus* Past Service Accumulation; *plus* ■ Supplementary Benefit *less* ■ Any Disability Benefit (see below) or other payments, relating to your disability, already paid; *plus* ■ Additional Voluntary Cover for death (if any). Your TPD Benefit will not be less than any Vested Benefit for which you would have otherwise been eligible. **Note:** If you become totally and permanently disabled, you may, with the approval of the Trustee and the Qantas Group, elect to receive a monthly Disability Benefit instead of a TPD lump-sum Benefit.

Example

Following on from the TPD Benefit (with Dependants) example on the previous page, assume that Louise has no Dependants upon becoming permanently disabled.

Louise's **Death Benefit (without Dependants)** is:

Accumulated Credit *plus* Past Service Accumulation	$330,000
plus Supplementary Benefit.	$19,000
Total benefit	**$349,000**

Contributions during a period of total and permanent disablement

If you qualify for a TPD Benefit, but elect to receive a monthly Disability Benefit instead of a TPD lump sum Benefit, you may also elect to stop making Member Compulsory Contributions while you are in receipt of the monthly Disability Benefit during a period of total and permanent disablement. However, the years of Credited Service used to calculate your Minimum Guaranteed Benefit for Death or Retirement Benefit purposes will be adjusted to deduct the period during which no Member Compulsory Contributions are made.

Company Contributions will cease during a period of monthly Disability Benefit payments for total and permanent disablement.

Benefit type	Amount
Disability Benefit Payable if you are totally but temporarily disabled (and satisfy the definition of Totally Disabled* under the Trustee's insurance policy with the Insurer and set out on page 19). If you are a Category C member you will not be entitled to a Disability Benefit if a benefit is payable under Loss of Licence Insurance^.	Regular monthly payments (payable, in arrears, up to your Superannuation Date) equal to: ■ 70% of your Superannuation Salary; *less* ■ other income earned during this period or lump sum payments relating to the disability e.g. other disability income, insurance payments or income from other paid work (see 'Other income that reduces/offsets a Disability Benefit' on page 18 for more information); *plus* ■ $185.20[1] per month (indexed to AWOTE at 1 April each year), towards your premiums for private health insurance. Note: This benefit is only payable to you in arrears after a minimum waiting period of 90 days (subject to using up any accrued sick or annual leave). If a disability claim recurs within 6 months of you returning to full time work, your claim will be treated as a continuation of the original claim. There will be no new waiting period so you can claim as soon as the disability recurs. The cause of the disability must be the same or related to the cause of the original disability.

* A proportion of the Disability Benefit may be paid to you, if you return to work in a reduced capacity and satisfy the definition of Partially Disabled under the Trustee's insurance policy with the Insurer and set out on page 19.

^ Refer to the *Application of Loss of Licence Insurance Plan* fact sheet, available on our website.

[1] As at 1 April 2014

Example

Stuart is injured at home and becomes totally but temporarily disabled. His Superannuation Salary at the time of injury is $65,000.

Stuart's **Disability Benefit** payment will be equal to:

(70% x $65,000) ÷ 12 + $185.20[1] = **$3,976.87 per month**

Contributions during a period of total but temporary disablement

Member Compulsory Contributions continue while you are in receipt of a monthly Disability Benefit. These contributions will be funded by the Qantas Group during the period of total but temporary disablement.

Company Contributions will also continue to be made during a period of Disability Benefit payments.

Other income that reduces/offsets a monthly TPD or Disability Benefit

Your monthly TPD or Disability Benefit may be reduced by other income you receive, or are entitled to receive, from other sources. This includes, but is not limited to:

- other income you are entitled to or receive for disability from employment under another insurance policy,
- workers compensation payments, social security payments or other similar compensation payments under state, federal or common law, and
- monies paid in respect of any claim for past or future economic loss arising from any claim you make for personal injury.

Any income from a source which is in the form of a lump sum, or is commuted to a lump sum, will be converted to an equivalent monthly income amount for the purpose of determining the amount of the offset to be applied.

When do monthly TPD or Disability Benefit payments stop?

Your monthly TPD or Disability Benefit payments will stop if any of the following occur:

- you cease to be a member of Division 1;
- you cease employment (Disability Benefit only);
- if applicable, you are no longer Totally or Partially Disabled as defined;
- if applicable, you are no longer Totally and Permanently Disabled as defined;
- you reach your Superannuation Date;
- for total but temporary disablement, you are no longer under the regular and continuous care of a doctor who is acceptable to the Insurer;
- for total but temporary disablement, you fail to provide the Insurer with all the information and evidence reasonably required to assess your claim;
- for total but temporary disablement, you are paid a TPD lump sum or Terminal Illness Benefit; or
- you die.

5 Other important insurance information

Definitions for TPD and Disability

On 1 August 2014*, under new insurance policies with the Insurer (MLC), the following new definitions were introduced for TPD and Disability Benefits.

Total and Permanent Disablement (TPD) Benefit – lump sum and/or monthly benefit	**TPD** means a member having been absent from his or her Occupation solely through injury or Illness for a period of 3 consecutive months and incapacitated to such an extent that, in the Insurer's opinion, after consideration of medical and other relevant evidence, the member was, in the Relevant Period, unlikely to ever engage in or work for reward in any occupation for which he or she is reasonably suited by education, training or experience. 'Relevant Period' means: ■ for an member whose employment with the Employer has terminated prior to the end of the period of the member being absent from employment for 3 consecutive months, the day on which the member was absent from employment for 3 consecutive months; or ■ for all other members, the period commencing at the end of the period of the member being absent from employment for 3 consecutive months and ending on the earlier of: – 12 consecutive months' absence from his or her Occupation solely through injury or Illness; or – the date of termination from employment with the Employer.
Disability (total but temporary disablement) Benefit – monthly benefit	**Total Disability** or **Totally Disabled** means that, solely as a result of an injury or Illness, you are continuously: ■ unable to perform at least one of the Important Duties of your Own Occupation, and ■ under the care of and following the regular and continuous advice for treatment from a Doctor in relation to that Illness or injury; and ■ not engaged in any occupation, paid or unpaid. **Partial Disability** or **Partially Disabled** means that immediately following at least 14 consecutive days of Total Disability and as a direct result of the injury or Illness which caused the Total Disability, you return to work in your own or another occupation and are: ■ continuously unable to perform the Important Duties of your Own Occupation; ■ earning less than your Monthly Income prior to Total Disability; ■ under the continuous care and following the advice for treatment from a Doctor in relation to that Illness or injury.

* Prior to 1 August 2014, the Insured Benefits for Division 1 were wholly self-insured, this meant that whenever the Trustee paid an Insured Benefit to a member, the amount (including the amount above the Vested Benefit) was paid from Qantas Super's assets without being backed by an insurance policy.

These are terms defined in the Trustee's insurance policies with the Insurer. The Trustee may change insurer or policy terms at any time. The Trustee has arrangements in place with the Insurer and the Company from 1 August 2014 and ensure that members are not adversely impacted by the changes to the definitions.

Do these new definitions apply to me?

The new definitions for TPD and Disability Benefits apply for any claim you submit after 1 August 2014, except if:

- you were not at work on the last working day before 1 August 2014 due to illness or injury, and you have not returned to work[1] and you subsequently submit a TPD or Disability Benefit claim for an Illness/injury that first occurred or became apparent before 1 August 2014; or
- you were entitled to or are already receiving a TPD or Disability Benefit on 1 August 2014; or
- you lodged a claim for a TPD or Disability Benefit before 1 August 2014 and a final decision has not yet been made on that claim.

If the new definitions do not apply to you, the old definitions will continue to apply.

[1] Return to work means you are actively performing all the duties and work hours of your usual occupation with your employer, for 30 consecutive days, free of any limitation due to injury or Illness. During this period, you'll have Limited Cover. Refer to 'Limited Cover' in the 'Definitions' section.

How to make a claim

Death

Once we are advised of your death, we will send claim forms to the person advising us of the claim, or to anyone nominated as a possible beneficiary.

Terminal Illness, TPD and Disability

If you'd like to make a claim, you should notify us as soon as possible. We'll send you the relevant claim forms to complete and return. The Insurer will assess your claim and will liaise with you directly if additional information or medical evidence is required.

You'll be required to provide, at your own expense, reports from two treating doctors prepared using the forms we send you. The Insurer may also require you to undergo further medical assessment with a Doctor of its choice, at the Insurer's expense.

If you lodge a claim for Terminal Illness, TPD or Disability more than one year after the event giving rise to the claim and the delay results in the Insurer's interests being prejudiced, your claim may be declined or reduced.

When a decision has been made by the Insurer about your claim, you will be advised of the decision in writing.

If you don't understand the decision or would like further information, please contact us.

When your Standard Insurance Cover ends

Your Standard Insurance Cover in Division 1 ceases on the earliest of the following events:

- the date you cease Employment;
- your Superannuation Date;
- for death and TPD lump sum, the date you take out a continuation option;
- for Death and TPD cover, two years (or five years if you've taken leave without pay/parental leave to work for another part of the Qantas Group) after you commence leave without pay/parental leave approved by your employer, if you have not returned to work. This term may be extended in special circumstances as approved by the Insurer;
- for Disability cover, the day you commence leave without pay/parental leave. Disability cover will recommence provided you return within a maximum leave period of two years (five years if you have taken leave without pay/parental leave to work for another part of the Qantas Group);
- the day before you commence service in the armed forces of any country (excluding Australian Defence Force Reservists not deployed overseas);
- for death, when a TPD lump sum Benefit is paid or if you receive your Death Benefit prior to your death;
- for TPD lump sum, when you elect to receive a TPD monthly Benefit or if you receive your Death Benefit prior to your death; or
- you die.

Other insurance conditions and features

The following conditions and features apply to you if your claim is eligible for assessment under the new definitions for TPD and Disability that applied from 1 August 2014. Refer to 'Definitions for TPD and Disability Benefits' for more information.

Conditions and features	What this means
Maximum insured benefits	Your Standard Insurance Cover will be subject to a maximum of $3 million for death and $3 million for TPD lump sum. Monthly TPD and Disability Benefits are subject to a maximum of $30,000 a month. Your combined cover in Qantas Super – that is, standard cover in your defined benefit division, standard cover in your accumulation division (if applicable) and Additional Voluntary Cover – is subject to a maximum of $10 million for death and $3 million for TPD.
Exclusions on your monthly TPD or Disability Benefit	A monthly TPD or Disability Benefit will not be payable if your disability arises directly or indirectly from: ■ normal and uncomplicated pregnancy or childbirth; ■ war or warlike operations (except where you are performing your duties of employment); or ■ service in the armed forces.
Continuation option (applies to death and TPD lump sum benefits only)	If you leave employment with the Qantas Group (for reasons other than ill-health) and leave Qantas Super, you may be eligible to continue your death and TPD lump sum cover by buying a policy direct with the Insurer – without having to provide further medical evidence. This is called a continuation option. You must be under age 60 and have your continuation option approved and accepted by the Insurer within 60 days of leaving employment or leaving Qantas Super. You will be responsible for paying premiums directly to the Insurer. The amount of the premiums will depend on the premium rates the Insurer charges for individual policies. If you'd like a quote for a continuation option, please call the Insurer, MLC Limited, on (02) 8908 6111 or email them at group_insurance@mlc.com.au. For TPD lump sum cover, you must commence full time employment with another employer within 90 days of ceasing employment with the Qantas Group. The Insurer may also have additional eligibility criteria before a continuation option is offered.
Ancillary benefits (applies to Disability Benefits for total but temporary disablement only) An ancillary benefit is coverage for specific expenses that may be incurred during the period of your disablement.	The Insurer may pay ancillary benefits in some circumstances where a Disability Benefit is being paid. The following benefits may be payable: ■ Rehabilitation expense benefit ■ Bereavement benefit ■ Family carer benefit ■ Emergency transport benefit ■ Workplace modification benefit **Rehabilitation expense benefit**: If you are receiving Total or Partial Disability Benefits, the Insurer may meet an expense incurred on your behalf as the result of your participation in a rehabilitation program. The Insurer must approve the program before the expenses are incurred, your Doctor must approve the program, and the maximum amount payable is 24 times your monthly Disability Benefit minus any amount that can be claimed from any other source. These expenses must be incurred directly to help you return to work in a gainful occupation, or to undertake a vocational retraining program because of your disability. The Insurer has the discretion to pay this expense.

Conditions and features	What this means
Ancillary benefits (cont)	**Bereavement benefit**: If you die while Total or Partial Disability Benefits are being paid to you, then the Insurer will pay a lump sum equal to three times your monthly Disability Benefit from the date of your death. (This payment will be made to the Trustee, and will be passed onto your estate.) **Family carer benefit**: This benefit will be paid if a member of your family takes employer-approved leave of absence without pay to care for you while you are suffering a Total Disability for which you are receiving benefits. This may be payable for up to six months. The amount will be the lesser of: ■ the amount the Insurer estimates the carer would have earned if you had not been disabled; or ■ $3,000 a month. This benefit accrues, and payment will commence from the later of the end of the waiting period and the date the family member takes leave without pay from employment to care for you. The family member must not have been employed by you, or be an employee of an entity under your control, or of which you are a principal or director. This benefit is paid to you, but must not exceed 100% of your pre-disability Monthly Income. **Emergency transport benefit**: If you have an Illness or injury which results in Total or Partial Disability the Insurer will reimburse you for emergency transportation costs incurred up to $500. This benefit will not be payable if the emergency transport costs are payable from any other source. **Workplace modification benefit**: If Total or Partial Disability Benefits are being paid to you, the Insurer may pay Qantas Super an additional benefit up to 2.5 times your monthly Disability Benefit for the purpose of modifying your workplace to facilitate your return to work. Payment of this benefit is at the Insurer's discretion.
Leave without pay/ Parental leave	Upon commencing leave without pay/Parental leave: ■ Your death and TPD cover will continue uninterrupted for a maximum of two years (or five years if you have taken leave without pay to work for another part of the Qantas Group). After this time, if you haven't returned to work, your cover will cease and you'll need to be underwritten if you want cover reinstated upon your return to work; and ■ Your Disability cover will be suspended during your period of leave. Upon returning to work, your cover will recommence provided you return within a maximum leave period of two years (or five years if you have taken leave without pay to work for another part of the Qantas Group). After this time, you'll need to be underwritten if you want your cover reinstated upon your return to work. If your cover needs to be extended beyond the initial two or five year period, you will need to obtain the Insurer's written approval to extend cover at least 60 days before the expiry of the relevant period. The Insurer has an absolute discretion whether to approve this extension of cover.
Interim Accident cover	If you're eligible to apply for recommencement of Standard Insurance Cover for death, TPD and Disability cover and are required to undergo the underwriting process, you'll receive interim Accident cover during this period. This cover is different to the insurance you'll be applying for. The Interim Accident cover will be paid for injury resulting from an Accident, and will commence when the Insurer has received a fully completed request for insurance form and declaration of health in the form it requires. The interim Accident Benefit will be the lesser of the Benefit being applied for, the Benefit that would be allowed under the Insurer's normal assessment guidance, and: ■ $15,000 per month for monthly TPD or Disability; ■ $1 million for death and TPD lump sum. You'll receive an interim Accident Benefit if you die, suffer Total Disability or Total and Permanent Disability (if applicable) as a result of an injury while you're covered by the interim Accident Cover.

Conditions and features	What this means
Interim Accident cover (cont)	It will expire on the earliest of these situations: ■ 90 days after the commencement of the interim Accident cover; ■ the date on which the Insurer gives notice that the request for insurance under the policy is accepted; ■ the date on which the Insurer cancels the interim Accident cover; ■ the date either you or the employer cancels or withdraws the request for insurance; or ■ the date you cease to be eligible for cover. Interim Accident Benefit will not be payable for: ■ Injury to you caused by engaging in hazardous pastimes or sports that would not be covered under normal assessment guidelines; ■ Injury occurring prior to you becoming eligible. It will also not apply if: ■ The cover you've applied for would have been declined under the Insurer's current assessment guidelines; or ■ You lodge a claim for an event or condition that would have been excluded under the Insurer's normal underwriting process. The Insurer will pay only one Benefit under this interim Accident cover for any one Accident to any person.
Duty of disclosure	Before you can be provided with underwritten cover under an insurance policy issued by the Insurer, you must disclose to the Insurer every matter that you know, or could reasonably be expected to know, which is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms. You must also disclose those matters to the Insurer before your insurance cover is extended, varied or reinstated. However, you're not required to disclose a matter that diminishes the risk to be undertaken by the Insurer, is of common knowledge, that the Insurer knows or, in the ordinary course of business, ought to know, or for which your duty of compliance is waived by the Insurer. **Non-disclosure** If you fail to comply with this requirement to disclose certain information to the Insurer and the Insurer would not have provided the insurance cover for you on any terms if the failure had not occurred, the Insurer may avoid the insurance cover provided to you within three years of providing it. If your nondisclosure is fraudulent, the Insurer may avoid the insurance cover at any time. If the Insurer is entitled to avoid insurance cover, the Insurer may, within three years of providing cover, elect not to avoid the insurance cover but reduce the sum that you have been insured for, in accordance with a formula that takes into account the premium that would have been payable if you'd disclosed all relevant matters to the Insurer.

6 Fees and costs

The table below outlines the administration and insurance costs you may incur as a member of Division 1. Tax and costs relating to investment options may also be incurred. Please refer to the *Information Booklet Supplement* for full details about these fees and costs.

Type of cost	Amount	How and when paid
Administration costs	Determined annually based on the administration expenses incurred by us and attributable to Division 1, as a percentage of contributions.	Deducted from your Company Account on 30 June each year, and on exit. The actual costs you pay are detailed in your annual statement.
Standard Insurance Cover – death	An amount equal to (Your Death Benefit – Your relevant Vested Benefit) ÷ 1000 x Death Benefit Insurance Cost Factor. Refer to the table on page 25 for the applicable Death Benefit Insurance Cost Factors.	Deducted annually from your Company Account on 30 June each year, and on exit. The cost of insurance is recalculated at 1 July each year based on your age as at that date.
Standard Insurance Cover – TPD and Disability	The cost of this cover is met by the Qantas Group.	
Additional Voluntary Cover – death and TPD	If you choose to purchase Additional Voluntary Cover, this cost is paid by you and deducted from one of your super accounts monthly.	

Qantas Super may be eligible to claim a tax deduction for premiums paid for Standard Insurance Cover, Additional Voluntary cover and for any administration costs. Where we are eligible to claim a tax deduction, we may pass the benefit of this deduction directly onto our members. The premium rates below and in the *Insurance Guide* do not take into account any tax deduction.

In circumstances where you are required to submit a specific application so that the Insurer may assess your eligibility for cover, the Insurer may approve the cover you have applied for subject to a loading; being additional premiums above the normal premiums. You will be notified if this applies to you.

Premium rates are subject to change in accordance with the policy terms. We will notify you at least 30 days prior to any increase in premium rates taking effect.

Death Benefit Insurance Cost Factors

Age	Factor per $1,000 of insurance	Age	Factor per $1,000 of insurance
16	0.33	39	0.51
17	0.33	40	0.56
18	0.33	41	0.62
19	0.33	42	0.69
20	0.33	43	0.78
21	0.33	44	0.88
22	0.33	45	0.99
23	0.34	46	1.12
24	0.34	47	1.26
25	0.34	48	1.42
26	0.34	49	1.60
27	0.34	50	1.80
28	0.34	51	2.01
29	0.35	52	2.25
30	0.35	53	2.51
31	0.35	54	2.79
32	0.36	55	3.11
33	0.37	56	3.44
34	0.38	57	3.82
35	0.40	58	4.22
36	0.42	59	4.67
37	0.44	60	5.16
38	0.47	61	5.70

7 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).

Accident means an event where bodily injury is caused directly and solely by external and visible means, independently of all other causes.

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. Conditions apply.

Benefit means the death, Terminal Illness, TPD, Disability and interim Accident benefits.

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[1] at the time of your death; and
- any other person who is a dependant under the Superannuation Industry (Supervision) Act 1993 (Cth).

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

[1] 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.

Doctor means a registered medical practitioner who is acceptable to the Insurer and who is not you, your spouse, family member, business partner, employee or Employer.

Employed means engaged in regular employment with the Qantas Group.

Employment Generally means continuous employment in the service of the Company including any period of leave of absence with the consent and approval of the Company.

Illness means a sickness, disease or medical disorder.

Important Duties The duties of your occupation which are essential in producing a salary.

Insurer MLC Limited ABN 90 000 000 402.

Limited Cover means you are only covered by the Insurer for claims arising from an Illness which first became apparent or an injury which first occurred on or after you became eligible for cover.

Monthly Income 1/12th of your Superannuation Salary.

Occupation means the employment or activity in which you were employed.

Own Occupation The normal occupation in which you are employed immediately prior to becoming Totally Disabled.

Qantas Group/Company/Employer Includes Qantas Airways Limited ABN 16 009 661 901 and any other associated employers.

Standard Insurance Cover/Standard Insurance Benefit As a member of Division 1, 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 category you're in.

Terminal Illness means you suffer an Illness which in the Insurer's opinion, after consideration of medical evidence, would reasonably be expected to reduce your life expectancy to less than 12 months. The reduced life expectancy must occur while you are a member of Division 1 and have Standard Insurance Cover and/or Additional Voluntary Cover.

Vested Benefit means the accrued benefit you are entitled to upon ceasing employment for reasons not due to Illness or injury.

8 Appendix

Table 1 – Insured Benefit Factors

Category A members

Age Next Birthday	Insured Benefit per $1 Monthly Contribution	Age Next Birthday	Insured Benefit per Fortnightly Contribution
16	732	16	1,587
17	712	17	1,543
18	692	18	1,500
19	692	19	1,457
20	652	20	1,414
21	633	21	1,372
22	613	22	1,330
23	594	23	1,288
24	575	24	1,247
25	556	25	1,207
26	538	26	1,166
27	520	27	1,127
28	501	28	1,087
29	483	29	1,048
30	466	30	1,010
31	448	31	972
32	431	32	934
33	414	33	897
34	397	34	860
35	380	35	824
36	363	36	788
37	347	37	752
38	331	38	717
39	315	39	682
40	299	40	648
41	283	41	614
42	268	42	581
43	253	43	548
44	238	44	516
45	223	45	484
46	208	46	452
47	194	47	421
48	180	48	390
49	167	49	362
50	154	50	334
51	141	51	306
52	126	52	273
53	109	53	236
54	94	54	204
55	80	55	173
56	65	56	141
57	51	57	111
58	38	58	82
59	25	59	54
60	12	60	26

Category B and C members

Age Next Birthday	Insured Benefit per $1 Monthly Contribution	Age Next Birthday	Insured Benefit per Fortnightly Contribution
16	633	16	1,372
17	613	17	1,330
18	594	18	1,288
19	575	19	1,247
20	556	20	1,207
21	538	21	1,166
22	520	22	1,127
23	501	23	1,087
24	483	24	1,048
25	466	25	1,010
26	448	26	972
27	431	27	934
28	414	28	897
29	397	29	860
30	380	30	824
31	363	31	788
32	347	32	752
33	331	33	717
34	315	34	682
35	299	35	648
36	283	36	614
37	268	37	581
38	253	38	548
39	238	39	516
40	223	40	484
41	208	41	452
42	194	42	421
43	180	43	390
44	167	44	362
45	154	45	334
46	141	46	306
47	126	47	273
48	109	48	236
49	94	49	204
50	80	50	173
51	65	51	141
52	51	52	111
53	38	53	82
54	25	54	54
55	12	55	26

Table 2 – Past Service Sum Insured Factors

Years remaining until your Superannuation Date	Factor	Years remaining until your Superannuation Date	Factor
0	1.00000	30	2.19956
1	1.04000	31	2.24356
2	1.08160	32	2.28842
3	1.12486	33	2.33419
4	1.16986	34	2.38088
5	1.21665	35	2.42850
6	1.26532	36	2.47706
7	1.31593	37	2.52661
8	1.36857	38	2.57713
9	1.42331	39	2.62867
10	1.48024	40	2.68125
11	1.50984	41	2.73488
12	1.54004	42	2.78957
13	1.57085	43	2.84536
14	1.60226	44	2.90228
15	1.63430	45	2.96032
16	1.66699	46	3.01953
17	1.70034	47	3.07991
18	1.73434	48	3.14151
19	1.76902	49	3.20433
20	1.80440	50	3.26843
21	1.84049	51	3.33380
22	1.87730	52	3.40047
23	1.91485	53	3.46848
24	1.95315	54	3.53785
25	1.99221	55	3.60860
26	2.03206	56	3.68078
27	2.07269	57	3.75439
28	2.11415	58	3.82948
29	2.15643	59	3.90606

Note: The above factors are used to calculate against a period of years and complete months.

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