Issued 1 October 2015

Qantas Super Division 10

Member Guide Supplement

Contents

QANTAS SUPER

About this document

This *Qantas Super Division 10 Member Guide Supplement* (Member Guide Supplement) is designed to provide you with details about your benefits and entitlements and to describe the features of Division 10 including the options available to you.

The information in this document forms part of the *Qantas Super Division 10 Member Guide Product Disclosure Statement* (PDS) issued on 1 October 2015.

These documents should be read together, along with the following documents available on our website:

- the *Investment Guide*; and
- the *Voluntary Cover Insurance Guide*.

Please read these documents carefully and keep them with your personal financial documents. Each year you will receive an annual statement, which will show details of your transactions and current benefit entitlements. We also publish 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. We recommend 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.

Note: We may update this *Member Guide Supplement* from time to time. For the latest version, 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.

Qantas Super Division 10 (Division 10) 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 10 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). If you are covered by an enterprise agreement which selects Division 10 of Qantas Super as the default super fund, and you are eligible for membership in Division 10, you will automatically be admitted as a Division 10 member.

How super works

Building your benefits

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

Who can contribute?

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.

Spouse contributions cannot be made for you from age 70.

Types of contributions

There are different types of contributions that can be made. These include:

Concessional (before-tax) contributions

These include employer contributions and any contributions made from before-tax salary:

- **Employer contributions.** Minimum contributions are required to be made by your employer under the Superannuation Guarantee (Administration) Act 1992 (SG) to a complying super fund. Your minimum contributions may be greater than the SG requirements due to your entitlement to an employer agreed minimum amount. Contact Qantas People Services if you are unsure of your minimum super contributions.
- **Personal contributions made from before-tax salary.** If permitted by Qantas Airways Limited, you can ask your employer to deduct extra money from your pay before tax is taken out. This is called a salary sacrifice contribution.

> **Note:** Self-employed contributions, where you intend to claim a tax deduction, are not accepted for any members in Qantas Super.

Non-concessional (after-tax) contributions

These include contributions made from after-tax salary where a tax deduction is not claimed, such as:

- **Personal and spouse contributions.** You or your spouse can make contributions from after-tax monies.

Other contributions

Other types of contributions include:

- **Government co-contribution.** The Government has a scheme to help people on low to middle incomes save for their retirement. If you're a low or middle income earner the Government will contribute extra money (up to $500 annually) 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.
- **Low income super contribution.** The Government will make a contribution (up to $500 annually) of 15% of eligible concessional contributions (including employer contributions) made up to and including 30 June 2017, by or for individuals with an adjusted taxable income of up to $37,000. For more information, refer to the *Government super contributions* fact sheet available on our website.

You can rollover your other super into Division 10

Having all your super in the one fund means you won't pay multiple fees to different funds. It may also make managing your super easier, save you time and may mean you're less likely to lose track of your super. To rollover other super into your account in Division 10, simply lodge a rollover request by logging into your account online and we'll arrange it with your other super fund. Or complete the relevant form available on our website and return it to us. (Note: Tax may apply to rollovers from some Government super funds. Refer to 'Managing your account' in the 'Benefits of investing with Qantas Super Division 10' section 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 need to pay additional tax. For more information about the caps on contributions to super, refer to the 'How super is taxed' section.

> ALERT: Only you can monitor the level of contributions made to all of your super funds against your contribution caps. Neither the Trustee nor your employer is able to 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 preserved super in cash unless you satisfy a 'condition of release', being one of the following:

- You reach your preservation age (see table below) and you permanently retire from the workforce[1];
- You are age 60 or over and you cease your current employment[1];
- You reach age 65[1];
- You reach your preservation age and you transfer your super into a transition to retirement income stream which pays you regular income payments and cannot be converted to a lump sum after commencement (except in limited circumstances), such as an Income Account in Qantas Super Gateway (Gateway)[1];
- You suffer Permanent Incapacity;
- You have a Terminal Medical Condition; or
- You die.

Preservation age

Your preservation age depends on your date of birth and 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

Other conditions of release

You may be able to access a portion of your preserved super in cash in other circumstances, being:

- severe financial hardship[1];
- compassionate grounds[1]; or
- Temporary Incapacity.

Please refer to our website for more information on these.

[1] A current or former holder of a temporary visa, who is not a permanent resident of Australia, or a citizen of Australia or New Zealand, is not eligible to access super benefits under these conditions of release.

Contribution splitting

Contribution splitting allows you to transfer any voluntary concessional contributions above your employer SG minimum contributions (after the deduction of any applicable contributions tax) made to your account, up to the concessional contributions 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 account, employer SG (concessional) contributions and non-concessional contributions cannot be split.

Split contributions to your spouse's super may be transferred to their account in Gateway or another approved super fund. 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 a spouse (as set out in the definition of 'Dependant' under '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 not ever previously gainfully employed;
- Applications for a contribution split may only be made for concessional contributions received in the prior financial year, unless you are exiting Qantas Super;
- If you are exiting Qantas Super, your concessional contributions in the current financial year may be split at the time of exit; and
- You must complete the relevant 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.

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 and Rules allows the Trustee to pay part or all of a member's account in accordance with the 'split', direct to the non-member spouse, to an existing account (if any) for the non-member spouse in Qantas Super or to another super arrangement of their choice. Preservation requirements apply to the amount paid to, or for, the non-member spouse.

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 deducted from a member's account in accordance with the separation agreement or order, and consistent with the Family Law Act. 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.

Fees and costs apply when the Trustee provides information. Refer to the 'Fees and costs' section for more information.

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, their 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.

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 Taxation 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 account has not yet been transferred to the ATO, you may be eligible to 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.

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 balance if:

- it is less than $2,000; or
- the account has been inactive for a period of 12 months and the Trustee is satisfied that it will never be possible to pay an amount to the member.

If your account is transferred, you will be able to reclaim it from the ATO. From 1 July 2013 interest will be paid 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 and portability

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're eligible to choose your fund.

In addition, you may request that the Trustee pay some or all of the balance in your existing account 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 any existing account balance in Division 10 to another super fund, you will become a Retained Member in our Gateway division. In this event, your remaining account balance in Division 10 will be transferred to Gateway and any Standard Cover you have for death and total and permanent disablement (TPD) will continue as Fixed Dollar Basic Cover in Gateway. Any Voluntary Cover you have would also continue in Gateway. Refer to the 'Insurance in your Super' section for more information about your insurance in Division 10 and the 'Leaving Division 10' section for more information about becoming a Retained Member in Gateway.

Benefits of investing with Qantas Super Division 10

Who can join Division 10

Qantas Super is the default super fund for eligible employees of the Qantas Group. Your employer will let you know if you're eligible to join Division 10 when you commence employment, and you will automatically become a member when you start work (unless you choose another super fund before your employer makes a contribution to Division 10).

Your spouse can join Qantas Super

If you're a member of Qantas Super and employed by the Qantas Group, you can apply to establish an account in Gateway for your spouse.

To be eligible, your spouse must not already be a member of Qantas Super, and must satisfy the definition of a spouse (as set out in the definition of 'Dependant' in 'Definitions' in the 'Other information' section).

See the *Qantas Super Gateway Product Disclosure Statement* available on our website for information about opening an account for your spouse.

Keeping in touch

If we've got your email address, we'll generally use this as the main way of keeping in touch with you and for sending you important information about your super. If you prefer to receive things in the post, log into your account online to change your communication preferences, or call the Qantas Super Helpline on 1300 362 967 to let us know.

Financial advice

We offer you access to a range of financial advice services. This advice is provided by independent licensed financial advisers, either over the phone or face-to-face.

Simple super advice over the phone. This service is provided over the phone, and is available to Qantas Super members for a range of common questions such as:

- What is the right investment option for you?
- Do you have the right level of insurance cover?
- How are you tracking for retirement? What is the level of income you are likely to achieve in retirement?
- How can you maximise your retirement income by using any surplus cashflow now?

Simply contact the Qantas Super Helpline.

There is no additional cost to you for simple advice – the costs are included in the portion of the administration fees paid by you and by the Qantas Group on your behalf.

Comprehensive advice. For advice that is designed specifically for you, taking into account all your financial arrangements both inside and outside of super, you can make an appointment with an independent licensed financial adviser. An independent licensed financial adviser can help you with wealth building strategies, effectively transitioning to retirement, managing your money if you're moving overseas or about to receive a payment due to suffering from TPD or a Terminal Illness, or help you if you're about to receive a redundancy payment.

You can call your own financial adviser, or you can call the Qantas Super Helpline and we can arrange an appointment with an independent licensed financial adviser who is familiar with Qantas Super.

A fee will generally apply for comprehensive advice. In many cases, the cost of advice relating to your account in Qantas Super can be paid from your super. Refer to the 'Fees and costs' section for more information.

The value of your account in Division 10

The value of your account is calculated as:

- Contributions made into your account; plus
- Transfers and rollovers into your account; less
- Withdrawals, rollovers and transfers out of your account; less
- Fees, costs and taxes; less
- Any insurance premiums for Voluntary Cover; plus or minus
- Investment earnings.

Managing your account

Adding money to your account

You can add money to your account in a number of ways:

- **Regular payroll deduction**

  If you want to make additional regular voluntary contributions to your account, 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 account.

  You can commence, change or cancel your regular voluntary contributions at any time. Changes will generally take effect from your next available pay.

  Simply complete the Qantas Group's online *Superannuation contribution authority* form available from the People section of the Qantas Group intranet or from our website. Alternatively, you can contact Qantas People Services or the relevant payroll department.

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 ad hoc after-tax (non-concessional) contributions to your account 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. All you need is Qantas Super's BPAY biller code, and your individual BPAY reference number which can be found by:

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

® Registered to BPAY Pty Ltd ABN 69 079 137 518

- **Ad hoc contributions by cheque**

  You may also make additional ad-hoc after-tax (non-concessional) contributions by completing the relevant form available on our website and returning it to us (at the address on the form) with a cheque made payable to 'Qantas Superannuation Limited'.

- **Rollover to consolidate super**

  At any time you may rollover super balances from other super funds into your account. Simply lodge a rollover request by logging into your account online at www.qantassuper.com.au and we'll contact your other super fund to arrange the transfer. Or you can complete the relevant form available on our website and return it to us. Tax may apply to rollovers from some Government funds.

Making contribution decisions:

The level of any contributions you may wish to make will depend on your personal circumstances and tax position. We recommend 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.

Withdrawals from your account

You can make a withdrawal from your account in the following ways:

- **Lump sum withdrawal**. If you have satisfied a relevant condition of release under the preservation rules (see 'Accessing your benefits' in the 'How super works' section), you may make a lump sum withdrawal in cash from your account at any time.

  There is no limit on the number of lump sum withdrawals you can make each year from your account.

- **Transfers to another fund**. You can transfer all or part of your existing balance out of Qantas Super to another super fund (called portability) if a transfer has not been made from your account in the previous 12 months.

  If you are making a partial transfer, your total account balance remaining in Division 10 after the transfer must be at least $5,000.

  Transfers will normally be made within three business days (if you have not made an investment choice for your account in Division 10) 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. For more information about the Term Deposit option, see the *Investment Guide* available on our website.

To request a withdrawal or transfer, complete the relevant form available on our website. Proof of identity requirements apply (detailed on the form).

Transfers to or from KiwiSaver

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

Qantas Super does not accept transfers from a complying New Zealand KiwiSaver Scheme into your account.

Opening an Income Account in Gateway

If you're an existing member of Qantas Super and you wish to start receiving regular income payments from your super before you stop working, you may be eligible to transfer your super into a transition to retirement income stream which pays you regular income payments. Qantas Super provides an income stream solution in our Gateway division. In Gateway you can open an Income Account – which can be used to commence an income stream as part of your transition to retirement strategy. Please read the *Qantas Super Gateway Product Disclosure Statement* for more information about opening an Income Account.

Note: Any portion of your account balance that is invested in the Term Deposit option cannot be transferred to an Income Account in Gateway prior to the end of the nominated term. In this case, you must also leave a minimum account balance (excluding any portion invested in the Term Deposit) of $5,000 in Division 10 at the time you transfer to an Income Account.

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 withdrawal from your account, you may need to provide us with certain documents as proof of identification. Payments generally cannot be paid unless this is provided. For more information about proof of identification requirements, please refer to the relevant form on our website or contact us.

Nominating your beneficiaries

You can nominate the person or people you wish to receive your benefit in the event of your death. Division 10 offers a:

- non-binding death benefit nomination; or
- binding death benefit nomination.

You can choose which type of nomination you wish to make.

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.

Non-binding 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 proportions. Benefits are paid as lump sum amounts under a non-binding death benefit nomination.

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

How to make a non-binding nomination

Complete the relevant form available on our website. Or you can make a non-binding nomination online.

Binding nomination

If you provide Qantas Super with a binding nomination that is valid and remains 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 if they remain eligible at the date of your death.

This means, if you die, your death benefit will be paid as a lump sum to the dependants and/or legal personal representative you have nominated in the proportions set out in your nomination.

Making a binding nomination

To make a valid binding nomination for your account, you must complete the relevant form available on our website.

For a **binding 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;
- the allocation of your death benefit between each of the nominated beneficiaries must be clear and add up to exactly 100%;
- the binding nomination must be made on the relevant Qantas Super 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 form;
- the binding nomination must be given to the Trustee before the date of your death; and
- the binding nomination must be made or last confirmed within the past three years and must not have been revoked subsequently.

If the relevant form does not satisfy all 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 (for example, a nominated spouse is, at the date of your death, no longer your spouse and therefore not considered an eligible dependant) 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, the death benefit will be paid to your legal personal representative.

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

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

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

You can amend, confirm or revoke your binding nomination by completing a new form available on our website.

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

Leaving Division 10

If you:

- cease employment with the Qantas Group, or
- elect to have your employer contributions paid to another super fund (choice of fund),

you will automatically become a Retained Member in our Gateway division and your account balance in Division 10 will automatically be transferred to Gateway after your final super contributions have been received and processed by Qantas Super, effective the date you ceased employment or the date your choice of fund election is effected.

You will no longer be a member of Division 10 once your account has been transferred into Gateway. Generally, you cannot transfer back into Division 10.

Upon transfer to Gateway:

- You will receive a new member number and PIN for logging into your account online;
- Fees and costs applicable for Gateway (including administration fees) and insurance premiums will apply to your account from commencement of your Gateway membership;
- Your beneficiary nomination will be transferred to your Gateway account; and
- The amount of your insurance cover for death and TPD (if any) will continue in Gateway (however, the way it is calculated and the cost of cover may change) – see 'Insurance as a Retained Member' in this section.

For full details about membership as a Retained Member in Gateway, please refer to the *Qantas Super Gateway PDS* available on our website.

Note: Upon transfer to Gateway, your account will be invested as follows:

Account balance. Your transferred benefit will be invested in the same investment options and in the same proportion that applied to your account balance in Division 10 on the day of exit.

Future contributions. If you have chosen investment options for future contributions in Division 10, this will continue to apply in Gateway. If you have not chosen investment options for your future contributions in Division 10, then all future contributions will be invested in Glidepath, the default option in Gateway.

Minimum account balance for Retained Members in Gateway

If you're a Retained Member in Gateway, there is a minimum balance requirement of $5,000 for your account. This requirement will generally be tested no sooner than 45 days after you become a Retained Member in Gateway. If your account balance is below $5,000 at that time, we will transfer your benefit out of Gateway and into Qantas Super's nominated eligible rollover fund (ERF). We may also do so if your account balance falls below $5,000 at any subsequent time. Refer to 'Eligible Rollover Fund' in the 'Other information' section for details of our nominated ERF.

Insurance as a Retained Member in Gateway

- When you become a Retained Member:
  - Any Standard Cover for death and TPD you have in Division 10 as at the date you cease employment, or at the date your choice of fund election is effected will be transferred to your Gateway account as Fixed Dollar Basic Cover[1]. Your Fixed Dollar Basic Cover will be set as a fixed dollar amount based on the amount of Standard Cover for death and TPD you have on the date you ceased employment or your choice of fund election was effected. Any restrictions, exclusions or premium loadings will continue to apply;
  - Insurance premiums are deducted from your account in Gateway to meet the cost of your insurance cover. It is very important to note that you currently do not pay for a portion of your Standard Cover but you will commence paying for all of your Basic Cover when you become a Retained Member in Gateway. **These costs might be significant**;
  - Your Fixed Dollar Basic Cover in Gateway can be cancelled or reduced at any time and premium deductions will then stop or be reduced. To cancel or reduce your Fixed Dollar Basic Cover, complete the relevant form available on our website; and
  - Any Voluntary Cover for death and TPD you have in Division 10 as at the date you cease employment, or at the date your choice of fund election is effected, will be transferred to your Gateway account as Voluntary Cover and premiums continue to be deducted from your account. Any restrictions or exclusions continue to apply. For more information, refer to the *Voluntary Cover Insurance Guide* available on our website.

[1] If you subsequently lodge a claim for a TPD benefit after you cease employment or your choice of fund election is effected, the rules for determining and calculating your TPD benefit will be determined by the division you were in at the date of disablement.

Fees and costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100,000 to $80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. Your employer may be able to negotiate to pay lower administration fees. Ask the fund or your financial adviser.[1]

To find out more

If you would like to find out more, or see the impact of the fees and costs based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

[1] Please note the fees and costs in Qantas Super are not negotiable.

The wording shown above is included as it is prescribed by law.

The table on the next page shows fees and other costs that you may be charged. These fees and other costs may be deducted from your account, 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 cover 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[1]	Amount	How and when paid
Investment fee[2]	A percentage (%) pa of your account balance as shown in the table below:	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 Division 10 before the CIR is declared). It is not deducted directly from your account but is reflected in the CIR, or interim CIR, applied to your account. A different percentage fee applies to each investment option and to each investment stage in Glidepath.

Investment option	Base fee[3]	Performance-based fee[3]
Glidepath		
– Take-Off stage	0.51	0.00 – 0.15
– Altitude stage	0.48	0.00 – 0.15
– Cruising stage	0.46	0.00 – 0.14
– Destination stage	0.43	0.00 – 0.14
Aggressive	0.51	0.00 – 0.15
Growth	0.48	0.00 – 0.15
Balanced	0.43	0.00 – 0.14
Conservative	0.39	0.00 – 0.13
Cash	0.17	0.00 – 0.00

Type of fee[1]	Amount	How and when paid
	Term Deposit option $25 for each term deposit investment.	Deducted directly from your account at the time funds are invested in this option (in the same proportions that your account is invested in one or more investment options at the date of deduction).
Administration fee	$1 per week ($52 pa)[4]	Calculated and deducted from your account monthly in arrears or when you leave Division 10 (in the same proportions that your account is invested in one or more investment options at the date of deduction).
Buy-sell spread	Nil	Not applicable.
Switching fee	Nil	Not applicable.
Exit fee	Nil	Not applicable.
Advice fee *relating to all members investing in a particular investment option*	Nil	Not applicable.
Other fees and costs[5]	$150 for family law information requests	Paid by the eligible person requesting the information at the time of the request.
Indirect cost ratio[6]	Nil	Not applicable.

Refer to 'Defined fees' in this section for the definition of each type of fee.

[1] Fees are inclusive of any applicable stamp duty and GST (less any reduced input tax credits) payable by Qantas Super.

[2] Includes all investment costs incurred by the Trustee that relate to each investment option.

[3] Estimated for 2015/2016.

[4] The balance of the administration fee is paid by the Qantas Group on your behalf. A portion of the amount paid by you and by the Qantas Group goes towards the cost of your Standard Cover.

[5] Refer to 'Additional explanation of fees and costs' in this section for more information and details of other fees, such as insurance fees and advice fees for personal advice.

[6] The indirect cost ratio is based on the indirect costs of the investment option. See 'Defined fees' in this section.

Additional explanation of fees and costs

Tax

The fees and costs 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.

Qantas Super may be eligible to claim a tax deduction for certain expenses incurred by Qantas Super and for premiums paid for insurance cover for eligible members. Where we are eligible to claim a tax deduction for insurance premiums, we will pass the benefit of this tax deduction directly onto eligible members. An estimate of the expense related tax deductions is taken into account when determining Qantas Super's administration fees and any variance between the estimated and actual tax deductions is paid to or borne by Qantas Super's general assets.

Insurance fees

A deduction from your account of $1 per week is made as a contribution towards the costs of administration and your Standard Cover. The costs of administration and your Standard Cover above $1 per week are met by the Qantas Group on your behalf. Legislation requires that the amount of these costs, which are met by the Qantas Group, be included in the value of concessional contributions counted towards your concessional contributions cap. Refer to the 'How super is taxed' section for more information.

Insurance premiums for Voluntary Cover, if applicable, will be deducted according to your age, your occupational group, the type and level of cover you have and are deducted from your account balance on a monthly basis. Refer to the 'Insurance in your super' section for more information.

Family law fees

The Family Law Act allows Qantas Super to charge fees for certain activities relating to family law. In Division 10, a family law fee of $150 applies for a request for information.

Investment fees

Investment fees represent the direct costs of investing and managing your 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 account but are reflected in the CIR applied to your account. 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 and each investment stage in Glidepath. 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 account. 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 base fees (excluding the Term Deposit option) 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.

Investment fees for Qantas Super's investment options include base fees and performance-based fees (except for the Term Deposit option – see below).

- Base fees

  Base 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 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 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.

Advice fee for personal advice

If you seek advice from an eligible (as determined by the Trustee) licensed financial adviser about your Qantas Super account, the fees charged by the financial adviser for this advice may be deducted from your account as authorised by you. These fees (if applicable) will be detailed in the Statement of Advice provided by the adviser.

Defined fees

Following are the standard, industry definitions of the fees that may be charged by certain products within a superannuation fund.

Note: Not all of the fees below apply to Qantas Super. Refer to the 'Fees and costs' table in this section for details of the fees and costs that apply.

Activity fees – A fee is an activity fee if:

- the fee relates to costs incurred by the trustee of the super fund that are directly related to an activity of the trustee:
  - that is engaged in at the request, or with the consent, of a member; or
  - that relates to a member and is required by law; and
- those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

Administration fees – An administration fee is a fee that relates to the administration or operation of the super fund and includes costs incurred by the trustee of the fund that:

- relate to the administration or operation of the fund; and
- are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Advice fees – A fee is an advice fee if:

- the fee relates directly to costs incurred by the trustee of the super fund because of the provision of financial product advice to a member by:
  - the trustee of the fund; or
  - another person acting as an employee of, or under an arrangement with, the trustee of the fund; and
- those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

Buy-sell spreads – A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the super fund in relation to the sale and purchase of assets of the fund.

Exit fees – An exit fee is a fee to recover the costs of disposing of all or part of members' interests in the super fund.

Indirect cost – An indirect cost of a MySuper product or an investment option offered by a super fund means any amount that:

- the trustee of the super fund knows, or reasonably ought to know, will directly or indirectly reduce the return on the investment of a member of the fund in the MySuper product or investment option; and
- is not charged to the member as a fee.

Indirect cost ratio – The indirect cost ratio for a MySuper product or investment option offered by a super fund, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the super fund attributed to the MySuper product or investment option. Note: a dollar-based fee deducted directly from a member's account is not included in the indirect cost ratio.

Insurance fee – A fee is an insurance fee if:

- the fee relates directly to either or both of the following:
  - insurance premiums paid by the trustee of a super fund in relation to members of the fund;
  - costs incurred by the trustee of the superfund in relation to the provision of insurance for members of the fund; and
- the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

Investment fees – An investment fee is a fee that relates to the investment of the assets of a super fund and includes:

- fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- costs incurred by the trustee of the fund that:
  - relate to the investment of assets of fund; and
  - are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Switching fees – A switching fee is a fee to recover the costs of switching all or part of a member's interest in the super fund from one class of beneficial interest in the fund to another.

For more information on our MySuper product, refer to the *Qantas Super Gateway PDS*, available on our website.

How super is taxed

This section provides a general explanation as to how Australian tax legislation may apply to Qantas Super and your benefits. However, 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 on your benefits.

Tax on contributions

Concessional contributions

Concessional contributions (under the cap – see below) are generally taxed at 15%. An additional 15% tax will apply to individuals with combined earnings and concessional contributions exceeding $300,000 in an income year.

Note: Concessional contributions include any before-tax contributions made to your super (employer and salary sacrifice contributions) and also the value of any administration fee and insurance costs that are met by your employer. Refer to the *Concessional contributions – Division 10* fact sheet on our website for information on how to calculate the value of concessional contributions paid by your employer for your Division 10 account.

Concessional contributions cap

The concessional contributions cap in each year is:

- $30,000, indexed annually in line with AWOTE in increments of $5,000 (rounded down); or
- if, on the last day of the previous financial year, you are age 49 or more – $35,000[1]

[1] This amount is not indexed.

The Australian Taxation Office (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 will also have the option to withdraw, via the ATO, any excess concessional contributions (less the 15% contributions tax) from your account. Upon request in the approved form, Qantas Super will transfer the excess concessional contributions (less the 15% contributions tax) to the ATO. You will be refunded this amount net of any tax you owe through the issue of an amended income tax assessment.

Unless withdrawn in this way, any concessional contributions in excess of the cap will also count against the non-concessional contributions cap.

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

ALERT: If you have more than one super fund, all concessional contributions made to all your funds will be added together and collectively count towards the cap.

Only you are able to monitor the level of concessional contributions made to all of your super funds against your cap. Neither the Trustee nor your employer is able to do this on your behalf. Qantas Super can accept concessional contributions above the cap.

Non-concessional contributions

No tax is paid on non-concessional contributions (NCCs) within the NCC cap. NCCs above the cap will generally be taxed at the rate of 49%. This tax is payable by you, and you must withdraw this amount from your account to pay the tax.

Alternatively, you may have an option to withdraw the excess. In that case you will be also required to withdraw an amount of imputed earnings on which you will be taxed.

Non-concessional contributions cap

For the 2015/2016 year the non-concessional contributions (NCC) cap is $180,000. This amount is indexed annually.

If you are under 65 on 1 July in a financial year, and your NCCs exceed the annual cap, you will trigger an aggregation of your cap for that year and the following two years. Assuming you contributed within the annual NCC caps in 2013/2014 and 2014/2015, but exceeded that cap for the 2015/2016 financial year this would give you an aggregated limit of $540,000 for the three year period encompassing the 2015/2016, 2016/2017 and 2017/2018 financial years. You can then make a total of $540,000 NCCs in the 2015/2016 year if you wish, but any further NCCs you make for the following two years will be in excess of the cap.

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

Only you are able to monitor your NCCs made to all of your super funds against the NCC cap. Neither the Trustee nor your employer is able to do this on your behalf.

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.

The tax on investment returns is incorporated into the Credited Interest Rates (CIRs) and Interim Credited Interest Rates (ICIRs) for each investment option (except the Term Deposit option) which are declared on an after-tax basis. CIRs and ICIRs are the rate of investment earnings applied to your account. For the Term Deposit option, the tax on interest earned is deducted before interest is credited to your account. For more information on CIRs and ICIRS, please read the *Investment Guide* available on our website.

Tax on withdrawals

Tax on lump sum withdrawals

For **taxation** purposes, lump sum withdrawals will be divided into two parts – a tax free component and a taxable component.

If you withdraw any part of your account as a lump sum after age 60, generally no tax will be payable.

Prior to age 60 some tax may be payable on the taxable component. This tax will be deducted from your benefit by Qantas Super.

The tax payable depends on your age. If you are:

- **age 60 and over**. Generally you won't pay tax on withdrawals from your account.
- **aged between your preservation age and 60**. The first $195,000[1] of your taxable component is tax free. Amounts of the taxable component above this limit are taxed at up to 17%[2].
- **under your preservation age**. The full 'taxable component' is taxed at 22%[2].

There is generally no tax payable if your benefit is paid to you due to a Terminal Medical Condition.

For further information on tax on your benefit, refer to our *Tax on Super* fact sheet, available on our website or by contacting us.

[1] Indexed in line with changes in AWOTE in increments of $5,000, and reduced by the taxable components of lump sum amounts previously received from Qantas Super or another fund since reaching preservation age.

[2] Inclusive of the current Medicare Levy of 2%.

Tax on death benefits

Death benefit paid as a lump sum

Death benefits paid to dependants (as defined under tax laws) as a lump sum are tax-free. Death benefits paid to a non-dependant (under tax laws) may be subject to tax of up to 32% (including the Medicare levy).

Note that a 'dependant' for these tax purposes differs from the definition of 'Dependant' in the 'Other information' section. An adult child is not a 'dependant' for these tax purposes unless the child is actually dependent on you at the time of your death (e.g. dependent on financial support) or otherwise in an interdependency relationship with you.

Tax will generally be withheld at the rates shown in the table below:

Paid to	Tax-free component	Taxable component
Dependant (for these tax purposes)	Nil	Nil
Non-dependant (for these tax purposes)	Nil	15%[1] tax plus Medicare levy, currently 2%[2].

[1] Tax on a portion of the taxable component paid to a non-dependant may need to be withheld at 32%.

[2] Some higher income taxpayers and families without qualifying private hospital insurance cover also pay a Medicare levy surcharge. Some taxpayers do not pay Medicare levy or pay it only at a reduced rate.

If some or all of your death benefit is paid to your legal personal representative, the tax payable will depend on who the benefit is ultimately paid to (a dependant or non-dependant under tax laws). The appropriate tax is a matter for your legal personal representative to determine. Qantas Super is not required to withhold tax from lump sums paid to a legal personal representative.

The tax-free and taxable components of a death benefit before adding any anti-detriment payment (described below) are paid proportionately from your account. Any anti-detriment payment is added solely to the taxable component.

Anti-detriment payments

Where a lump-sum benefit is to be paid to certain eligible Dependant(s), 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 is only made where a death benefit is paid to an eligible Dependant.

Benefit transferred or rolled over

If your account 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.

Temporary residents

The taxable component of a benefit paid to a former temporary resident as a Departing Australia Superannuation Payment is taxed at 38%.

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 (subject to Trustee discretion);
- the tax on contributions to your super 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.

The Qantas Group will automatically provide the TFN to Qantas Super for new employees who provide their TFN to the Qantas Group. To check whether Qantas Super has your TFN, log into your account online or contact us.

Insurance in your super

There are terms used in this section 'Insurance in your super' that have a specific meaning. Those terms are listed and defined under 'Definitions' in the 'Other information' section.

Your insurance options at a glance

Division 10 provides eligible members with flexible insurance cover. You are covered 24 hours a day, seven days a week.

Standard Cover

We offer you Standard Cover in Division 10 for:

- **Death**. A lump sum amount is paid, on top of your account balance, if you die while you are a member of Division 10. Conditions apply. (If you meet the definition for Terminal Illness, you may receive an advance payment of your Standard Cover for death. Conditions and limits apply.)
- **Total and permanent disablement (TPD)**. A lump sum amount is paid, on top of your account balance, if you become totally and permanently disabled while you are a member of Division 10. Conditions apply.

Circumstances that must be satisfied for your Standard Cover to be paid are detailed under 'When is my Standard Cover paid?' in this section.

Voluntary Cover

Voluntary Cover provides you with further flexibility when it comes to arranging insurance cover at a level you feel is right for you and your personal circumstances. Eligible members can apply for Voluntary Cover for death and TPD or death only. The premiums for Voluntary Cover are paid by you. Any approved Voluntary Cover is separate to any Standard Cover provided in Division 10.

Different terms and conditions, and premium rates apply to Voluntary Cover. Refer to the *Voluntary Cover Insurance Guide* available on our website for more information.

Standard Cover

Eligibility for Standard Cover

When you join Division 10, subject to meeting the eligibility requirements detailed in the table below, you are automatically provided with Standard Cover for death and TPD.

Cover type	Death, Terminal Illness and TPD[1]
Eligible members	■ Members of Division 10
Ceasing age for cover	Death (including Terminal Illness): 60 TPD: 60
Maximum amount of cover in Qantas Super	Death: $10 million[2] (inclusive of Terminal Illness up to $3 million) TPD: $3 million[2]
Conditions for eligibility	To be eligible for Standard Cover for death and TPD, you must: ■ be under the ceasing age for Standard Cover; and ■ be an Australian resident who has always lived in Australia or has come to live in Australia, or is eligible to work in Australia.
Eligibility for automatic Standard Basic Cover	To be eligible for automatic Standard Cover (up to the Automatic Acceptance Limits specified below), you must (in addition to the eligibility criteria set out above): ■ join Division 10 within 120 days of commencing employment with the Qantas Group; and ■ be At Work on your first day of employment with the Qantas Group. If not, Limited Cover will apply until you return to Active Employment for 30 consecutive days. Automatic Acceptance Limits (AAL)[3] ■ Death and TPD: $2 million
When underwriting will apply	Underwriting refers to cover which is subject to approval by the Insurer prior to you becoming eligible for the cover. Underwriting may be required in the following circumstances: ■ you do not satisfy the criteria to be automatically provided with Standard Cover, if applicable (see above); ■ the amount of your Standard Cover exceeds the AAL; or ■ your increase in Standard Cover due to an increase in your Superannuation Salary exceeds any Forward Underwriting Limit (FUL) that may apply. In these circumstances, your eligibility for cover or cover above the AAL or FUL (as applicable), will be subject to approval by the Insurer. This means that you will be required to submit a specific application for your cover (or the amount of your cover above the AAL or FUL). Your application will be assessed by the Insurer and you may need to submit medical evidence (the cost of which will be paid by the Insurer). If the Insurer approves the cover you have applied for, restrictions, exclusions or loadings (as additional premiums above the normal premiums) may apply.

[1] The TPD definition that applies to you will depend on your circumstances (see 'When an amount under Standard Cover is paid' for further information).

[2] Inclusive of any Voluntary Cover, Standard Cover and Basic Cover (in Gateway) associated with other accounts you may have in Qantas Super.

[3] The AAL is the maximum level of cover accepted for eligible members without the need to provide medical or other evidence.

Calculating your Standard Cover

Your Standard Cover for death and TPD is calculated as 10% of Superannuation Salary at the date of your death for each year from the date of death to age 60 years with part years counting pro-rata.

If you are working part-time, your benefit will be reduced to reflect your part-time hours.

Example 1

Sam's Salary Superannuation Salary is $40,000 and he is age 40.

So Sam's Standard Cover for death and TPD is calculated as:

10% x Superannuation Salary ($40,000) x 20 years = $80,000

Insurance fees – cost of Standard Cover

The cost of your Standard Cover (insurance premiums) is deducted from your account each month. A fee of $1.00 per week is deducted monthly to cover a portion of the costs of administration and your Standard Cover.

Qantas Super may be eligible to claim a tax deduction for premiums paid for Standard Cover. Where we are eligible to claim a tax deduction, we will pass the benefit of this deduction directly onto our members. The premium rates above do not take into account any tax deduction.

Note: The more you pay in insurance premiums from your super, the less you will have in your super at retirement.

Changing your Standard Cover

Standard Cover is compulsory, so you are not able to decline, change or cancel the cover.

Voluntary Cover

Voluntary Cover provides you with further flexibility when it comes to arranging insurance cover at a level you feel is right for you and your personal circumstances. Any approved Voluntary Cover is separate to any Standard Cover provided in Division 10.

Voluntary Cover is available for death only and death and TPD.

Different terms and conditions, and premium rates apply to Voluntary Cover. Refer to the *Voluntary Cover Insurance Guide* available on our website.

Other important insurance information

When is an amount under Standard Cover paid?

Subject to claim approval by the Insurer, an amount under Standard Cover is payable in the circumstances set out in the table below.

Note: The Trustee will consider each claim independently to the Insurer and form its own opinion. The Trustee will do everything reasonable to pursue an insurance claim, if the Trustee considers the claim has a reasonable prospect of success.

Type of Standard Cover	When paid
Death	Standard Cover for death, if eligible, is paid as a lump sum if you die at any time while you are a member of Division 10. **Terminal Illness** If you meet the definition of Terminal Illness, you may receive an advance payment of your Standard Cover for death (subject to a maximum of $3 million[1]). Where your total cover in Qantas Super is higher than $3 million[1], the balance will be paid as part of your final death benefit after you die, subject to you remaining a member of Qantas Super and premiums continuing to be paid. Following the advance payment of Standard Cover for death due to Terminal Illness, your Standard Cover for TPD will cease and your insurance premiums will be reduced accordingly for any remaining Standard Cover for death. [1] Inclusive of all Standard Cover, Basic Cover (in Gateway) and Voluntary Cover you have under one or more accounts that are paid due to Terminal Illness.
TPD	Your Standard Cover for TPD, if eligible, is payable if you satisfy the definition of TPD, as defined in the Trustee's insurance policy with the Insurer. These definitions, and when they apply, are set out below. **Which TPD definition applies to me?*** If you are: ■ employed in Regular employment for at least 15 hours per week – you are TPD if you satisfy paragraph (a) below; or ■ employed in Regular employment for less than 15 hours per week – you are TPD if you satisfy paragraph (b) below. a) **Any Occupation** You have been absent from your Occupation solely through injury or Illness for a period of three consecutive months and you are incapacitated to such an extent that, in the Insurer's opinion, after consideration of medical and other relevant evidence, you were, at the end of the period of three consecutive months' absence from your Occupation, unlikely to ever engage in or work for reward in any occupation for which you are reasonably suited by education, training or experience. b) **Activities of daily living** You have been absent from your Occupation solely through injury or Illness for a period of three consecutive months and you are incapacitated to such an extent that, in the Insurer's opinion, after consideration of medical and other relevant evidence, you were, at the end of the period of three consecutive months' absence from your Occupation, unlikely to ever be able to perform at least two activities of daily living without the physical help of someone else. For the purposes of this definition, activities of daily living means: ■ bathing and/or showering; ■ dressing; ■ moving from place to place (including in and out of bed and in and out of a chair); ■ eating or drinking; or ■ using the toilet. For the purpose of this definition: ■ if you are unemployed at the time you become disabled, Occupation means the occupation in which you were employed immediately prior to becoming unemployed; and ■ if you are occupied in home duties, Occupation means the normal physical domestic household duties you usually perform.

* Note: If you joined Division 10 prior to 1 July 2013, a different definition may apply. Contact us for more information.

Meeting preservation rules

Although a benefit may be payable under Standard Cover to the Trustee as the policy owner, you can only receive that amount if the preservation rules have been satisfied (see 'Accessing your benefits' in the 'How super works' section). If an amount 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 Division 10 account until a preservation rule has been satisfied.

When your Standard Cover ends

Standard Cover for death and TPD in Division 10 ceases on the earliest of:

- the day you cease to be a member of Division 10. If you transfer to Gateway as a Retained Member, your insurance cover for death and TPD will continue as Basic Fixed Dollar Cover (see 'Leaving Division 10' for more information);
- 90 days after the date you have insufficient funds in your account to meet the cost of insurance premiums;
- 90 days after you cease to qualify to be insured under the relevant insurance policy;
- the date you reach the maximum age for the applicable type of cover;
- the day before you commence service in the armed forces of any country (excluding Australian Defence Force Reservists not deployed overseas);
- the day you die;
- the date the policy with the Insurer terminates or is cancelled;
- the date you effect a continuation option for the relevant cover (see 'Continuation option' under 'Continuing your cover' in this section);
- the date your Standard Cover for death or TPD is paid or the date your Standard Cover is paid due to Terminal Illness (which is not less than the amount of your Standard Cover for death); or
- 24 months after you commence leave of absence or parental leave approved by the Qantas Group, unless an extension of cover is approved by the Insurer (see right).

Continuing your cover

Parental leave and leave of absence

Your Standard Cover for death and TPD will continue for up to 24 months after you commence leave provided that:

- you do not join the armed forces (excluding Australian Defence Force Reservists not deployed overseas);
- premiums continue to be paid; and
- you remain employed by the Qantas Group and a member of Division 10.

Your leave must be approved in writing by the Qantas Group prior to it commencing.

During this period if you apply for increased cover while absent on approved leave, this must be approved in writing by the Insurer and cover will not increase until you return to work.

If you wish to extend cover beyond the 24 month period, your extension of leave must be approved by the Qantas Group and you must apply at least 60 days prior to the expiry of this period. Any extension of cover has to also be approved in writing by the Insurer.

Insurance as a Retained Member

You will become a Retained Member in Gateway if you cease employment with the Qantas Group or elect choice of fund (subject to certain exceptions). Please refer to 'Insurance as a Retained Member in Gateway' in the 'Benefits of investing with Qantas Super Division 10' section for more information on your insurance cover as a Retained Member.

Continuation option

If you are under age 60, and you have left employment with the Qantas Group, you may be eligible to apply to continue the same level of Standard Cover you had in Division 10 under a personal insurance policy with the Insurer without providing further medical evidence. This is called a continuation option.

If you choose to take out a continuation option, the corresponding Standard Cover you have through Qantas Super will cease from the date you effect the continuation option.

Eligibility for a continuation option for Standard Cover is subject to the following conditions:

- You must have ceased employment with the Qantas Group or ceased to be a member of Qantas Super. Your valid application must be received within 60 days of either of these events;
- You must not have ceased employment due to ill-health or because of duty in the armed forces (excluding Australian Defence Force Reservists not deployed overseas);
- You must not have received, nor be eligible to receive, any TPD payments or similar payments under any other group life policy or other policy;
- You must be a permanent resident of Australia; and
- For TPD you must be commencing full-time employment within 90 days of ceasing employment with the Qantas Group.

The level of cover under any personal insurance policy with the Insurer which is obtained using the continuation option must not exceed your level of Standard Cover in Qantas Super, and any special terms and conditions applying to your Standard Cover (including exclusions) will also apply under that personal policy.

Retail policy premium rates will apply (taking into account various factors including but not limited to, your level of cover, age, gender, occupation, pastimes, smoking status, residency status and any other special terms that may apply to your Standard Cover). The Insurer will advise you of the premium payable and you will be responsible for payment of the relevant premiums directly to the Insurer.

For further information or to request a quote, you can contact the Insurer on (02) 8908 6111 or by email at group_insurance@mlc.com.au. The Insurer will assess if you are eligible to apply, explain the terms and conditions and let you know the cost of a continuation option. The Insurer retains the discretion to refuse to provide cover under the continuation option where it does not have a retail product which covers your occupational risk.

Interim Accident Cover

If your level of Standard Cover is subject to underwriting, while the Insurer is considering your application, the Insurer will provide you with Interim Accident Cover for death and TPD for up to 90 days if you die or become TPD, as a result of an Accident.

Interim Accident Cover commences on receipt of a fully completed application for insurance and declaration of health in the form that is required by the Insurer.

Interim Accident Cover for death and TPD is paid as a lump sum equal to the lesser of the amount of Standard Cover being applied for, and $1,000,000.

Interim Accident Cover will expire on the earliest of the following:

- 90 days after the commencement of the Interim Accident Cover;
- the date on which the Insurer gives notice that your application for insurance is accepted or your Interim Accident Cover is cancelled;
- the date you cancel or withdraw your request for additional insurance; or
- the date you cease to be eligible for Standard Cover.

The Insurer considers that Interim Accident Cover will expire on the date on which it gives you notice that your application for insurance is declined if this is earlier than any of the expiration dates above. If an event occurs for which cover applies under Interim Accident Cover in the period between the date your application is declined and the earliest of the expiration dates above, the Trustee may pursue an insurance claim against the Insurer (see 'How to make a claim for Standard Cover' on the next page).

Interim Accident Cover will not be payable:

- for an injury caused by engaging in hazardous pastimes or sports that would not be covered under the Insurer's normal assessment guidelines;
- for an injury that occurred prior to the date of becoming eligible for Standard Cover;
- if the cover applied for would have been declined under the Insurer's normal assessment guidelines; or
- if you lodge a claim for an event or condition that would have been excluded under the Insurer's normal underwriting process.

The Insurer will not pay more than one amount under Interim Accident Cover for any one Accident to any person.

Duty of disclosure

The Trustee has entered into an insurance policy with the Insurer. Before you can be provided with underwritten cover under that insurance policy, we have a duty to tell the Insurer anything we know, or could reasonably be expected to know, which is relevant to the Insurer's decision whether to provide insurance and on what terms. This duty continues until the Insurer agrees to provide the insurance. We must also disclose those matters to the Insurer before your insurance cover is extended, varied or reinstated. However, we are not required to disclose a matter that reduces the risk to be undertaken by the Insurer, is common knowledge, that the Insurer knows or should know as an insurer, or for which your duty of compliance is waived by the Insurer. If you do not tell the Insurer something you know, or could reasonably be expected to know, may affect the Insurer's decision to provide the insurance and on what terms, this may be treated as a failure by us to tell the Insurer something that we are required to tell it.

Non-disclosure

In exercising the rights below, the Insurer may consider whether different types of cover can constitute separate contracts of life insurance. If they do, it may apply the following rights separately to each type of cover.

If we do not tell the Insurer anything we are required to and the Insurer would not have provided the insurance cover if we had made the required disclosure, the Insurer may avoid the insurance cover provided to you within three years of providing it.

If the Insurer chooses not to avoid the insurance cover, it may at any time reduce the amount you have been insured for. This would be worked out using a formula that takes into account the premium that would have been payable had we made the required disclosure. However, for death cover, the Insurer may only exercise this right within three years of providing this cover.

If the Insurer chooses not to avoid the insurance cover or reduce the amount you have been insured for, it may at any time vary the cover in a way that places it in the same position it would have been in if we had made the required disclosure. However, this right does not apply to death cover.

If the failure to tell the Insurer is fraudulent, the Insurer may refuse to pay a claim and treat the cover as if it never existed.

How to make a claim for Standard Cover

Death

Once we are advised of your death, we will send claim forms to the person advising us of the claim, or to anyone who has enquired about making a claim.

Terminal Illness and TPD

If you would like to make a claim, you should notify us as soon as possible. We will 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 will be required to provide, at your own expense, reports from your treating doctors prepared using the forms we send you. The Insurer may also require you to undergo further medical and/or vocational assessment with a Doctor or specialist provider of its choice, at the Insurer's expense.

If you lodge a claim for Terminal Illness and TPD more than a year after the event giving rise to the claim, please be aware that it may be more difficult to substantiate your claim with appropriate medical evidence. This may impact on the ability of the Insurer and the Trustee to assess your claim.

The Trustee will consider your claim independently to the Insurer and form its own view. The Trustee will do everything reasonable to pursue an insurance claim, if it considers the claim has a reasonable prospect of success.

When a decision has been made about your claim, you will be advised of the decision in writing. If you do not understand the decision or would like further information please contact us.

If your claim is declined, you may request a review of the decision to decline your claim by writing to us. You will need to attach any additional documentation or medical evidence to support your request for the decision to be reviewed. We will write to you with the outcome of this review once a further decision has been determined.

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 and we can transfer benefits in Qantas Super to AUSfund without consent. The Product Disclosure Statement for AUSfund is available at 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.

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. If you are an Employee Member, 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 employer or salary sacrifice contributions, you will be unable to make personal after-tax 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.

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.

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

MLC is part of the NAB Group. They respect your privacy and handle your information in accordance with their Privacy Policy set out on their website. For more information please go to www.mlc.com.au/privacy.

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 relevant law. 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.

A Member-elected Director may also be removed from office in any other circumstances permitted under SIS that are not prohibited under the provisions of the Trustee's Constitution or Qantas Super's Trust Deed and Rules from time to time.

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). In addition, certain terms used in the 'Insurance in your super' section are also defined below.

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

Active Employment means being employed on a Regular basis to carry out identifiable duties and being capable of performing those duties on a Regular basis and actually performing those duties.

At Work means:

- where the person's Occupation is not classified as home duties, the person is at work for the normal daily hours of work and is actively performing the full, unrestricted or unmodified duties of their normal Occupation for which they were Employed or would have been had the day not been a day of leave (other than due to Illness or injury), public holiday or weekend day; and
- where the person's Occupation is classified as home duties, the person is actively performing the full, unrestricted or unmodified duties of their normal physical domestic household duties for their normal daily hours of those duties.

Basic Cover means the amount of insurance cover for death, TPD and income protection automatically provided to you (if eligible) when you join Gateway and any additional amounts of Basic Cover subsequently approved. This can be Salary-Linked Basic Cover or Fixed Dollar Basic Cover, depending on your membership.

Date of Claim means:

- for death (including Terminal Illness) and TPD:
  - with regard to a death claim, the date of your death;
  - with regard to a Terminal Illness claim, the date the Insurer received medical information supporting the view that your life expectancy is reduced to less than 12 months; or
  - with regard to a TPD claim, the later of the date you cease all work solely as a result of injury or Illness and the date on which a Doctor certifies that you suffer from an injury or Illness that is the cause of total and permanent disablement.

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 or your spouse, family member, business partner, employer or employee.

Employee Member means someone who works on a full-time, part-time, permanent, casual or temporary basis for the Qantas Group.

Employed means engaged in Regular employment.

Illness means a sickness, disease or medical disorder.

Limited Cover means you are covered only for claims arising from:

- an Illness which first became apparent; or
- an injury which first occurred;

on or after the date you first became eligible for cover.

Occupation means the employment or activity in which you are Employed unless you are occupied in home duties or unemployed.

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.

Regular means the period of continuous work history as measured over the six month period immediately prior to your Date of Claim or if you have less than six months continuous work history, the period of continuous work history as measured over your average length of service immediately prior to your Date of Claim.

Retained Member means an Employee Member who has ceased employment with the Qantas Group or exercised choice of fund and is eligible to continue their membership with an account in Gateway.

Standard Cover means the amount of insurance cover for death and TPD automatically provided to you when you join Division 10 and any additional amounts of Standard Cover subsequently approved.

Superannuation Salary means your annual basic rate of salary (full-time equivalent) as advised by the Qantas Group. Superannuation Salary is subject to a minimum of ordinary time earnings which is the amount that the Qantas Group advises is the minimum required to meet its Superannuation Guarantee obligations.

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 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 10 and have Standard Cover and/or Voluntary Cover. This definition will apply when claiming an amount under your insurance cover in Division 10.

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 24 months of the date of certification and that period has not ended. This definition can be applied as a condition of release for accessing your preserved super in cash.

Voluntary Cover is an amount of additional insurance cover for death and/or TPD that you can apply for in Qantas Super.

Contact us

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

Fax
+61 3 9245 5827

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GPO Box 4303, Melbourne VIC 3001

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