

Member Guide Supplement



Contents

1. About Qantas Super Division 6.....	3	6. Fees and costs.....	29
2. How super works.....	4	Additional explanation	
Contributions and rollovers.....	4	of fees and costs.....	30
Building your benefits.....	8	The cost of managing	
Leaving Service Benefits.....	9	your investment.....	31
Accessing your benefits.....	10	7. How super is taxed.....	33
Leaving the Plan.....	13	8. Insurance in your super	35
3. Benefits of investing with		Standard Insurance Cover	35
Qantas Super Division 6	17	Additional Voluntary	
4. Risks of super.....	18	Insurance Cover.....	37
Risk and return	18	9. How to open an account.....	38
5. How we invest your money.....	21	10. Other information.....	39
Investment options.....	21	Definitions.....	41
MIC Options.....	21	Contacting us.....	44
Term Deposit Option	24		
Your options in detail.....	26		

Issued 3 December 2012

WELCOME



Welcome to Division 6 of the Qantas Superannuation Plan. Division 6 was established to provide you with a flexible plan to accumulate wealth for retirement.


This *Member Guide Supplement* is designed to provide you with details about your benefits and entitlements and to describe the features of the division including the options available to you.



Introduction


The information in this document forms part of, and should be read together with, the *Division 6 Member Guide – Product Disclosure Statement (PDS)* for the Qantas Superannuation Plan issued on 3 December 2012.

Please read it carefully and keep it with your personal financial documents. Each year you will receive a Benefit Statement, which will show details of your transactions and current benefit entitlements. In addition, the Trustee also publishes an annual report on the website www.qantassuper.com.au to supplement the information provided on your Benefit Statement.

 **Note:** We may update this supplement from time to time. For the latest version, please check the website www.qantassuper.com.au. You can request a paper copy of updated information at any time free of charge.

This *Member Guide Supplement* is not financial product advice and does not take into account your objectives, financial situation or needs. This Supplement is not intended to take the place of a licensed financial adviser who understands your objectives, financial situation and needs.

The Trustee recommends that before acting on any information contained in this document, you seek financial advice from a licensed financial adviser that is tailored to your personal circumstances. The definitions that are used in this document are stated on pages 41 and 42.

 **Tip:** Keep all your super-related material together for future reference.

Trustee

Qantas Superannuation Limited
ABN 47 003 806 960 (**QSL** or **Trustee**)
as Trustee holds the following licences:

- a Registrable Superannuation Entity (RSE) licence which allows the Trustee to be the trustee of the Qantas Superannuation Plan, (**Qantas Super** or **Plan**) (ABN 41 272 198 829); and
- an Australian Financial Services Licence (**AFSL**), which allows the Trustee to provide general superannuation product advice.

The Trustee will provide you with information regarding significant events impacting the Plan, including events that may have an adverse effect on your benefits.

1 ABOUT QANTAS SUPER DIVISION 6

Qantas Super is one of Australia's largest corporate super funds, with more than 33,000 members and almost \$6 billion in assets. Qantas Super is for current and former employees of the Company (defined as Qantas Airways Limited and associated employers) and their spouses. We focus on delivering strong investment returns, and a range of valuable benefits and services for our members.

Eligibility for membership

To be eligible to join Division 6 of the Plan, you must be an eligible employee of the Company. Your employer will notify you if you are eligible.

Transfer offer

Existing employees of the Company who have been offered a transfer from another division of the Plan to Division 6 due to a promotion or a transfer offer made by the Company are also eligible to join Division 6.

Choice of fund

Choice of fund allows you to choose the superannuation fund to which your superannuation contributions are to be paid by the Company. However, if your enterprise agreement selects a superannuation fund, the Company will make superannuation contributions for you to that superannuation fund.

Where your enterprise agreement selects the Plan as the superannuation fund, you will automatically be admitted as a member of the Plan.

The Company has selected the Plan as the default superannuation fund. If you do not select a superannuation fund prior to commencing employment with the Company, you will also be automatically admitted as a member of the Plan until you choose to select another superannuation fund.

If you choose a superannuation fund other than the Plan, you may (if permitted by Company policy) also join Division 6 at a later date.

Spouse account

While you are a member of Division 6 you may establish an account for an eligible spouse. Information on Spouse Accounts is contained in the *Division 11 Member Guide (Product Disclosure Statement)*, available on our website www.qantassuper.com.au.

“ Focused on delivering strong investment returns for members ”



2 HOW SUPER WORKS

Contributions and rollovers

Contributions are the amounts of money you or the Company pay into the Plan.

Division 6 of the Plan has been structured to provide you with flexibility in how you make superannuation contributions. You can set the level of your contributions you feel suit your needs provided that the minimum contributions are made by the Company under the Superannuation Guarantee (SG) legislation. Legislated contributions caps apply and are explained below.



- **Employer contributions:** Minimum contributions are required to be made by the Company under the Superannuation Guarantee (SG) (Administration) Act 1992 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 PeopleConnect if you are unsure of your minimum super contributions.

- Contributions made by the Company are made from pre-tax salary and are credited to your **Salary Sacrifice Account**.

- **Your contributions:** You can ask the Company to deduct extra money from your pay before tax is taken out, called voluntary concessional contributions or salary sacrifice contributions. These contributions are also credited to your **Salary Sacrifice Account**.

You can also contribute your own money from your pay after tax is taken out. These contributions are credited to your **Member Account**.

The Federal Government sets limits on how much of your contributions is taxed at the concessional tax rate applying to super funds. These limits are called 'contribution caps'. You can find out more about these caps in *Section 7: How super is taxed*.

- **You can rollover your other super to Qantas Super:** 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.
- **Government co-contribution:** The Federal 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 to your account if you contribute your own money after tax and meet certain rules.
- **Spouse contributions:** At any time while you are a member of Division 6 you may establish an account for an eligible spouse.

If you wish to change your contributions, you can do so at any time. Changes will generally take effect from your next pay. This flexibility allows you to tailor your superannuation contributions to meet your financial needs, taking into account such issues as your current age, personal circumstances and the effects of tax.

To make a change to your regular contributions you will need to complete a *Superannuation Contribution Authority Form* available from the People section of the Qantas intranet or from the Forms section of our website www.qantassuper.com.au. Alternatively, you can contact PeopleConnect by email peopleconnect@qantas.com.au or phone 1300 303 411.

Concessional contributions

These are Company contributions or any contributions made from pre-tax salary.

These include:

- The minimum contributions the Company makes under the Superannuation Guarantee legislation. These are currently 9%* of your ordinary time earnings (OTE) and are credited to your Salary Sacrifice Account. Note that your employer may make contributions greater than 9%*; and
- Any voluntary concessional contributions in addition to the minimum contributions made by the Company, which are credited to your Salary Sacrifice Account.


* From 1 July 2013, the minimum required SG contribution will increase to 9.25% of OTE and will gradually increase to 12% by 1 July 2019 in line with the following table.

Period	Super guarantee rate (charge percentage)
1 July 2003 – 30 June 2013	9%
1 July 2013 – 30 June 2014	9.25%
1 July 2014 – 30 June 2015	9.5%
1 July 2015 – 30 June 2016	10%
1 July 2016 – 30 June 2017	10.5%
1 July 2017 – 30 June 2018	11%
1 July 2018 – 30 June 2019	11.5%
1 July 2019 – 30 June 2020 and onwards	12%


Concessional contributions cap

Details of the concessional contributions caps are contained under the 'Learn About Super' section of our website, www.qantasuper.com.au. That information can also be obtained from the Plan on request, free of charge. For the 2012/2013 and 2013/2014 years the maximum concessional contributions that may be made before additional tax will be charged is \$25,000.

WARNING: Members must monitor the level of concessional contributions being made to all of their superannuation funds. Neither the Trustee nor the Company can do this on behalf of members. The Plan can accept concessional contributions above the cap.

 **Note:** The Federal Government has proposed changes to increase the concessional contribution cap to \$50,000 for members aged 50 and over, and whose superannuation balance is less than \$500,000. This measure has been deferred to 1 July 2014. This means that for 2012/2013 and 2013/2014, a concessional cap of \$25,000 will apply to everyone, regardless of their age.

Any concessional contribution made above the cap will be subject to an additional tax at the rate of 31.5%. If this occurs, the Australian Taxation Office will provide you with a notice of excess contributions and will require you to pay this additional tax. You will have the option of making a withdrawal from your account to meet this payment.

 **Note:** The 2011/12 Federal Budget introduced a measure of relief for members who breach the 2011/12 concessional contribution cap limit of \$25,000. If you breach this cap, you will have an opportunity to withdraw excess contributions of up to \$10,000, but only in the first year in which a breach occurs (after 1 July 2011). Note that at the date of publication, this measure of relief had not been passed by Federal Parliament or received royal assent.

Any concessional contributions made above the cap will also count against the non-concessional contributions cap, described on pages 5 and 6.

If you have more than one superannuation fund, all concessional contributions made to all your funds are added together and collectively count towards the concessional contribution cap.

Non-concessional contributions (NCCs)

These are contributions made from after-tax salary where a tax deduction is not claimed.

You may choose to make NCCs on a voluntary basis. These NCCs will be applied to your **Member Account**.

Pay as you go (PAYG) tax is withheld from your salary before you make these contributions. Therefore NCCs are not taxed when they are contributed to the Plan (note that investment earnings on these contributions may be subject to tax).

Division 6 allows you to make voluntary NCCs either on a regular basis or on a once-off basis. If you decide to make NCCs then you can choose the level at which these contributions are made, but the NCCs cap will apply.

How super works continued

Non-concessional contributions cap

Details of the NCCs cap are available under the 'Learn About Super' section of our website, www.qantassuper.com.au. This information can also be obtained from the Plan on request, free of charge. For the 2012/2013 year the maximum concessional contribution limit is \$150,000.

If you are under 65 on 1 July in a financial year, you can bring forward up to two years of NCCs. This would give you a limit of \$450,000 for all of the 2012/2013, 2013/2014 and 2014/2015 financial years. If you bring forward the full two years of NCCs (i.e. you make \$450,000 NCCs in the 2012/2013 financial year), you may not make any NCCs for the following two years.

Any NCCs above the cap will be taxed at the rate of 46.5%. This tax is payable by you, and you must withdraw this amount from your account.


WARNING: As you can see, it is important that you monitor your NCCs made to all of your superannuation funds against the NCC cap to minimise the amount of extra tax that could become payable. Neither the Trustee nor the Company can undertake this monitoring on your behalf.

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

Contribution splitting

Concessional contributions received by the Plan, after 15% contributions tax is deducted, that are within your concessional contributions cap, are generally available to be split and transferred to your spouse's superannuation.

NCCs are not allowed to be split and transferred to your spouse's superannuation.

 **Note:** If a portion of your account balance is invested in the Term Deposit Option, the Trustee will not accept a request to split contributions where satisfying your request would require the term deposit to be redeemed prior to the expiry of your nominated term.


More information about contribution splitting is contained on page 13.

Family law offset contributions

If a member's superannuation in the Plan is paid to, or for the benefit of, a spouse of a member as a consequence of a divorce or split (under the Family Law Act 1975), an amount equal to the amount paid by the Trustee to, or for the benefit of, your spouse is debited to your **Family Law Account**. Earnings are applied at the Credited Interest Rate (CIR) applicable to your chosen MIC Option. If you have not selected an MIC Option, the Plan's default option will apply. When you exit the Plan, the balance in this account is deducted from your benefit.

To reduce the impact of any family law payments when you exit, you can make voluntary lump sum NCCs to your **Family Law Account**. Therefore you may use NCCs to reduce or eliminate part or all of your **Family Law Account** balance.

Any NCCs made to your **Family Law Account** count towards your NCCs cap.

 **Note:** If a portion of your account balance is invested in the Term Deposit Option, and the Trustee is required to satisfy a family law split, the amount invested in the Term Deposit Option will be redeemed and 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 have otherwise accrued.

More information about family law is contained on pages 8 and 11.

Surcharge offset contributions

The Plan allows you to make voluntary lump sum NCCs to your **Surcharge Account**. As a result, you may use NCCs to reduce or eliminate part or all of your **Surcharge Account** balance.

Any NCCs made to your **Surcharge Account** count towards your NCCs cap.

More information about surcharge tax is contained on page 33.

Government co-contributions

If you earn less than the higher income threshold, the Federal Government may contribute up to \$0.50 to the Plan for every \$1.00 of your NCCs to the Plan (subject to a maximum of \$500).

For the 2012/2013 financial year, the higher income threshold is \$46,920. If you earn over the lower income threshold of \$31,920 for the 2012/2013 financial year (which is indexed annually) the amount of the Government co-contribution will be reduced.

It is not possible to split (i.e. transfer to your spouse) any Government co-contributions received by the Plan.

For more information, refer to our *Government Super Co-contribution* fact sheet available on our website www.qantassuper.com.au.

Low income super contribution

The Government will make a contribution (of up to \$500) of 15% of eligible concessional contributions (including employer contributions) made by or for individuals with an adjusted taxable income of up to \$37,000.

Rollovers

At any time you may roll over superannuation balances from other super funds into Division 6. Refer to our *Consolidate your super* fact sheet and form available on our website, www.qantassuper.com.au.

Making contribution decisions

The level of any contributions you may wish to make will depend on your personal circumstances and tax position. It is strongly recommended that you seek licensed financial planning advice to assist you in making your decisions.

“ You can set the level of your contributions to what you feel suits your needs ”



How super works continued

Building your benefits

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

The major factors impacting the amount of benefits you will receive are the:

- Contributions which you and the Company make to your accounts;
- Earnings applied to your accounts which can be positive or negative; and
- Fees and costs or other deductions from your accounts.

All of your contributions, together with earnings credited or debited on these contributions are accumulated in various member accounts.

This section describes the various accounts you may have.

Member Account

This is an account kept for you and consists of:

- Any NCCs you make, **plus**
- Any contributions received from the Government, **less**
- Any amounts transferred out of this account under Portability (including transfers to Division 14) or to fund your investment in the Term Deposit Option, **plus or minus**
- Earnings.

Salary Sacrifice Account

This is an account kept for you and consists of:

- All concessional contributions (including Superannuation Guarantee and salary sacrifice contributions) made for you, **less**
- Government contribution tax of 15%, **less**
- A deduction of 0.20% p.a. of Superannuation Salary to cover administration fees, **less**
- A deduction of 0.90% p.a. of Superannuation Salary to cover the cost of insurance **less**
- Any Additional Voluntary Insurance premiums (if applicable), **less**
- Any amounts transferred out of this account under Portability (including transfers to Division 14) or to fund your investment in the Term Deposit Option, **less**
- Any Split Contributions transferred to your spouse, **plus or minus**
- Earnings.

Transfer Account


If you transferred to Division 6 from another Division of the Plan, you may have a transfer account which consists of:

- The amount transferred from your previous division, **less**
- Any amounts transferred out of this account under Portability (including transfers to Division 14) or to fund your investment in the Term Deposit Option, **plus or minus**
- Earnings.

Surcharge Account

This is an account kept for you and consists of:


- Any surcharge amounts paid by the Trustee to the Australian Taxation Office (ATO) in respect of you which are debited to this account, **plus**
- Any NCCs you make to this account, **plus or minus**
- Earnings.

 **Please note:** If surcharge amounts are applicable to you, your **Surcharge Account** will be negative. This is because payments are made to the ATO from this account in respect of your surcharge liabilities.

Family Law Account

This is an account kept for you and consists of:

- Any amounts paid by the Trustee to (or for) your spouse as a consequence of a divorce or split (under the Family Law Act 1975) are debited to this account, **plus**
- Any NCCs you make to this account, **plus or minus**
- Earnings.

 **Please note:** If this applies to you, your **Family Law Account** will be negative. This is because payments are made to (or for) your spouse from this account in respect of any settlement payments made under the family law requirements.

Rollover Account

This is an account kept for you and consists of:

- Any redemption proceeds from an investment in the Term Deposit Option, **plus**
- Any amounts rolled into the Plan from another superannuation fund, **less**
- Any unrestricted non-preserved amounts (see below) taken as a benefit, **less**
- Any amounts transferred out of this account under Portability (including transfers to Division 14) or to fund your investment in the Term Deposit Option, **plus** or **minus**
- Earnings.

Term Deposit Account

This is an account kept for you and consists of any investments currently held in the Term Deposit Option.

Transferring or 'Rolling Over' into the Plan

You can transfer monies from an approved superannuation fund or similar fund to the Plan at any time.

Rollovers from other superannuation funds will be credited to your **Rollover Account**.

When you leave the Plan, your **Rollover Account** will form part of your benefit. Any tax that may apply on this amount will be deducted when it is paid.


If you rollover amounts that were not subject to preservation at the time of transfer, these amounts will be treated as unrestricted non-preserved amounts in the Plan. This means that you may access these monies prior to ceasing employment with the Qantas Group.

For further information and forms to roll over amounts into the Plan, please visit our website www.qantassuper.com.au or call us on 1300 654 384.

Final Interest Payment

The Final Interest Payment is the interest applied from the date of leaving service to the date of payment. The Final Interest Payment can be positive or negative and will be calculated using the MIC Option which applies to your account at the date of leaving the Company service.

If a death benefit is payable, the Final Interest Payment will be calculated using the returns of the Cash Option from the date of death to the date the death benefit is paid.

 **Note:** The Final Interest Payment may also apply to any monies held in the Term Deposit Option at the date of leaving service, subject to the date the term deposit investment matures.

Leaving Service Benefits

Basic Benefit

Your Basic Benefit is equal to the total balance of your accounts. These consist of:

Member Account

- + Salary Sacrifice Account
- + Rollover Account
- + Term Deposit Account
- + Transfer Account
- + Surcharge Account (which is negative)
- + Family Law Account (which is negative)

= **Basic Benefit**

How super works continued

EXAMPLE

A member leaves at age 30 with a Member Account of \$5,000, Salary Sacrifice Account of \$10,000, Rollover Account of \$5,000, a Surcharge Account of -\$1,000 and no Family Law Account, Term Deposit Account or Transfer Account balances.

The Basic Benefit would be:


Account	Amount
Member Account	\$5,000
Salary Sacrifice Account	\$10,000
Rollover Account	\$5,000
Term Deposit Account	\$0
Transfer Account	\$0
Surcharge Account	-\$1,000
Family Law Account	\$0
Basic Benefit	\$19,000

Retirement, Resignation and Retrenchment

Your benefit entitlement on retirement, resignation or retrenchment is a lump sum equal to your Basic Benefit. Some or all of this benefit may be subject to preservation (see page 10).

Death or Total and Permanent Disability

The benefit that is payable on death or total and permanent disability is outlined on pages 35 to 37.

 **Note:** If a death benefit is payable, the amount invested in the Term Deposit Option will be redeemed and 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 have otherwise accrued.

Anti-detriment payments

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

An anti-detriment payment can only be made where a death benefit is paid to:

- your spouse (see the definition of 'Dependant');
- your former spouse (subject to being eligible under superannuation legislation to receive a Death benefit from the Plan);
- your child, of any age (see the definition of 'Dependant'); or
- your estate (provided the ultimate beneficiaries are your spouse, former spouse, or child of any age).

Accessing your benefits

Preservation

Superannuation law restricts your access to superannuation until you retire or meet certain other conditions. This restriction is called 'preservation'.

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

- You reach age 65, or cease your current employment on or after age 60; or
- You retire permanently from the workforce after reaching your 'preservation age' as shown in the table on page 11; or
- You reach your 'preservation age' and receive your benefits as a non-commutable income stream such as from a Division 14 account, prior to ceasing employment. A non-commutable income stream is an income stream that cannot be converted to a lump sum after commencement (except in limited circumstances); or
- You die or become totally and permanently disabled; or
- You have a terminal medical condition.

There are other limited circumstances when you can access your superannuation, for example, if you are experiencing severe financial hardship or where you qualify on compassionate grounds. Strict eligibility criteria and requirements for supporting evidence apply. For more information, please refer to the *Early Access to Superannuation* fact sheet, available on our website

www.qantassuper.com.au or by calling us on 1300 654 384.

All superannuation is subject to preservation. This includes any investment earnings credited to your superannuation.

Your preservation age


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

Any portion of your account balance that is invested in the Term Deposit Option cannot be withdrawn prior to the end of the nominated term, except in certain limited circumstances. Refer to page 24 for more information.

Transition to Retirement income streams

If you are eligible to transfer monies to Division 14 to establish a Transition to Retirement Account, you may do so to access some of these monies before you stop working.

To be eligible to transfer to Division 14, you must meet certain requirements including having attained your preservation age. Details about Division 14 Transition to Retirement including eligibility requirements are contained in the *Division 14 Product Disclosure Statement (PDS)*. The *Division 14 PDS* is available from our website www.qantassuper.com.au.

 **Note:** Any portion of your account balance that is invested in the Term Deposit Option cannot be transferred to Division 14 prior to the end of the nominated term. In this case you must also leave a minimum of \$5,000 invested in your MIC Option in Division 6 at the time you transfer amounts to Division 14.


Family law

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

To meet the requirements of the Family Law Act, the Trust Deed allows the Trustee to pay part or all of a member's account in accordance with the 'split' to a non-member spouse or to another superannuation arrangement of their choice. The 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 the accounts in accordance with the separation agreement or order, and consistently with the Family Law Act.

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

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

How super works continued

Leave without pay

Generally, regular contributions (yours and the Company's) are suspended during periods of leave without pay. You may elect to make voluntary non-concessional contributions to the Plan. For more information, contact us on 1300 654 384.

Maternity and parental leave

Generally, regular contributions (yours and the Company's) are suspended during periods of leave without pay. You may elect to make voluntary non-concessional contributions to the Plan. For more information, contact us on 1300 654 384.

Portability

Portability allows you to move your accumulation benefits from one superannuation fund to another. If you want to transfer the whole or part of your accumulation benefits, you need to complete the *Division 6 – Portability Transfer Request* form setting out details of the superannuation fund to which you wish to transfer, and return it to the Plan. A copy of the form is available on our website www.qantassuper.com.au.

You are not able to transfer funds where:

- The Trustee has effected a similar request in the previous 12 months; or
- If you apply for a partial transfer, your total account balances in Division 6, after the transfer, would be less than \$5,000.

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 because the issuer of the term deposits imposes restrictions on when the Trustee can redeem a term deposit investment. 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.

Choice of fund

Under legislation governing the ability of employees to choose their superannuation fund, you may be eligible to select another fund to which your employer contributions may be made. The Company will inform you if you are eligible to choose your fund. In addition, you may request that the Trustee pay some or all of your existing benefit in the Plan to another superannuation fund that you nominate (refer to 'Portability' above), or if you do not nominate another fund, the Trustee will transfer your benefits to Division 8 of the Plan.

The benefit that will be transferred upon your exercise of choice of fund will be the benefit that you would have received if you resigned on the date that your choice of fund became effective (including a deduction for your share of expenses).

If you subsequently elect to have your superannuation contributions recommence in the Plan, you may transfer any benefits in Division 8 to the division that you rejoin.

Benefit payments while still in service

Legislation and the provisions of the Trust Deed and Rules normally prevent benefits being paid to you while you are still employed with the Company. The exceptions are if you:

- Are receiving a Disability Benefit from the Plan (see page 36); or
- Have any unrestricted non-preserved benefits which you can access as a cash benefit; or
- Transfer some money to a Division 14 – Transition to Retirement account (see page 11); or
- Are experiencing severe financial hardship or on certain compassionate grounds and you satisfy the eligibility requirements; or
- Reach age 65.

Split contributions

Contribution splitting allows you to transfer certain concessional contributions (after the deduction of the 15% contributions tax) up to the concessional contribution cap (see page 5) to an account established for your spouse, providing certain criteria are met. The transfers to your spouse's superannuation may be made to:

- Your spouse's account in the Plan; or
- Another approved superannuation fund.

➔ **Please note:** If your spouse is not a member of the Plan, a Division 11 Spouse Member Account may be established for this purpose. A copy of the *Division 11 Member Guide (Product Disclosure Statement)* is available from our website www.qantassuper.com.au.

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

- Your spouse must satisfy the description in the first bullet point in the definition of 'Dependant' on page 41;
- Applications for transfer may only be made for concessional contributions in the prior financial year, unless you are exiting Division 6;
- If you are exiting Division 6, a transfer may be made at exit for concessional contributions in the current financial year;
- You must complete the appropriate documentation.

➔ **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 prior to the expiry of your nominated term.

Your spouse must also be:

- Under their preservation age (see page 11); or
- Between their preservation age and 64 years and not retired from the workforce or have never been gainfully employed.

Details of how your benefits are impacted are set out on page 8 under Salary Sacrifice Account.

All split contributions transferred to your spouse are subject to the preservation rules. Rollovers into the Plan and non-concessional contributions (NCCs) may not be split. A Split Transfer Request form is available on our website www.qantassuper.com.au

Member identification

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, the Plan is required to identify you before paying you your benefit. When requesting a benefit payment or commencing an income stream please provide the Plan with a certified copy of your current driver's licence or passport. Your benefit cannot be paid unless this is provided. For more details on who can certify your document please contact the Plan. If you do not have a current driver's licence or passport and need to provide alternate forms of identification please refer to our website www.qantassuper.com.au or call us on 1300 654 384.

Leaving the Plan

Before ceasing employment with the Company you may elect to have future contributions and past benefits transferred to another superannuation scheme under choice of fund and portability, respectively. Please note that there are timing restrictions on transferring any portion of your account balance that is invested in the Term Deposit Option under portability. More information is provided on page 12.

Upon ceasing employment with the Company, you have four options:

1. Transfer your benefit to Division 8 – Retained Benefits Division and access them at a later date;
2. Transfer your benefit to Divisions 9 or 14 (if you have reached preservation age and have a benefit of at least \$50,000) to commence an income stream;
3. Transfer your benefit to another complying superannuation fund of your choice; or
4. Receive your benefit as cash (provided preservation requirements do not prohibit this – see page 10 under Accessing your benefits).

How super works continued

More information on these options, including Product Disclosure Statements describing Divisions 8, 9 and 14, is available from our website, www.qantassuper.com.au.

If your payment instructions are not received by the Plan prior to your date of leaving employment, the Plan will, after final contributions have been received and processed by the Plan, transfer your benefit automatically to Division 8, our Retained Benefits Division.

Your account balance (excluding any portion of your account balance invested in the Term Deposit Option) in Division 8 will be invested in the same MIC Option that applied in Division 6 at the time of transfer.

Any portion of your account balance invested in the Term Deposit Option will also be automatically transferred to Division 8. The duration of, and interest payable for, your investment in the Term Deposit Option will be unchanged.

Administration fees

No Division 8 administration fees will apply for the first 90 days from the date you cease employment. Refer to the *Division 8 Product Disclosure Statement* on our website for more information.

You can transfer your benefit from Division 8 to another superannuation fund at any time subject to completing the relevant forms, providing the Plan with a certified copy of proof of identity and any timing restrictions that apply if a portion of your account balance is invested in the Term Deposit Option.

Minimum account balance

Division 8 has an eligibility requirement to have a minimum balance of \$5,000. The Trustee will review your account balance 90 days from the date you cease employment. If your account balance is below \$5,000, the Trustee will transfer your benefit out of Division 8 and into the Plan's nominated Eligible Rollover Fund (ERF). The Plan's nominated ERF is AUSfund. The Product Disclosure Statement for AUSfund is available at www.unclaimedsuper.com.au.

Eligible Rollover Funds

An Eligible Rollover Fund (ERF) is a superannuation fund specifically designed to hold unpaid superannuation benefits.

Legislation requires ERFs to guarantee that administration fees deducted from your benefit will not exceed the amount of investment returns credited (unless the total administration fees for all members exceed the returns for all members of the ERF). This usually ensures that the amount of your benefits cannot reduce while they are in the ERF due to fees being deducted.

If your benefit is transferred to the ERF, you will no longer be a member of the Plan 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 the Plan.

Contact details of the Plan's nominated ERF are:

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

Insurance after exit

Any Death or TPD insurance cover held for Division 6 at the time you cease employment will automatically transfer to your Division 8 membership. This will be referred to as Retained Cover. Any Additional Voluntary Insurance Cover you have at the time you cease employment will also be transferred to Division 8. Disability cover will cease on the day you cease employment. Disability cover is not available in Division 8.

Retained Cover

Retained Cover will be calculated at the date you cease to be employed with the Company. The amount of the Retained Cover will be determined as the total Death Benefit (as defined in the Plan's Trust Deed) that would have been payable if you had died on that date (excluding any Additional Voluntary Cover, see page 15), less the actual benefit entitlement on ceasing employment, rounded up to the next whole unit of cover. Each unit will be equivalent to \$10,000 of insurance cover.

Insurance premiums

You will automatically receive Retained Cover at no cost for the 90 day period commencing from the date you cease employment.

If you remain in Division 8, insurance premium deductions for Retained Cover will commence after 90 days of leaving employment. The Retained Cover insurance premiums will vary according to your age, and your occupational group.

There are three occupational group ratings under the Retained Cover arrangements. If you do not select an occupational group, you will be rated as occupational group 3. This may result in you paying higher premiums than necessary. More details are available in the *Insurance Guide* at www.qantassuper.com.au.

Additional Voluntary Insurance Cover

The Additional Voluntary Cover for Division 8 will be the same amount of any additional Death or Death and TPD cover that was approved for your Division 6 membership. Therefore, any Additional Voluntary Cover in place at the time you cease to be employed with the Company will also be transferred to your Division 8 membership. Insurance premium deductions for Additional Voluntary Insurance Cover recommence immediately on transfer to Division 8.

Please refer to the *Insurance Guide* on our website for further information on premiums and occupational groups.

Cancellation of cover

Any Retained Cover and Additional Voluntary Cover provided for Division 8 can be cancelled or reduced by you at any time and premium deductions will then stop or be reduced. You will be required to complete a form to cancel or reduce cover. A copy of the *Application to reduce or cancel Additional Voluntary Insurance cover* form is available on our website www.qantassuper.com.au.

Leaving Division 8

All Division 8 members have their option of withdrawing their benefit at any time, subject to completing the *Withdrawal Form*, providing the Plan with a certified copy of proof of identity, and any timing restrictions that apply if a portion of your account balance is invested in the Term Deposit Option. This form is available online at our website or by contacting the Plan via phone **1300 654 384** or email info@qantassuper.com.au.

Continuation Option

If you choose to leave the Plan your death and disability cover in the Plan ceases. If you are under age 60 you can apply directly to MLC Limited for a continuation option within 60 days of ceasing employment with the Company. This is an individual policy between you and MLC Limited for death only insurance up to the value of the death benefit at the time you left the Company less the actual benefit paid from the Plan. You will be responsible for payment of premiums directly to MLC Limited.

For further information about the insurance continuation option, contact:

MLC Limited
Phone: 02 8908 6111
Email: group_insurance@mlc.com.au

“ Superannuation law restricts access to super until you retire or meet certain other conditions ”



Temporary residents

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

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

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

Once your benefit has been transferred to the ATO, you will need to claim it directly from the ATO. As the Trustee relies on ASIC relief, you may not be issued an exit statement in this circumstance.

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

Unclaimed money


In some circumstances, if an amount is payable

to you and the Trustee is unable to ensure that you have received it, the Trustee may be obliged to pay the amount to the ATO on your behalf.

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

- with a balance of less than \$200; or
- which has been inactive for a period of five years and the Trustee is satisfied that it will never be possible to pay an amount to the member.

If your account balance is transferred you will be able to reclaim it from the ATO.

 **Note:** The Federal Government has announced changes that, if passed by Parliament, will apply from 31 December 2012. Under the proposed changes, from 31 December 2012, the Trustee will be required to transfer to the ATO a lost member's account with a balance of less than \$2,000 or which has been inactive for the last 12 months, and the Trustee is satisfied that it will never be possible to pay an amount to the member. Interest will be paid from 1 July 2013 on all lost superannuation accounts reclaimed from the ATO. Note that at the date of publication, this proposal had not been passed by Federal Parliament or received royal assent.

3 BENEFITS OF INVESTING WITH QANTAS SUPER DIVISION 6



Some of the benefits in investing with Qantas Super

- **We are the super fund for Qantas Group employees.** We exist for people working for Qantas and its associated companies, and for former employees. It is also open to their spouses. The Qantas Superannuation Limited Board has a Director who is nominated and elected by you and your employment group.
- **Experience.** You'll be part of a corporate fund with a long and successful history in the super industry. We've been around since 1939 and we uphold strong governance and regulatory processes to ensure your super is well managed. We look after almost \$6 billion for more than 33,000 members.
- **We aim for solid long-term investment performance.** Super's a long term investment so it is investment performance over the long term that's important. Our investment returns are available on our website. Our in-house Investments team, with advice from external advisers and guidance from our Investment Committee, selects and monitors experienced investment managers who invest your super.
- **Division 6 of Qantas Super makes investing easy.** Division 6 offers the following investment options:
 - **Member Investment Choice (MIC) Options.** There are five MIC Options to choose from – Cash, Conservative, Balanced, Growth and Aggressive. You can choose the one that you feel suits you best. If you don't make a choice your super will be invested in the Growth Option.
 - **Term Deposit Option.** In addition to selecting one of the MIC Options listed above, you can also choose to invest a portion of your account balance into the Term Deposit Option. Note: The rest of your account balance remains invested in your MIC Option.
- **Division 6 of Qantas Super provides you with flexible insurance cover.** With Division 6, you are covered for Death, Total and Permanent Disablement and Disability. We offer insurance specifically designed for people working in the airline and associated industries. Having insurance through your super may be more cost effective. You also have the flexibility to increase it. Refer to our Insurance Guide for information on Additional Voluntary Cover.
- **You can enjoy the benefits of Qantas Super throughout your life.** While Division 6 is only available to current employees of the Company, you can transfer to Division 8 and remain in Qantas Super once you leave the Company. And, when retirement time approaches, you can invest your super in one of our flexible pensions – Transition to Retirement (winding down to retirement) or Flexible Income Stream (when you retire).

4 RISKS OF SUPER


Risk and return

The main two characteristics of investments are risk and return, and the relationship between them is important to understand when you are considering your investment options.

The **return** is the amount by which the value of investments changes reflecting both dividends and income received, plus increases (or decreases) in capital value over a year. The return is normally expected to be positive over the long term, but can, at times, be negative.

Risk is normally viewed as the volatility of returns. That is, the extent to which the return might be expected to vary from year to year.

Each of the Qantas Super investment options has different levels of expected risk and return. The chart on page 19 shows the relationship between risk and return over the long term for the options.

 **Please note:** These estimated returns are based on simulated information and statistical modelling of the net of tax returns of various asset classes. They are not a guarantee of future returns for any investment option.

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

- **Market risk** that the value of your investments may rise or fall depending on investment returns earned by the Plan
- **Risks** associated with each investment option (see pages 26 to 28)
- **Inflation risk** on the rate of return on investments
- **Interest rate** and **volatility risk** on the value of different asset classes. For the Term Deposit Option, the interest rate remains fixed for the nominated term even if market rates increase or decrease during that term.
- **Regulatory risk** associated with changes to superannuation and taxation laws, which may affect the amount of your benefit and your ability to access your benefit.
- **Liquidity risk** This is the risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay. This may be due to there being not enough buyers in the

market for the particular investment or due to disruptions in investment markets. Securities for small companies may from time to time become less liquid, particularly when investment markets are falling. There may also be restrictions about when the investment can be converted into cash because of the terms of the investment.

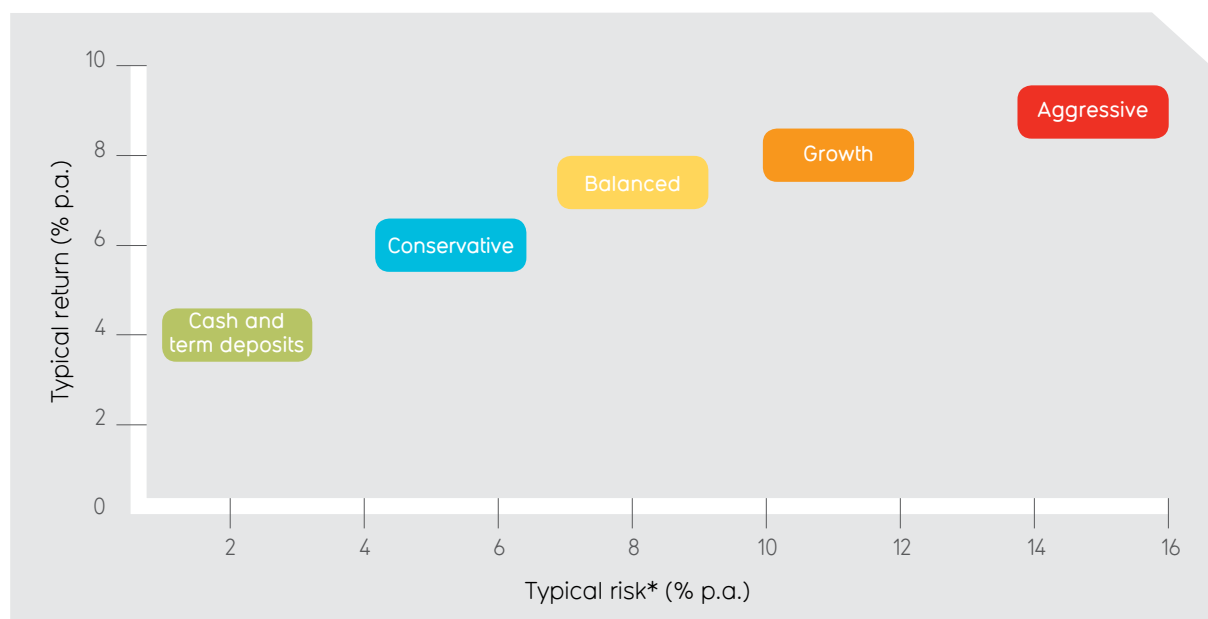
- **Currency risk** If an investment is held in international assets, a rise in the Australian dollar relative to other currencies may negatively impact investment values or returns.
- **Gearing and derivatives risk** Underlying funds may use derivatives and gearing (borrowing). The value of derivatives is linked to the value of the underlying assets and can be highly volatile.
- **Credit risk** There is a risk of loss arising from the failure of a debtor or other party to a contract to meet their obligations. This potentially arises with various investments including derivatives and fixed interest and mortgage securities.
- **Counterparty Risk** There is a risk that the issuer of an investment that the Plan holds or the other party to a contract with the Trustee may fail to meet its legal obligations. This risk can arise in relation to arrangements such as derivative contracts, brokerage agreements, as well as repurchase and foreign exchange contracts.
- **Product risk** Changes may be made to Qantas Super including its features, fees or investment options at any time.

Higher risk

Over a long period of time, higher risk investments are expected to earn more than less risky investments. However, over shorter periods, the returns would be expected to fluctuate much more. Negative returns might also be expected from time to time.

Lower risk

On the other hand, lower risk investments are expected to achieve lower returns over time. The return on these investments is generally more stable, and therefore more certain, from year to year.



*In this diagram typical risk represents plus or minus 1 standard deviation measure. That means that over time, approximately 2/3 of the annual results are expected to fall in this range. For example, for the Growth Option around 2/3 of returns are expected to be within +11% to -11% of the typical return.

Managing currency exposure

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

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

Emerging Markets	Nil hedging
Developed Market International Shares (equities)	50%
All other international assets (including fixed interest)	100%

Impact of higher returns

It is possible to reduce investment risks by investing in a low risk strategy. Over any one year, it is not clear which investment option will provide the highest return. However, over a number of years, the chance of a higher risk strategy outperforming a lower risk strategy increases.

An important consideration when choosing an investment option is the investment timeframe. More information is provided in the 'Timeframe' section (see page 20).

As the investment timeframe gets longer, the impact of the higher returns expected from a high risk strategy becomes more significant.

For example, \$100 invested over a period of 10 years with an average return of 8% p.a. will lead to an amount that is 9.7% higher than if an average return of 7% p.a. had been achieved. For longer periods:

Over 20 years the amount will be around 20% higher

Over 30 years the amount will be around 32% higher

It is important to choose an investment strategy that seeks to achieve the best return possible for your investment timeframe and within the range of investment risks with which you are comfortable.

Diversification

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

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

Risk of super continued

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

Timeframe

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

have just commenced their career may have a very long investment timeframe.


Your investment timeframe will be an important factor in your choice of investment option. The longer your investment timeframe, the more time you have to ride out the volatility of higher risk investments.

Importantly, your investment timeframe reflects the length of time you expect your funds to be invested until you need to draw them as cash. In Division 6, your funds may remain invested for many years before they are taken as cash or income.

The following table illustrates how the average returns of the higher risk investment options become less volatile the longer the investment period being considered.

Range of average annual returns*				
MIC Option	1 year	5 years	10 years	20 years
Cash	1.8% to 3.4%	2.8% to 3.8%	3.3% to 4.2%	3.6% to 4.4%
Conservative	-1.1% to 10.8%	2.9% to 7.2%	4.1% to 6.8%	4.7% to 6.6%
Balanced	-5.0% to 18.1%	2.4% to 10.3%	4.1% to 9.1%	5.1% to 8.4%
Growth	-8.0% to 23.6%	1.9% to 12.5%	4.1% to 10.7%	5.3% to 9.8%
Aggressive	-12.2% to 30.7%	1.0% to 15.2%	3.8% to 12.7%	5.4% to 11.3%

*This range illustrates 1 standard deviation risk measure. That means that over time approximately 2/3 of the results are expected to fall in this range.

 **Please note:** These average returns are based on historical and simulated information and statistical modelling of the returns of various classes of assets. They are not a guarantee of future returns for any MIC Option.

Risk tolerance

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

- Some members may be happy to target high returns over the long term, by investing in growth assets and accepting the risk of receiving a negative return in some years;
- Some may take a more balanced approach, not seeking the higher possible returns and, at the same time, reducing the risk of a negative return; or

- Some investors may be more conservative, and be most concerned to avoid a loss in any year rather than seeking higher long term returns.

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

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

5 HOW WE INVEST YOUR MONEY

Investment options

The information set out in this section provides general information about your investment choices, including information about some of the investment issues which are likely to be relevant to your investment choice. Once you are familiar with these investment concepts, you can become more familiar with the specific MIC Options and the Term Deposit Option provided by the Plan. These are described in detail on pages 26 to 28.

Investment policy

Assets of the Plan are invested in accordance with the investment strategy. A different investment strategy has been developed for each investment option, and their investment objectives are summarised on pages 26 to 28.

MIC Options

Choosing or changing an MIC Option

When you join Division 6 you will be asked to indicate the MIC Option you wish to have your accounts initially invested in. You can only choose one MIC Option.

You can change or switch your MIC Option by logging in to our secure website with your PIN. Alternatively, complete an MIC Option Notification form, which is available from our website. To obtain a PIN or form, please call us for assistance on 1300 654 384.

Switches may be made each month.

All switches between MIC Options will be processed on the first day of the month following the month in which your notification is received. There is currently no charge for changing your MIC Option.

The MIC Option chosen for your Division 6 accounts may be different to the MIC Option chosen for any accounts you may have in other divisions, such as Division 14.

Your decision regarding your MIC Option is important. The Trustee recommends that before you act on any information contained within this supplement, or change your superannuation arrangements, you seek professional advice from a licensed financial adviser.

Default MIC Option

We strongly encourage you to consider your MIC Option and choose which one you feel is best for you.

If you do not make a choice, or if the Plan does not receive any notification from you about your preference, your Division 6 accounts will be invested in the Growth Option.

In summary:

When considering your MIC Option:

- The MIC Option you choose will apply to all of your Division 6 accounts (excluding any portion of your account balance that is invested in the Term Deposit Option);
- Your Division 6 MIC Option may be different from the one applying to your accounts in any other Divisions, such as Division 14;
- You may change your MIC Option at any time but changes will only be effected on the first day of the month following the month in which your notification is received;
- The Credited Interest Rate of any MIC Option is not guaranteed. Any of the MIC Options may deliver a negative return from time to time; and
- If you do not select an option, your Division 6 accounts will automatically be invested in the default Growth Option.

Confirmation of MIC Option

If you elect to change your MIC Option, you will receive written confirmation of your new MIC Option.

Investment issues

Over time, the MIC Option you choose will have an effect on your benefits. When considering your options there are a number of investment-related terms that are important.

Asset types

The MIC Options are invested in different asset classes. Generally asset classes are divided into two types.

1. Return Seeking Assets

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

Equities or shares

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

Return Seeking Alternatives

There is a range of other return seeking assets used by the Plan, including infrastructure, global macro hedge funds, listed property, emerging market debt, high yield debt and (return seeking) dynamic strategic asset allocation opportunities. These are specialist asset classes. Their returns are derived from a combination of dividends, distributions and interest, plus changes in the capital values.

Listed property investments are included as return seeking assets as they comprise a share of the ownership in companies that invest in property. In that regard they are more similar to equity investments than holding direct property assets.

2. Risk Controlling Assets

Risk controlling assets are those which are expected to provide lower and more stable investment returns, and diversification benefits.

Diversification acts to spread high and low investment returns over a large number of different investment types, thereby reducing the reliance on a small number of similar assets and spreading the highs and lows over time.

Fixed Interest

Fixed interest investments or bonds are issued by public organisations and companies. Each bond will normally have a fixed rate (and dates) of interest payment and the original capital is repaid at the end of the bond term.

Because bonds can be traded, their market value will vary throughout the term of the bond. Bonds are available in Australia and overseas.

Cash

Some **cash investments** may be placed with financial institutions, who pay interest on these amounts. Cash investments are generally 'on-call' which means they can be accessed at any time.

Risk Diversifying Alternatives

These may include diversified hedge funds, unlisted property (lower risk) and risk diversifying strategic asset allocation opportunities.

Each of the MIC Options has its assets invested in different proportions. For example:

Option	Return Seeking Assets	Risk Controlling Assets
Cash Option	Nil	100%
Conservative Option	25%	75%
Balanced Option	50%	50%
Growth Option	70%	30%
Aggressive Option	100%	Nil

Full details of the current options are contained on pages 26 to 28 of this document.

Credited Interest Rates (CIRs)

Each of the five MIC Options is available to Division 6 members. All references to your Division 6 accounts below exclude any portion of your account balance that is invested in the Term Deposit Option (for more information on the Term Deposit Option, see page 24).

The Credited Interest Rate (CIR) is the rate applied to your Division 6 accounts. The CIR represents, as far as practicable, the net investment returns on the Plan's assets for the MIC Option your accounts are invested after the Trustee has deducted the investment fees incurred by the Plan, and can be positive or negative. The CIR for each of the five MIC Options is determined monthly and is published under the Investments section on our website www.qantassuper.com.au.

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

The Trustee maintains an Investment Fluctuation Reserve (IFR) to monitor any deviations between actual net earnings and those credited or debited to members. Each year the IFR, either positive or negative, will be fairly distributed to accumulation members and assets backing the defined benefit

liabilities. In determining a fair distribution of any IFR, whether positive or negative, the Trustee will (amongst other considerations) take into account the factors which led to the IFR emerging and the investment risk of each investment option. The Trustee may also use its discretion to take into account other factors relevant to the maintenance of equity within the Plan and between generations of members.

History of CIRs

Each year, the Qantas Super annual report sets out the long term returns history of the Plan's annual net investment returns and CIRs for the Growth Option. A history of CIRs for each MIC Option is shown on pages 26 to 28. A history of the CIRs and investment returns is also available from the Investments section of our website www.qantassuper.com.au.

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

“Diversification acts to spread high and low investment returns”



How we invest your money continued

Term Deposit Option

In addition to selecting a MIC Option, you may also choose to invest a portion of your account balance in the Term Deposit Option. The Term Deposit Option provides a fixed interest rate which will not change for the nominated term. The Term Deposit Option has a short-term focus and, on its own, is generally not suitable as a long-term strategy for building your retirement savings. Before deciding to invest in the Term Deposit Option, you should seek advice from a financial planner as part of an overall investment plan that is tailored to your own personal circumstances.

Currently, the Term Deposit Option invests in term deposits issued by National Australia Bank Limited (NAB), one of Australia's four largest banks.

How to invest

To invest a portion of your account balance in the Term Deposit Option, complete the Term Deposit Option Application Form on our website.

Withdrawal from your MIC Option will be effective the day prior to the next investment date for the Term Deposit Option (see 'Frequency of offer' below).

Terms available

6 or 12 months.

Interest rates

A fixed interest rate is determined at the start of the term. Interest is accrued daily and paid at maturity (i.e. the expiry of the nominated term). Refer to our website for the latest interest rates on offer.


Frequency of offer

The Term Deposit Option is only available for investment at certain times of the year, generally quarterly. For information about when you can invest in this option, please refer to our website or contact us on 1300 654 384 (Monday to Friday 8.30am–5.30pm AEST).

Investment amounts

Minimum

The minimum investment amount required to invest in the Term Deposit Option is \$5,000 (each time you wish to invest in this option). You'll also need to leave a minimum of \$5,000 in your MIC Option. This is required for any regular deductions from your account e.g. for fees and insurance premiums.

 **Note:** If the balance in your MIC Option drops below \$5,000 we may not accept a further application to invest in the Term Deposit Option or accept certain other requests (e.g. a partial withdrawal request) until the required minimum is restored.

Maximum

If you are eligible to invest in the Term Deposit Option, you may invest up to 80% of your available account balance in the Term Deposit Option. Your available account balance is the total value of your superannuation account (on the business day prior to the next investment date), less any amounts that are already invested in the Term Deposit Option.

Redeeming before maturity

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

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

- Permanent incapacity;
- Severe financial hardship;
- Compassionate grounds;
- Death;
- Terminal medical condition; and
- To satisfy a Family Law split.

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

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

At maturity

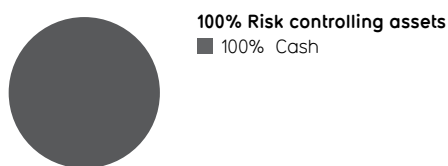
There is no automatic reinvestment in the Term Deposit Option on the expiry of the nominated term. At maturity, the principal amount invested, plus any interest earned (net of tax), will be invested in the MIC Option that applies to your account on the maturity date.

“...you may also choose to invest a portion of your account balance in the Term Deposit Option.”



Your options in detail

Cash Option



Overview

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

Investment return objective

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

Characteristics

By investing in cash and the short-term money market, the Cash Option provides access to stable, but usually low, returns. As a result, the risk of negative returns is negligible:

- Expected average net return 3.8% p.a.
- Standard deviation 0.8%.
- Probability of negative annual return 0.0%.

Minimum suggested time to invest

No minimum time applicable.

Risk level

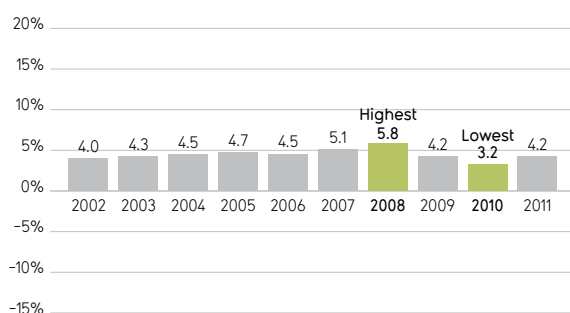
The investments have a very low degree of risk.

The estimated number of negative annual returns over any 20 year period is 0.



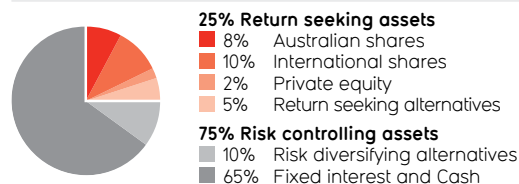
Simulated history

The diagram below illustrates a 10 year history of the Cash Option, simulated from the returns of the dominant asset class indexes, net of estimated tax and fees. From 1 April 2005 actual CIRs for this option are used.



The simulations shown in these graphs for periods prior to 1 April 2005 are based on theoretical portfolios invested in index products, net of 15% tax. Investment performance can go up and down. Past performance and simulations of this type may not be a reliable indicator of future performance.

Conservative Option



Overview

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

Investment return objective

- To achieve a return that exceeds CPI by at least 3.0% p.a. over a 3 year period, after tax and investment fees.
- To outperform the notional return on the benchmark portfolio.
- To limit the likelihood of a negative annual return to 1 in 20 (or 5%).

Characteristics

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

- Expected average net return 5.5% p.a.
- Standard deviation 4.3%.
- Probability of negative annual return 6.7%.

Minimum suggested time to invest

3 years.

Risk level

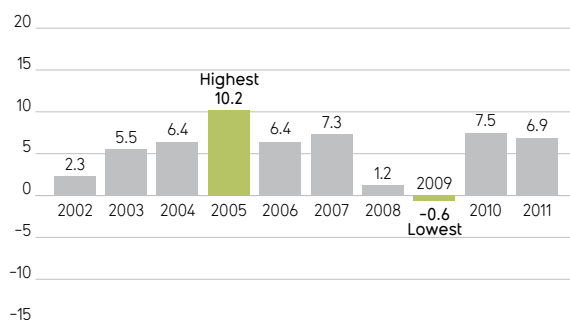
The investments have a low to medium degree of risk.

The estimated number of negative annual returns over any 20 year period is 1.1.

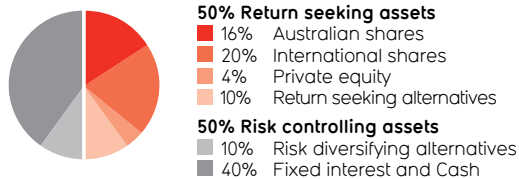


Simulated history

The diagram below illustrates a 10 year history of the Conservative Option, simulated from the returns of the dominant asset class indexes, net of estimated tax and fees. From 1 April 2005 actual CIRs for this option are used.



Balanced Option



Overview

For investors who want a return above CPI over a 5-year period, with a medium degree of risk.

Investment return objective

- To achieve a return that exceeds CPI by at least 3.5% p.a. over a 5 year period, after tax and investment fees.
- To outperform the notional return on the benchmark portfolio.
- To limit the likelihood of a negative annual return of 3 in 20 (or 15%).

Characteristics

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

- Expected average net return 6.9% p.a.
- Standard deviation 8.0%.
- Probability of negative annual return 14.7%.

Minimum suggested time to invest

5 years.

Risk level

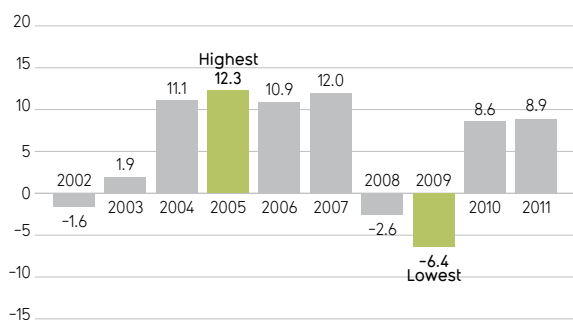
There may be short-term medium-term volatility in these asset classes, as the investments have a medium degree of risk.

The estimated number of negative annual returns over any 20 year period is 2.9.



Simulated history

The diagram below illustrates a 10 year history of the Balanced Option, simulated from the returns of the dominant asset class indexes, net of estimated tax and fees. From 1 April 2005 actual CIRs for this option are used.



The simulations shown in these graphs for periods prior to 1 April 2005 are based on theoretical portfolios invested in index products, net of 15% tax. Investment performance can go up and down. Past performance and simulations of this type may not be a reliable indicator of future performance.

Growth Option



Overview

For investors who want a high return above CPI over a 5-year period, with a medium to high degree of risk.

Investment return objective

- To achieve a return that exceeds CPI by at least 4.0% p.a. over a five year period, after tax and investment fees.
- To outperform the notional return on the benchmark portfolio.
- To limit the likelihood of a negative annual return to 4 years in every 20 years (20%).

Characteristics

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

- Expected average net return 7.9% p.a.
- Standard deviation 10.9%.
- Probability of a negative annual return 18.8%.

Minimum suggested time to invest

5 years.

Risk level

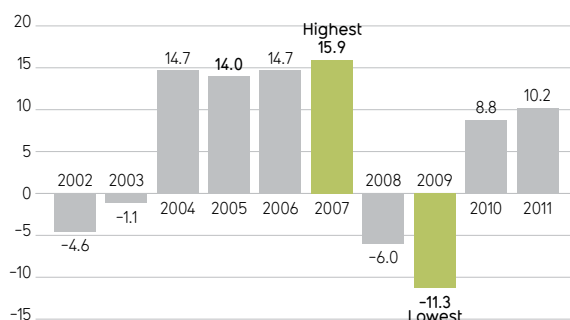
There may be short-term medium-term volatility in these asset classes, as the investment has a medium to high degree of risk.

The estimated number of negative annual returns over any 20 year period is 3.5.



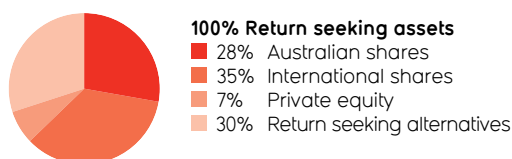
Simulated history

The diagram below illustrates a 10 year history of the Growth Option, simulated from the returns of the dominant asset class indexes, net of estimated tax and fees. From 1 April 2005 actual CIRs for this option are used.



Your options in detail continued

Aggressive Option



Overview

For investors who want a very high return above CPI over a 7-year period, with a high degree of risk.

Investment return objective

- To achieve a return that exceeds CPI by at least 4.5% p.a. over a 7 year period, after tax and investment fees.
- To outperform the notional return on the benchmark portfolio.
- To limit the likelihood of a negative annual return to 5 years in 20 (or 25%).

Characteristics

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

- Expected average net return 9.1% p.a.
- Standard deviation 14.7%.
- Probability of negative annual return 22.7%.

Minimum suggested time to invest

7 years.

Risk level

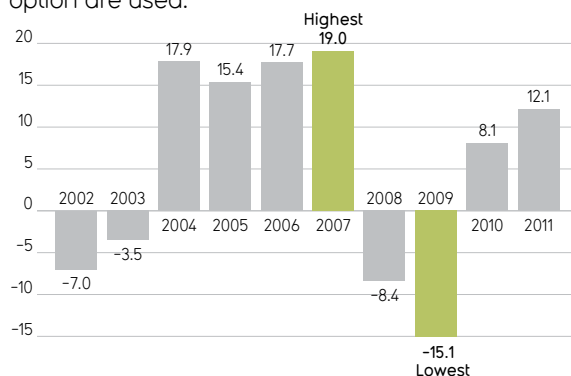
There may be short-term medium-term volatility in these asset classes, as the investment has a high degree of risk.

The estimated number of negative annual returns over any 20 year period is 4.3.



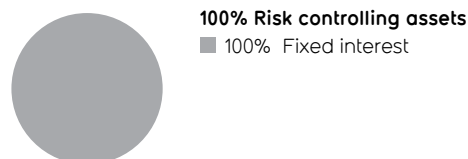
Simulated history

The diagram below illustrates a 10 year history of the Aggressive Option, simulated from the returns of the dominant asset class indexes, net of estimated tax and fees. From 1 April 2005 actual CIRs for this option are used.



The simulations shown in these graphs for periods prior to 1 April 2005 are based on theoretical portfolios invested in index products, net of 15% tax. Investment performance can go up and down. Past performance and simulations of this type may not be a reliable indicator of future performance.

Term Deposit Option



Overview

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

Investment return objective

To provide a fixed interest rate on investments held for an agreed term.

Characteristics

The Term Deposit Option invests 100% in cash investments and has a short-term focus.

Risk level

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



Minimum suggested investment timeframe

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

Frequency of negative return

As the Qantas Super Term Deposit Option is a new investment option, there is no past investment performance in Qantas Super. However the likelihood of a negative return is remote and would only occur in exceptional circumstances such as if the issuer of the underlying term deposit became insolvent.

6 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 fund 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. You may be able to negotiate to pay lower contribution fees and management costs where applicable.* Ask the fund or your financial adviser.

* Please note: The Plan does not pay commissions to financial advisers and accordingly the fees are not negotiable.

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 calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Plan assets as a whole.

Taxes (page 33) and insurance costs (page 35) are set out in other parts of this document.

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

Type of Fee or Cost	Amount	How and when paid																		
Fees when your money moves in or out of the fund																				
Establishment fee: The fee to open your investment	Nil	Not applicable																		
Contribution fee: The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable																		
Withdrawal fee: The fee on each amount you take out of your investment	Nil	Not applicable																		
Termination fee: The fee to close your investment	Nil	Not applicable																		
Management costs – the fees and costs for managing your investment																				
Administration fee:	0.20% p.a. of Superannuation Salary	A deduction from your Salary Sacrifice Account of 0.20% p.a. of Superannuation Salary is made on 30 June each year, or on leaving the Plan, to cover administration costs																		
Investment management cost:	MIC Options Investment management costs for each MIC Option for: <table> <tr> <th>Option</th><th>2011/12 % p.a.</th><th>(estimate) 2012/13 % p.a.</th></tr> <tr> <td>Cash</td><td>0.10</td><td>0.10</td></tr> <tr> <td>Conservative</td><td>0.36</td><td>0.35-0.42</td></tr> <tr> <td>Balanced</td><td>0.46</td><td>0.45-0.55</td></tr> <tr> <td>Growth</td><td>0.50</td><td>0.51-0.64</td></tr> <tr> <td>Aggressive</td><td>0.53</td><td>0.53-0.68</td></tr> </table> Term Deposit Option \$25 for each term deposit investment	Option	2011/12 % p.a.	(estimate) 2012/13 % p.a.	Cash	0.10	0.10	Conservative	0.36	0.35-0.42	Balanced	0.46	0.45-0.55	Growth	0.50	0.51-0.64	Aggressive	0.53	0.53-0.68	A percentage fee is deducted from the investment returns of the MIC Options each month (or the Interim CIR if you leave the Plan before the CIR is declared). It is not deducted directly from your account but is reflected in the CIR applied to your account. A different percentage fee applies to each MIC Option. This fee is deducted directly from the portion of your account that is invested in your MIC Option at the time that the nominated portion of your account is invested in the Term Deposit Option.
Option	2011/12 % p.a.	(estimate) 2012/13 % p.a.																		
Cash	0.10	0.10																		
Conservative	0.36	0.35-0.42																		
Balanced	0.46	0.45-0.55																		
Growth	0.50	0.51-0.64																		
Aggressive	0.53	0.53-0.68																		
Other fees**																				
Investment switching fee: The fee for changing investment options	Nil	Not applicable																		

** Refer to 'Additional explanation of fees and costs' section on page 30 for details of other fees.

Fees and costs continued

Additional explanation of fees and costs

Tax

Information about tax, including the impact of adjustments and offsets on the tax payable on earnings, is provided on page 33.

Qantas Super receives a tax deduction for the expenses we incur in managing your super. Generally, there is no benefit of any tax deduction directly passed onto members of the Plan.

The tax deduction received by the Plan for Additional Voluntary Insurance Cover premiums is passed on directly to those members who have Additional Voluntary Insurance Cover premiums deducted from their account. Our published premiums for Additional Voluntary Insurance Cover represent the reduced premium after taking into account the tax deduction to be received by the Plan.

Insurance costs

A deduction of 0.9% p.a. of Superannuation Salary is made on 30 June each year and on leaving the Plan from your Salary Sacrifice Account to cover the cost of your standard insured benefits.

If you are accepted for Additional Voluntary Insurance Cover (Voluntary Insurance), insurance premiums will be deducted according to the type of cover and number of units of cover approved, your age as at last 1 July, and your occupational group. Additional Voluntary Insurance premiums are deducted from your account on a monthly basis.

Family law fees

The Family Law Act allows the Plan to charge fees for certain activities. The Plan currently charges a family law fee of \$150 for a request for information.

Member protection

If at any time the value of your account is less than \$1,000 and includes (or at one time included) superannuation guarantee or award contributions by the Company, the fees and charges applied to the benefit will not exceed the interest credited to your account, in accordance with the law.

Investment management costs

Investment management costs represent the direct costs of investing and managing your investments.

MIC Options

Investment management costs for the MIC Options include the base investment management costs and performance fees. The actual investment management costs will be deducted from the Credited Interest Rate (CIR) applied to your account. The investment management cost portion of the management costs stated in the PDS is an estimate based on the current internal and external costs of managing investments in each of the MIC Options. Investment management costs do not include indirect transactional and other costs incurred in respect of underlying investments. The exact cost of managing your investments will vary from time to time. We will let you know what actual investment management costs have been incurred for the previous financial year in your annual member benefit statement or the annual report.

Investment management costs are not deducted directly from your account but are reflected in the CIR applied to your account. A different percentage applies for each MIC Option. Any variances from time to time between the investment management costs deducted and the actual investment costs incurred by the Plan in respect of the assets backing each MIC Option are reflected through the distribution of the Investment Fluctuation Reserve (IFR). Further information on the IFR is provided on page 23.

■ Base investment management costs

Base investment management costs 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 fees

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

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

It is estimated that performance fees paid to investment managers will range from 0% to 0.15% for 2012/2013. These estimated costs are included in the tables under the heading 'The cost of managing your investment' in this section.

Term Deposit Option

The investment management cost for the Term Deposit Option is a fixed fee of \$25, each time you invest in the Term Deposit Option. This fee is deducted directly from the portion of your account

that is invested in your MIC Option. This deduction is in addition to the amount you wish to invest in the Term Deposit Option and is deducted at the time your investment in the Term Deposit Option is made.

Indirect costs

In addition to the base investment management costs and performance fees, the Plan incurs additional indirect costs when it invests in underlying investment funds. These costs include management and performance 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. Indirect costs are not deducted directly from your account but are reflected in the CIR applied to your MIC Option.

The cost of managing your investment

The investment management costs for each of our five MIC Options are provided below.

2011/2012

MIC Option	Base investment management costs (% p.a.)	+ Performance fee (% p.a.)	= Total investment management costs (% p.a.)
Cash	0.10	0.00	0.10
Conservative	0.32	0.04	0.36
Balanced	0.40	0.06	0.46
Growth	0.43	0.07	0.50
Aggressive	0.45	0.08	0.53

2012/2013

MIC Option	Estimated base investment management costs (% p.a.)	+ Estimated performance fee range (% p.a.)	= Total estimated investment management costs range (% p.a.)
Cash	0.10	0.00	0.10
Conservative	0.35	0.00 – 0.07	0.35 – 0.42
Balanced	0.45	0.00 – 0.10	0.45 – 0.55
Growth	0.51	0.00 – 0.13	0.51 – 0.64
Aggressive	0.53	0.00 – 0.15	0.53 – 0.68

Fees and costs continued

Example of annual fees and costs for the Growth Option

This table gives an example of how the fees and costs in the Growth Option can affect your superannuation investment over a 1-year period. You should use this table to compare this product with other superannuation products.

EXAMPLE The Growth Option	Fee basis	Balance of \$50,000 with total contributions of \$5,000 during the year and Superannuation Salary of \$40,000
Contribution fees	Nil	For every \$5,000 you put into the Plan, you will be charged \$0.
PLUS Management costs	Investment management costs: 0.50% p.a. (for 2011/12) 0.51%–0.64% p.a. (estimate for 2012/13) Plus Administration fee: 0.20% of Superannuation Salary*	And , for every \$50,000 you have in the Plan, you will be charged between \$250 and \$320 each year Plus An administration fee of \$80 each year regardless of your balance
EQUALS Cost of fund	If you put in \$5,000 during a year, your Superannuation Salary was \$40,000 and your balance was \$50,000 then for that year you will be charged fees from: \$330 to \$400 What it costs you will depend on your Superannuation Salary and the investment option you choose.	

Establishment fee: Nil

Switching fee: Nil

If you leave the Plan, no withdrawal fee will be charged.

Refer to page 42 for the definition of 'Superannuation Salary'.

➔ **Please note:** The Plan does not pay commissions to financial advisers and therefore the fees are not negotiable.

“Qantas Super doesn't pay commissions to financial advisers”



7 HOW SUPER IS TAXED

Tax on contributions

Concessional contributions (under the cap) are taxed at 15%. No tax is paid on non-concessional contributions (NCCs).

Note: The Government has proposed to increase the tax rate for concessional contributions that do not exceed the concessional contributions cap (see page 5) made for a person with income of more than \$300,000 to 30%. The legislation for this change has not yet been enacted.

Tax on earnings

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

MIC Options

The tax on investment returns is incorporated into the Credited Interest Rates which are declared on an after-tax basis.

Term Deposit Option

The tax on interest earned on a term deposit is deducted before interest is credited to your account.

Tax on benefits

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

The tax you pay depends on your age:

- **60 and over** – Generally you won't pay tax on your superannuation withdrawals
- **55 to 59** – For the 2012/2013 financial year, the first \$175,000 of your taxable component, the part of your super you have to pay tax on, is tax free. This amount changes in line with the Average Weekly Ordinary Time Earnings (AWOTE) in increments of \$5,000. Amounts above this are taxed at 16.5%.
- **Under 55** – The full 'taxable component' is taxed at 21.5%.

For taxation purposes your lump sum superannuation benefit will be divided into two parts – a tax-free component and a taxable component.

For further information on tax on your benefit, refer to our *Claiming Your Benefit* brochure and our *Tax on Super* fact sheet which can be obtained from our website www.qantassuper.com.au or by calling us on 1300 654 384.

Tax on Death Benefits

Death benefits paid to dependants (as defined under tax laws) will be tax-free. If some or all of your death benefit is paid to your legal personal representative, the benefit may be subject to tax of up to 31.5% if it is ultimately paid to a non-dependant (under tax laws).

Tax on Disability Benefits

Because disability benefits are paid as a monthly income payment, they are taxed differently. These benefit payments are treated as if they were income (salary) and hence are taxed at personal income tax rates.

Surcharge tax

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

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

- The assessment amount was paid to the ATO; and
- The member's **Surcharge Account** was debited with the assessment amount.

The **Surcharge Account** therefore comprises any surcharge payments made to the ATO for a member, plus MIC Option earnings at the Credited Interest Rate. Members may contribute NCCs to reduce or eliminate the balance in the Surcharge Account.

If you are entitled to receive a benefit, the balance of your **Surcharge Account** is deducted from your benefit entitlements.

How super is taxed continued

Benefit transferred or rolled over

If your benefit is transferred to Division 8, Division 9 or rolled over into another complying superannuation fund or rollover fund when you leave the Company, 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.

Tax File Number (TFN)

Superannuation legislation authorises the Trustee to collect your 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 superannuation 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(s);
- The tax on contributions to your accounts will not increase;

- Other than the tax that may ordinarily apply, no additional tax will be deducted when you start receiving your superannuation benefit; and
- It will make it easier to trace different superannuation accounts in your name so that you may receive all your superannuation benefits when you retire.

The Company will automatically provide the TFN to the Plan for new employees who provide their TFN to the Company.

To check whether the Plan has your TFN, you can check the secure Member's Area of our website www.qantassuper.com.au or contact us on 1300 654 384.

➤ Please note: This section provides a general explanation as to how tax legislation may apply to the Plan 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 of the Plan on your benefits.

“ Providing your tax file number has a number of advantages ”



8 INSURANCE IN YOUR SUPER

Standard Insurance Cover

Death Benefit (under age 65)

A benefit is payable if you die at any time while you are a member of the Plan. You are covered 24 hours a day, seven days a week anywhere in the world (not just while at work) for death from any cause.

This benefit may also be paid prior to death if you are terminally ill.

The benefit entitlement on death is a lump sum equal to your Basic Benefit plus the Insurance Benefit, and is payable to your Dependant(s) or your legal personal representative at the time of your death.

The Insurance Benefit is equal to 18% of Final Year Salary at the date of your death for each year from the date of death to age 65 with complete months of future service counting as part years. Note that reductions may apply if you have a pre-existing medical condition (see page 37).

EXAMPLE

A member dies at age 40 with a Final Year Salary of \$42,000. Assume that the member's Basic Benefit is \$30,000. The death benefit payable would be:

Benefit	Amount
Basic Benefit	\$30,000
Insurance Benefit (\$42,000 x 18% x 25 years)	\$189,000
Death Benefit	\$219,000

If you transferred to Division 6 from another division of the Plan, a minimum death benefit may apply, equal to the prior division death benefit calculation on the day immediately prior to your transfer to Division 6 **less** any amounts transferred out of Division 6 under Portability (including transfers to Division 14), split contributions transferred to your spouse, the balance of your Surcharge Account (if applicable) or the balance of your Family Law Account (if applicable).

Death Benefit (age 65 and over)

If you die on or after the age of 65, your Dependant(s) or your legal personal representative will receive a lump sum equal to your Basic Benefit.

Minimum legislated death benefit

Minimum death cover is required to be provided for funds which are used as the 'default' fund under choice of fund legislation.

The death benefits from Division 6 are expected to exceed these minimum cover requirements.

However, to ensure that this requirement is met, a minimum calculation is performed and the death benefit increased if needed.

Nomination of beneficiaries

A beneficiary nomination allows you to nominate the person or people you wish to receive your benefit in the event of your death. The Plan offers a **non-binding** death benefit nomination or a **binding** death benefit nomination. You can select the type of nomination you wish to provide on the *Nomination of Beneficiaries* form, available from our website.

Non-binding death benefit nomination

A non-binding death benefit nomination enables you to indicate your preference for the distribution of your death benefit between your dependants and/or your estate. 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 the Plan's Trust Deed and Rules and the relevant legislative requirements, who should receive the benefits and in what proportion.

Binding death benefit nomination

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

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

- Any person nominated to receive all or part of your death benefit must either be one or more of your dependants, and/or be your legal personal representative as at the date of your nomination and the date of your death;
- The allocation of your death benefit between each of the nominated beneficiaries must be clear and add up to exactly 100%;

Insurance in your super continued

- The binding death benefit nomination must be made on the Qantas Super *Nomination of Beneficiaries* form and be signed and dated by you in the presence of two witnesses who are at least 18 years of age, neither of whom are nominated in the *Nomination of Beneficiaries* form; and
- The binding death benefit nomination must be acknowledged and confirmed in writing by the Trustee before the date of your death.

If any part of the *Nomination of Beneficiaries* form does not satisfy any of these requirements, the nomination will be invalid. An invalid binding death benefit nomination will be treated as a non-binding death benefit nomination by the Trustee and will not revoke or replace an existing valid binding nomination.

A valid binding death benefit nomination remains in effect for three years from the date it was signed. Details of your binding death benefit nomination will appear on your Annual Benefit Statement each year along with its expiry date.


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

For more information on who qualifies as a dependant, please refer to the definitions in *Section 9: How to open an account* of this Supplement, and the *Nominating your Beneficiaries* fact sheet, available on our website www.qantassuper.com.au.

Total and Permanent Disablement (TPD) Benefit

The amount of the TPD benefit is the same amount as the death benefit and any reductions due to a pre-existing condition may also apply.

This benefit is payable when, prior to the age of 65, through illness or injury, you are rendered incapacitated to such an extent that you are unlikely ever to be able to resume work or attend to any gainful profession or occupation for which you are reasonably qualified by education, training or experience.

 **Please note:** The assessment of whether you are eligible for a TPD benefit is made by the Trustee after consideration of medical and other evidence that the Trustee considers necessary or desirable, consistent with the provisions of the Trust Deed and Rules of the Plan.

If you transferred to Division 6 from another division of the Plan, a minimum TPD benefit may apply, **equal** to the prior Division TPD benefit calculated on the day immediately prior to your transfer to Division 6, **less** any amounts transferred out under Portability ((including transfers to Division 14), Split Contributions transferred to your spouse, the balance of your Surcharge Account (if applicable) or the balance of your Family Law Account (if applicable).

Disability Benefit

A disability benefit may be payable if you are totally but temporarily disabled. This benefit is equal to 75% of your Superannuation Salary and is payable for up to two years. The monthly equivalent will be paid each month.

You are considered totally but temporarily disabled if you have been absent from your employment because of an illness, accident or injury for at least three months (or a shorter period if the Trustee considers it appropriate if in its view hardship exists) and during that time, in the opinion of the Trustee, you are unable to be employed in any positions considered suitable by the Company (whether or not such a position is currently vacant within the Company).

The disability benefit will cease during a period where sick leave, annual leave or public holidays are paid.

The assessment of whether you are eligible for a disability benefit is made by the Trustee after consideration of medical and other evidence that the Trustee considers necessary or desirable, consistent with the provisions of the Trust Deed and Rules of the Plan. Additional medical evidence may also be required from time to time to prove continued temporary disability.

Adjustments may be made for payments, benefits and allowances that are provided by the Company while you are receiving a disability benefit, other income earned during this period, such as other disability income, compensation payments, insurance payments (including Loss of Licence insurance), workers compensation, social security payment, or income from other paid work.

The disability benefit will terminate on the earliest of the following events, when you:

- Reach 65;
- Die;
- Become eligible to receive any other benefit under the Trust Deed and Rules;

- Have received the disability benefit for **two** consecutive years;
- Return to permanent full-time or part-time work (whichever you were employed as prior to being totally but temporarily disabled);
- Are on a fixed term contract and that term expires; or
- Cease to be totally but temporarily disabled.

EXAMPLE

A Division 6 member is injured at home and becomes temporarily disabled. The member's Superannuation Salary at the time of injury was \$60,000. The member decides not to continue having superannuation contributions made. After the member has exhausted all annual and sick leave entitlements, and three months from the date of the injury have passed, the member will be entitled to receive a monthly disablement payment equal to:

$75\% \times \$60,000$

Divided by 12

Member's monthly disability payment = \$3,750

Insurance costs

A deduction of 0.9% p.a. of Superannuation Salary is made on 30 June each year and on leaving the Plan from your Salary Sacrifice Account to cover the cost of your Standard Insurance Cover.

EXAMPLE

If a member has a Superannuation Salary of \$50,000, the amount deducted from their **Salary Sacrifice Account** for insurance per year will be:

Premium Calculation	Amount
$0.9\% \times \$50,000$	\$450.00

If you are accepted for Additional Voluntary Insurance cover (Voluntary Insurance), insurance premiums will be deducted according to the type of cover and number of units of cover approved, your age as at last 1 July, and your occupational group. Additional Voluntary Insurance premiums are deducted from your account on a monthly basis. Refer to the *Insurance Guide* for premiums.

Pre-existing medical conditions

Should an insurance benefit become payable from the Plan and medical evidence identifies a pre-existing medical condition, you may receive a medical loading. This may reduce the amount of insurance benefit you are entitled to receive, but it does not affect your other benefits. Medical loadings last for seven years.

The amount of reduction will vary depending on your years of membership of the Plan as follows:

Medical Loading Discount	
Years in Plan reduction*	(%)
Less than 3 years	100
Between 3 and 4 years	80
Between 4 and 5 years	60
Between 5 and 6 years	40
Between 6 and 7 years	20
After 7 years	No reduction

* In the case of Death and Total and Permanent Disablement benefits, the percentage reduction will only apply to the benefit over and above the benefit that would apply if you resigned from the Company.

Insurance benefits include Death, Total and Permanent Disablement and Disability benefits.

If you claim an insured benefit for reasons not related to your medical condition when you joined the Plan, there will be no reduction.

Please note: Your insured benefit may also be reduced if you provide false, misleading or incorrect information.

Additional Voluntary Insurance Cover

Qantas Super has partnered with MLC Limited (ABN 90 000 000 402 AFSL 230694) to offer Additional Voluntary Insurance, allowing you to increase your Death or Death and Total and Permanent Disablement (TPD) Cover above the insurance benefits outlined on page 35. This provides you with the flexibility to arrange insurance cover at a level you feel is right for you and your personal circumstances.

Any approved Additional Voluntary Cover is in addition to any existing insurance benefits provided within your Qantas Super membership.

Full details of Additional Voluntary Insurance, along with the application form, are available from our *Insurance Guide*, available at www.qantassuper.com.au.

9 HOW TO OPEN AN ACCOUNT

How to open an account

Qantas Super is the default super fund for most Australian-based employees within the Qantas Group. If you do not select a super fund under the choice of fund legislation before commencing employment with the Qantas Group, you will automatically become a member – there are no application forms to complete. We will send you a welcome letter with your membership details once your account is opened.

Member Dissatisfaction Procedures (Complaints)

The Trustee of the Qantas Superannuation Plan has established a Member Dissatisfaction Policy to ensure member inquiries and complaints are resolved promptly and regulatory obligations are met.

In addition, the Trustee is obliged to provide you with any information you reasonably require to understand your benefits.

How do I lodge a complaint?

1. Call Qantas Super on **1300 654 384** weekdays 8.30am – 5.30pm (EST) to discuss your complaint.
2. If you'd prefer not to discuss the complaint with your Service Representative, or your concern is not satisfactorily resolved, please direct your written complaint to:

Superannuation Inquiries Officer
Qantas Superannuation Plan
Locked Bag A4075
SYDNEY SOUTH NSW 1235

The Superannuation Inquiries Officer will ensure that your complaint is investigated appropriately and will provide you with a response.

3. If you do not receive a response to your complaint within 90 days or are not satisfied with the response provided after going through Qantas Super's internal complaints process, you may be eligible to take your complaint to the Superannuation Complaints Tribunal (SCT).

The SCT is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain types of complaints. This is a free service to you. More information is available at the SCT website www.sct.gov.au or on **1300 884 114**. The SCT mailing address is:

Superannuation Complaints Tribunal
Locked Mail Bag 3060
MELBOURNE VIC 3001

If your complaint is outside the jurisdiction of the SCT, you may also have the right to take your complaint to the Financial Ombudsman Service (FOS). More information is available at the FOS website www.fos.org.au. The FOS mailing address is:

Financial Ombudsman Service
GPO Box 3
MELBOURNE VIC 3001

10 OTHER INFORMATION

Privacy Policy

The Trustee is committed to respecting the privacy of members and other individuals' personal information, and is committed to complying with the Privacy Act 1988 and any other applicable laws designed to protect individuals' privacy.

Subject to certain conditions, you can gain access to your personal information that the Trustee has collected. The information is collected to assist the provision of services to you, as a member of the Plan, consistent with Federal legislation covering superannuation and taxation.

Your information may be disclosed by the Trustee to a number of other parties, including the Plan's administrator, advisors, insurers, regulators and courts. Limited information may be provided to the Company. In some situations, the law may require the provision of information to your spouse or former spouse.

The full text of the Privacy Policy can be found at **www.qantassuper.com.au** or by contacting the Plan. The Policy may be varied at any time by publishing the varied Policy on our website.

In addition to our general personal information management practices, this Policy covers the way a member's personal information, and the personal information of any other individual, is treated when you access and interact with our website.

Questions or feedback about this Policy or your personal information should be directed to:

The Privacy Officer
Qantas Superannuation Limited
Locked Bag A4075
South Sydney NSW 1235
Phone: 1300 654 384
Email: info@qantassuper.com.au



Other information continued

Governing the Plan

The Trust Deed

The Trust Deed and Rules is a legal document governing the Plan, and sets out the rights and obligations of members, the Company and the Trustee. A copy of the Trust Deed and Rules may be viewed on our website www.qantassuper.com.au.

The Trustee has discretion to amend the Trust Deed and Rules; however the Company must approve amendments to the Trust Deed and Rules.

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

The Trustee

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

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

Company appointed Directors may be removed at any time at the Company's discretion.

Plan members (employed by the Company) elect Member Directors. Member Directors must be members of the Plan and employed by the Company to be eligible for election. Once elected, they serve for a maximum period of four years, or longer if re-elected. Under the SIS provisions, a current Member Director may only be removed from office for one of the following reasons:

- Death
- Mental or physical incapacity
- Retirement
- Termination of employment
- The member becomes a disqualified person within the meaning of SIS
- The suspension or removal of the Trustee under SIS
- Resigning from the position of Director
- The tenure of the position expires
- Ceasing to be a member of the Plan
- Ceasing to satisfy any condition required to be eligible for appointment, or
- On the written request to the Trustee by a majority (over 50%) of the members of the relevant group of the Plan.

The Trustee Directors are listed in the Annual Report of the Plan each year and on our website, www.qantassuper.com.au.

Definitions

In explaining how the Plan works, it is necessary to use certain terms which have a very specific meaning.

The Plan means the Qantas Superannuation Plan (ABN 41 272 198 829 / RSE R1005486).

The Trustee means Qantas Superannuation Limited (ABN 47 003 806 960 / AFSL 288330 / RSE L0002257).

The Company means Qantas Airways Limited (ABN 16 009 661 901) and associated employers whose employees are eligible to become members of the Plan.

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

Credited Interest Rates (CIRs) are the positive or negative earning rates applied to all your accounts in Division 6 (excluding any portion of your account invested in the Term Deposit Option), net of investment managers' fees and other investment expenses. These are determined by the Trustee, and will be calculated and published monthly.

The CIR will reflect the MIC Option your accounts in Division 6 are invested in (excluding any portion of your account invested in the Term Deposit Option). The CIRs are net of investment tax.

Interim CIRs are used to calculate account balances at other dates and are determined by the Trustee. Interim CIRs may be positive or negative. The Trustee reviews the interim CIRs on a regular basis and may increase or decrease the interim CIR that is applied to your account balance at any time. The Interim CIRs are also used to determine your final payment from Division 6, should you cease to be a Division 6 member during the month.

The interim CIRs for a period will be replaced by the final declared CIR for that period once the CIR has been calculated.

It is important that you know that the CIRs can be negative. This means that it is possible for the benefits you receive from Division 6 to be less than the contributions and transfers you and the Company make to Division 6.

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

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

1. you had a close personal relationship, and
2. you lived together, and
3. one or each provided financial support to the other, and
4. 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.

Other information continued

Final Year Salary Means the average annual Superannuation Salary calculated over the period of one (1) year up to and including your last day at work prior to the date of death or total and permanent disablement.

Investment Choice An investment strategy may be selected from a range of investment options:

- The MIC option chosen will apply to your accounts in Division 6 (excluding any portion of your account invested in the Term Deposit Option). If you do not select an investment option, a default strategy will apply. The current default option is the Growth Option.
- In addition to investing in an MIC Option, you may choose to invest a portion of your account balance in the **Term Deposit Option**, subject to eligibility criteria.

Portability You may elect to transfer your accumulation balances to another superannuation arrangement(s). More information is available on page 12.

Superannuation Salary means your annual basic rate of salary as advised by the Company. Superannuation salary is subject to a minimum of ordinary time earnings which is the amount that the Company advises is the minimum required to meet its Superannuation Guarantee obligations.

Split Contributions are any eligible contributions transferred by a member to an account for their eligible spouse.

Concessional Contributions means for the purpose of the Plan, Company contributions made to a superannuation plan from your pre-tax salary.

Non Concessional Contributions (NCCs) means for the purpose of the Plan, contributions made to a superannuation plan from your after-tax salary where a tax deduction is not claimed.

“ Qantas Super is one of Australia’s largest corporate super funds ”





Contacting us

If you have any questions or enquiries, or would like another copy of this Member Guide Supplement or any of the additional information mentioned in it, please contact us.

**Phone**

1300 654 384 (within Australia)
+61 2 9374 3930 (outside Australia)
(8.30am to 5.30pm EST weekdays)

**Email**

info@qantassuper.com.au

**Fax**

02 9372 6288 (within Australia)
+61 2 9372 6288 (outside Australia)

**Postal address**

Qantas Superannuation Limited
Locked Bag A4075
Sydney South NSW 1235

www.qantassuper.com.au