DIVISION 7

Member Guide Supplement

Issued 14 March 2014

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Qantas Superannuation Plan

QANTAS

About this document

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.

The information in this document forms part of, and should be read together with, the **Qantas Super Division 7 Member Guide – Product Disclosure Statement (PDS)** issued on 14 March 2014. You should also read this document together with the **Your Insurance Guide – Additional Voluntary Death and TPD Cover (Insurance Guide)**, which also forms part of the PDS. Please read it carefully and keep it with your personal financial documents.

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

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

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

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

Qantas Super Division 7 (Division 7) is a division of the Qantas Superannuation Plan ABN 41 272 198 829, RSE R1005486 (Qantas Super). The trustee of Qantas Super is Qantas Superannuation Limited ABN 47 003 806 960, AFSL 288330, RSE licence L0002257 (QSL, we, us, our or Trustee). Insurance in Division 7 is provided through group policies with an external insurer, MLC Limited ABN 90 000 000 402, AFSL 230694 (MLC or Insurer).

Qantas Super is the default super fund for eligible employees of Qantas Airways Limited ABN 16 009 661 901 and associated employers (Qantas Group). If you are covered by an enterprise agreement which selects Division 7 of Qantas Super as the default super fund, and you are eligible for membership in Division 7, you will automatically be admitted as a Division 7 member.

HOW SUPER WORKS

Building your benefits

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

Contributing to super

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

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

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

- **Employer contributions.** Minimum contributions are required to be made by your employer under the Superannuation Guarantee (Administration) Act 1992 (SG) to a complying super fund. Your minimum contributions may be greater than the SG requirements due to your entitlement to an employer agreed minimum amount. Contact Qantas People Services if you are unsure of your minimum super contributions.
- **Personal and spouse contributions.** If permitted by Qantas Airways Limited, you can ask your employer to deduct extra money from your pay before tax is taken out, called salary sacrifice contributions. You or your spouse can also make contributions from after-tax monies.
- **You can rollover your other super into Division 7.** 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. Refer to the *Rollover* form available on our website.
- **Government co-contribution.** The Government has a scheme to help people on low to middle incomes save for their retirement. If you're a low or middle income earner the Government will contribute extra money to your account if you contribute your own money after-tax and meet certain rules. For more information, refer to our *Government super contributions* fact sheet available on our website.
- **Low income super contribution.** The Government will make a contribution (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. For more information, refer to our *Government super contributions* fact sheet available on our website. (At the time of publishing, the Government's policy is to abolish the low income super contribution scheme from the 2013/2014 financial year and it is planning to pass legislation to implement that policy.)

Contribution caps

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

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

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

Accessing your benefits

Preservation

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

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

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

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

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

Family law

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

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

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

- we will deduct the amount from your account; or
- an offset account will be maintained for you, which will be credited or debited with the earnings applicable to your MIC option. The value of the offset account will be deducted from your benefit. Generally this will occur when you leave Division 7 but may be earlier. To reduce the impact of this when you leave, you can make voluntary after-tax (non-concessional) contributions to your account to reduce or eliminate the value of any offset account. Any non-concessional contributions made count towards your non-concessional contributions cap.

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

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

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

Contribution splitting

Contribution splitting allows you to transfer any voluntary concessional contributions above your employer SG minimum contributions (after the deduction of any applicable contributions tax), up to the concessional contribution cap, to an account established for your spouse. Certain criteria must be met.

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

Rollovers into Division 7, employer SG (concessional) contributions made for you by the Qantas Group and non-concessional contributions cannot be split.

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

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

- your spouse must satisfy the definition of 'Spouse' under 'Definitions' in the 'Other information' section of this document and be:
  - under their preservation age; or
  - between their preservation age and 64 years and either not retired from the workforce or have never been gainfully employed;
- applications for transfer may only be made for concessional contributions in the prior financial year, unless you are exiting Division 7;
- if you are exiting Division 7, a transfer may be made at exit for concessional contributions in the current financial year; and
- you must complete the *Split transfer request* form which is available on our website.

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

Temporary residents

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

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

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

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

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

Unclaimed money and lost members

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

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

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

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

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

Choice of fund and portability

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

In addition, you may request that the Trustee pay some or all of your existing account balance in Division 7 to another super fund that you nominate (this is called 'Portability').

If you choose another super fund to receive employer contributions made in respect of you, but you do not transfer your existing account balance (if any) in Division 7 to another super fund, the Trustee will transfer your remaining account balance in Division 7, including any insurance that may apply, to Division 8 of Qantas Super. The transfer will generally be processed 30 days after the date the last employer contribution is made to your account. The amount transferred will be the benefit that you would have received if you resigned on the date that the transfer is processed (including a deduction for your share of expenses).

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

Refer to the 'Benefits of investing with Qantas Super Division 7' section for more information.

BENEFITS OF INVESTING WITH QANTAS SUPER DIVISION 7

The value of your Division 7 account

The value of your Division 7 account is calculated as:

- Contributions made into your account; **plus**
- Transfers and rollovers into your account; **less**
- Any withdrawals, rollovers and transfers out of your account, **less**
- Any fees, costs and taxes; **less**
- Insurance premiums; **plus or minus**
- Earnings.

Managing your account

Adding money to Division 7

Regular payroll deduction

If you want to make additional voluntary contributions, you may (if approved by Qantas Airways Limited) ask your employer to make regular deductions from your pay (before-tax and/or after-tax) into your Division 7 account.

You can commence, change or cancel your regular voluntary contributions at any time. Changes will generally take effect from your next available pay. Simply complete the *Superannuation contribution authority* form available from the People section of the Qantas Group intranet or on our website. Alternatively, you can contact Qantas People Services or the relevant payroll department.

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

Contributions with BPAY®

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

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

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

® Registered to BPAY Pty Ltd ABN 69 079 137 518

One-off contributions by cheque

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

Rollover to consolidate your super

At any time you may roll over super balances from other super funds into your Division 7 account. Simply complete the *Rollover* form available on our website.

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

Making contribution decisions:

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

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

Withdrawing money from Division 7

Cash withdrawal

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

Portability

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

You are not able to transfer funds if:

- the Trustee has effected a similar request for you in the previous 12 months; or
- you apply for a partial transfer and your total account balance remaining in Division 7, after the transfer, would be less than $5,000.

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

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

Transfers to KiwiSaver

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

Transition to retirement income streams

If you are eligible to establish a transition to retirement income stream, you may do so to access some of your super before you stop working. Division 14 of Qantas Super provides a transition to retirement solution for eligible members.

Information about our transition to retirement solution, including eligibility requirements, is contained in the *Division 14 Transition to Retirement Product Disclosure Statement* which is available on our website.

Note: Any portion of your account balance that is invested in the Term Deposit option cannot be transferred to a transition to retirement income stream prior to the end of the nominated term. In this case, you must also leave a minimum of $5,000 invested in your MIC option in Division 7 at the time you transfer amounts to a transition to retirement income stream.

Member identification

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

Anti-detriment payments

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

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

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

Spouse solutions

As a Division 7 member, you can apply to establish an account for your spouse in our Qantas Super Gateway (**Gateway**) division.

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

Nominating your beneficiaries

A beneficiary nomination allows you to nominate the person or people you wish to receive your benefit in the event of your death. Division 7 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 on our website, or make a non-binding nomination online.

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

Non-binding death benefit nomination

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

The Trustee has the obligation to decide, subject to Qantas Super's Trust Deed and Rules and the relevant legislative 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 valid and in effect at the date of your death, the Trustee in accordance with superannuation legislation must pay your benefit to the beneficiaries you have nominated in the proportions set out in your nomination.

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

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

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

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

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

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

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

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

Division 8

Becoming a retained member

To join Division 8, you must already be a member of another division of Qantas Super (other than Gateway). You can join in the following ways:

- **Automatic transfer to Division 8 when you leave employment** – When you leave employment with the Qantas Group, your super and any insurance cover you have will be **automatically transferred** to Division 8 after final employer contributions have been received and processed by Qantas Super (unless you provide alternative instructions prior to leaving employment); or
- **If you have elected choice of fund** – If you are still employed by the Qantas Group and have exercised choice of fund so that your employer super contributions are being paid to another super fund, any super you have already accumulated in Qantas Super and any insurance cover you have will be **automatically transferred** to Division 8 (unless you provide alternative payment instructions beforehand).

Division 8 has an eligibility requirement to have a minimum balance of $5,000. We will review your account balance 90 days from the date you cease employment. If your account balance is below $5,000, we will transfer your benefit out of Division 8 and into Qantas Super's nominated Eligible Rollover Fund (ERF). We may also do so if your account balance falls below $5,000 at any subsequent time.

Refer to 'Eligible Rollover Fund' in the 'Other information' section for details of our nominated ERF.

You can transfer your benefit from Division 8 to another super fund at any time subject to completing the relevant forms and providing Qantas Super 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.

Upon transfer to Division 8:

- 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 7 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;
- no Division 8 administration fees or insurance premiums for Retained Cover (see below) will apply for the first 90 days from the date you cease employment; and
- the amount of your death and Total and Permanent Disablement (TPD) cover will continue (however the way it is calculated may change, see below).

Refer to the *Division 8 Member Guide – Product Disclosure Statement* on our website for more information.

Insurance as a retained member

Any Standard Insurance Cover for death and TPD you have in Division 7 on the day you cease employment will automatically transfer to your Division 8 membership as Retained Cover and your insurance premiums will change. Any Additional Voluntary Cover you have at the time you cease employment will also be transferred to Division 8 (any exclusions, loadings and/or limitations that applied to your Additional Voluntary Cover will also continue to apply in Division 8).

Your amount of Retained Cover is calculated as your total Death Benefit (as defined in Qantas Super's Trust Deed) that would have been payable if you had died on the day you ceased employment (excluding any Additional Voluntary Cover), 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.

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.

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 need to complete a form to cancel or reduce 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.

Insurance premium deductions for Additional Voluntary Cover are continuous, unchanged and are charged immediately on transfer to Division 8.

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

RISKS OF SUPER

Summary of investment risks

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

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

Things you should consider

When considering your investment in super, it is important to consider the following:

Diversification

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

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

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

Investment timeframe

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

Your investment timeframe will be an important factor in your choice of investment option. The longer your investment timeframe, the more time you have to ride out the volatility of higher risk investments. Importantly, your investment timeframe reflects the length of time you expect your funds to be invested until you need to draw them as cash. In Division 7, your funds may remain invested for many years before they are taken as cash or income.

Risk tolerance

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

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

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

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

Standard risk measure

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

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

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

"Your investment timeframe will be an important factor in your choice of investment option"

HOW WE INVEST YOUR MONEY

Division 7 investment options

Division 7 offers you a range of investment options so you can choose the option you feel best meets your investment needs.

Member Investment Choice (MIC) options

You can actively manage your super with our range of MIC options.

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

Term Deposit option

In addition to selecting a MIC option, you may also choose to invest a portion of your account balance in the Term Deposit option. The Term Deposit option invests in fixed rate, fixed term investments, providing a secure return on funds, for a specific period.

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

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

Choosing or changing your investment option

As a member of Division 7 you can choose to have your account and future contributions invested in any MIC option.

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

Switches are made monthly. All investment option switches are currently processed effective the first day of the month following the month in which your notification is received. We will notify you of any changes to the frequency of switching as required by law. The Trustee may also suspend processing of investment switches during times of investment market volatility.

Understanding your investment options

Asset classes

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

1. Return seeking assets

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

- **Equities or shares** – Shares or equities represent a share of the ownership of companies. Their return is derived from dividends paid to shareholders from company profits, and from changes to the share price.
- **Return seeking alternatives** – There are a range of other return seeking assets used by Qantas Super, including unlisted infrastructure, hedge funds, unlisted property and credit (return seeking). These are specialist asset classes. Their returns are derived from a combination of dividends, distributions and interest, plus changes in the capital values.

2. Risk controlling assets

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

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

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

Managing currency exposure

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

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

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

Credited Interest Rates (CIRs)

CIRs are applicable for the MIC options.

The CIR represents, as far as practicable, the net investment returns (net of investment tax) on Qantas Super's assets for each MIC option, after the Trustee has deducted the investment fees incurred by Qantas Super. CIRs can be positive or negative. The CIR for each of the investment options is determined at least monthly and is published on our website. Any change to the frequency for determination of CIRs will be published on our website.

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

Interim CIRs (ICIRs) are used to calculate account balances at other dates and are determined by the Trustee. ICIRs may be positive or negative. The Trustee reviews the ICIRs on a regular basis and may increase or decrease the ICIR that is applied to your account balance at any time. The ICIRs are also used to determine your final payment from Qantas Super, should you cease to be a Division 7 member before a CIR is determined for the period. The ICIRs for a period will be replaced by the final declared CIR for that period once the CIR for an investment option has been calculated.

If a death benefit is payable, the CIR/ICIRs for the Cash option will be applied to the benefit amount from the day following the date of death to the date of payment.

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

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

Term Deposits

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

Key features of the Term Deposit option

- **Interest rates.** Provide a fixed interest rate which will not change for the nominated term. A fixed interest rate is determined at the start of the term. Interest is accrued daily and paid at maturity (ie the expiry of the nominated term). Refer to our website for the latest interest rates on offer.
- **Length of investment.** Available for terms of 6 or 12 months.
- **Frequency of offer.** This option is only available for investment at certain times of the year, generally quarterly.
- **At maturity.** There is no automatic reinvestment in the Term Deposit option on the expiry of the nominated term. At maturity, the principal amount invested, plus any interest earned (net of tax), will be invested in the MIC option that applies to your account on the maturity date.
- **Minimum investment amount.** The minimum investment amount required to invest in the Term Deposit option is $5,000 (each time you wish to invest in this option). You'll also need to leave a minimum of $5,000 in your MIC option. This is required for any regular deductions from your account e.g. for fees and insurance premiums.

  Note: If the balance in your MIC option drops below $5,000 we may not accept a further application to invest in the Term Deposit option or accept certain other requests (e.g. a partial withdrawal request) until the required minimum is restored.
- **Maximum investment amount.** If you are eligible to invest in the Term Deposit option, you may invest up to 80% of your available account balance in the Term Deposit option. Your available account balance is the total value of your super account (on the business day prior to the next investment date), less any amounts that are already invested in the Term Deposit option.

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

How to invest in the Term Deposit option

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

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

Redeeming your Term Deposit option before maturity

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

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

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

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

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

Changes to the investment options

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

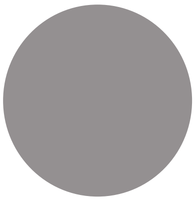
Labour standards, or environmental, social or ethical considerations

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

"...you may also choose to invest a portion of your account balance in a term deposit option"

Your investment options in detail

Cash option



Target asset allocation*

100% Risk controlling assets
- 100% Cash

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

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

The investment option aims to:

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

Minimum suggested time to invest
No minimum time applicable.

Risk level
The investments have a very low degree of risk.

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

Conservative option

Target asset allocation*

25% Return seeking assets
- 8% Australian shares
- 10% International shares
- 2% Private equity
- 5% Return seeking alternatives

75% Risk controlling assets
- 10% Risk diversifying alternatives
- 65% Fixed interest and Cash

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

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

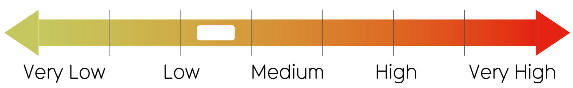
The investment option aims to:

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

Minimum suggested time to invest
3 years.

Risk level
The investments have a low to medium degree of risk.

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



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

Balanced option

Target asset allocation*

50% Return seeking assets
- 16% Australian shares
- 20% International shares
- 4% Private equity
- 10% Return seeking alternatives

50% Risk controlling assets
- 10% Risk diversifying alternatives
- 40% Fixed interest and Cash

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

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

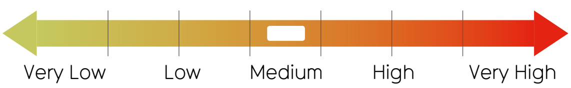
The investment option aims to:

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

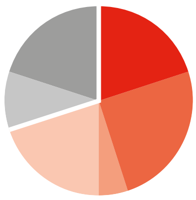
Minimum suggested time to invest
5 years.

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

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



Growth option



Target asset allocation*

70% Return seeking assets
- 20% Australian shares
- 25% International shares
- 5% Private equity
- 20% Return seeking alternatives

30% Risk controlling assets
- 10% Risk diversifying alternatives
- 20% Fixed interest and Cash

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

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

The investment option aims to:

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

Minimum suggested time to invest
5 years.

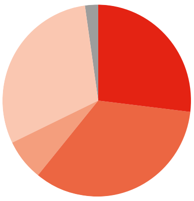
Risk level
There may be short-term to medium-term volatility in these asset classes, as the investment has a medium to high degree of risk.

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

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

Your investment options in detail CONTINUED

Aggressive option



Target asset allocation*

98% Return seeking assets
- 27% Australian shares
- 34% International shares
- 7% Private equity
- 30% Return seeking alternatives

2% Risk controlling assets
- 2% Cash

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

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

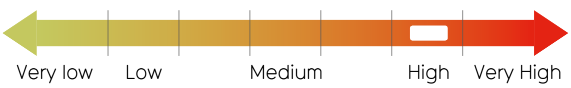
The investment option aims to:

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

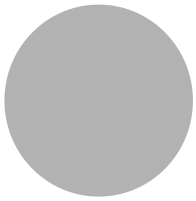
Minimum suggested time to invest
7 years.

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

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



Term Deposit option



Target asset allocation*

100% Risk controlling assets
- 100% Fixed interest

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

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

Minimum suggested time to invest
Fixed for the term you select either 6 or 12 months.

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

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

FEES AND COSTS

Did you know?

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

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

Your employer may be able to negotiate to pay lower administration fees. Ask the fund or your financial adviser.*

To find out more

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

* Please note, the fees and costs in Qantas Super are not negotiable.

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

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

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

<table>
<tr><th>Type of fee</th><th>Amount</th><th>How and when paid</th></tr>
<tr><td>Investment fee[1]</td><td>MIC options
(% pa of your account balance)
<table>
<tr><th>Investment option</th><th>Base fee[2]</th><th>Performance-based fee[2]</th></tr>
<tr><td>Cash</td><td>0.18</td><td>0.00</td></tr>
<tr><td>Conservative</td><td>0.39</td><td>0.00 – 0.09</td></tr>
<tr><td>Balanced</td><td>0.48</td><td>0.00 – 0.13</td></tr>
<tr><td>Growth</td><td>0.54</td><td>0.00 – 0.16</td></tr>
<tr><td>Aggressive</td><td>0.59</td><td>0.00 – 0.19</td></tr>
</table>
Term Deposit option
$25 for each term deposit investment.</td><td>Deducted from the investment returns of the relevant investment options before the Credited Interest Rate (CIR) is calculated for the period (or the interim CIR if you leave Division 7 before the CIR is declared). It is not deducted directly from your account but is reflected in the CIR, or interim CIR, applied to your account.
A different percentage fee applies to each investment option.
The Term Deposit fee is deducted directly from the portion of your account that is invested in your MIC option at the time that the nominated portion of your account is invested in the Term Deposit option.</td></tr>
<tr><td>Administration fee</td><td>0.30% pa[3] of your Superannuation Salary[5] Plus
APRA fee of 0.03% pa[4] of your account balance</td><td>Deducted from your account balance at 30 June each year, or when you leave Division 7.</td></tr>
<tr><td>Buy-sell spread</td><td>Nil</td><td>Not applicable.</td></tr>
<tr><td>Switching fee</td><td>Nil</td><td>Not applicable.</td></tr>
<tr><td>Exit fee</td><td>Nil</td><td>Not applicable.</td></tr>
<tr><td>Advice fees
relating to all members investing in a particular investment option</td><td>Nil</td><td>Not applicable.</td></tr>
<tr><td>Other fees and costs[6]</td><td>$150 for family law information requests</td><td>Paid by the eligible person requesting the information at the time of the request.</td></tr>
<tr><td>Indirect cost ratio[7]</td><td>Nil</td><td>Not applicable.</td></tr>
</table>

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

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

[2] Estimated for 2013/2014.

[3] The total of these components of your administration fee is capped at $1,100 each year for Division 7.

[4] This rate may change over time. We will notify you of any changes as required by law.

[5] Refer to ‘Definitions’ in the ‘Other Information’ section for the definition of Superannuation Salary.

[6] Refer to ‘Additional explanation of fees and costs’ in this section for more information and details of other fees, such as insurance fees.

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

Additional explanation of fees and costs

Tax

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

Qantas Super may be eligible to claim a tax deduction for certain expenses incurred by Qantas Super and for premiums paid for insurance cover. Where we are eligible to claim a tax deduction, we will pass the benefit of this deduction directly onto our members. The premium rates in the 'Insurance in your super' section do not take into account any tax deduction.

Insurance fees

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

Note: The more you pay in insurance premiums from your super, the less you will have in your super account balance at retirement. You may consider making extra contributions to your super to fund the cost of insurance premiums and/ or boost your super balance. Don't forget if you are increasing your before-tax (concessional) contributions or after-tax (non-concessional) contributions, you will need to assess their impact on your contribution caps. If you exceed the contribution caps, you may pay extra tax. Refer to the 'How super is taxed' section for more information.

Family law fees

The Family Law Act allows Qantas Super to charge fees for certain activities relating to family law. In Division 7, a family law fee of $150 applies for a request for information.

Investment fees

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

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

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

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

MIC options

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

- **Base investment fees**

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

- **Performance-based fees**

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

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

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

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

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

Term Deposit option

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

Financial adviser service fee

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

Defined fees

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

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

Activity fees – A fee is an activity fee if:

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

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

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

Advice fees – A fee is an advice fee if:

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

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

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

Indirect cost – An indirect cost of an investment option means any amount that:

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

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

Insurance fee – A fee is an insurance fee if:

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

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

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

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

HOW SUPER IS TAXED

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

Tax on contributions

Concessional contributions

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

Concessional contributions cap

For 2013/2014, the concessional contributions cap is:

- if you are under age 59 on 30 June 2013 – $25,000[1]
- if you are age 59 or more on 30 June 2013 – $35,000[2]

For 2014/2015 and onwards, a higher cap of $35,000 will also apply if you are age 49 or more on the last day of the previous financial year.

[1] For the 2014/2015 financial year, this will increase to $30,000. Indexed annually in line with Average Weekly Ordinary Times Earnings (AWOTE) in increments of $5,000 (rounded down).

[2] This amount is not indexed.

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

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

More information on the concessional contributions caps are contained under the 'Learn About Super' section of our website.

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

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

Non-concessional contributions

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

Non-concessional contributions cap

For 2013/2014, the non-concessional contributions (NCC) cap 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. For the 2013/2014 financial year, this would give you a limit of $450,000 for all of the 2013/2014, 2014/2015 and 2015/2016 financial years. If you bring forward the full two years of NCCs (that is, you make $450,000 NCCs in the 2013/2014 financial year), you may not make any NCCs for the following two years.

Note: For the 2014/2015 financial year, the NCC cap will increase to $180,000. This would give you a limit, if you bring forward the full two years of NCCs, of $540,000 for all of the 2014/2015, 2015/2016 and 2016/2017 financial years.

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

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

Tax on earnings

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

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

Tax on withdrawals

Tax on cash benefits

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

The tax you pay depends on your age:

- **60 and over.** Generally you won't pay tax on your super withdrawals.
- **55 to 59.** For the 2013/2014 financial year, the first $180,000 of your taxable component, the part of your super you have to pay tax on, is tax free. For the 2014/2015 financial year, this will increase to $185,000. This amount changes in line with the 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 super benefit will be divided into two parts – a tax-free component and a taxable component. For further information on tax on your benefit, refer to our *Tax on super* fact sheet available on our website.

Tax on death benefits

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

Surcharge tax

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

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

- the assessment amount was paid to the ATO; and
- the member's benefit entitlements were offset by the assessment amount. If this applied to you, an offset account is maintained for you, which is credited or debited with the earnings applicable to your MIC option. The value of the offset account will be either:
  - deducted from your account balance; or
  - deducted from your benefit. Generally, this will occur when you leave Division 7 but may be earlier.

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

Benefit transferred or rolled over

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

Providing your TFN

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

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

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

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

"Providing your tax file number has a number of advantages"

INSURANCE IN YOUR SUPER

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

It is important to remember that although an insurance benefit may be payable to the Trustee as the policy owner, you can only receive that insurance benefit if the preservation rules have been satisfied (see 'Accessing your benefits' in the 'How super works' section).

If an insurance benefit is paid to the Trustee as the policy owner and it cannot be paid to you under the preservation rules, it will be held in your Division 7 account until a preservation rule has been satisfied.

Standard Insurance Cover

When you join Division 7, you are automatically provided with our Standard Insurance Cover for death and Total and Permanent Disablement (TPD) subject to meeting the eligibility requirements detailed in the table below. You are covered 24 hours a day, seven days a week.

	Death (including Terminal Illness)	TPD
Description of insurance benefit	**Death**. A lump sum amount is paid, on top of your account balance, if you die while you are a member of Division 7. **Terminal Illness**. If you are diagnosed with a Terminal Illness, you may receive an advance payment of up to $3 million of your death cover, on top of your account balance.	**TPD**. A lump sum amount is paid, on top of your account balance, if you become totally and permanently disabled while you are a member of Division 7.
Ceasing age for cover	Death (including Terminal Illness) cover: 60	TPD cover: 60
Maximum amount of cover in Qantas Super	Death cover: $10 million* Terminal Illness: $3 million (part of death cover)*	TPD cover: $3 million*
Conditions for eligibility	To be eligible for Standard Insurance Cover for death and TPD, you must: ■ be under the maximum age for cover; ■ be an Australian resident who has always lived in Australia or has come to live in Australia, or is eligible to work in Australia; and ■ not already have insurance cover through your membership in another division of Qantas Super (excluding Division 8 and divisions that provide defined benefits).	
Eligibility for automatic Standard Insurance Cover	To be eligible for automatic Standard Insurance Cover for death and TPD (up to the Automatic Acceptance Limit (AAL) of $2 million), you must (in addition to the eligibility criteria set out above): ■ join Division 7 within 120 days of commencing employment with the Qantas Group; and ■ be At Work and performing the normal duties of your Occupation on your first day of employment with the Qantas Group. If not, Limited Cover will apply until you return to Active Employment for 30 consecutive days.	
When underwriting will apply	Underwriting refers to cover which is subject to approval by the Insurer prior to you becoming eligible for the cover. Underwriting may be required in the following circumstances: ■ do not satisfy the criteria to be automatically provided with Standard Insurance Cover; or ■ the amount of your Standard Insurance Cover exceeds the AAL; or ■ an increase in your cover due to an increase in your Superannuation Salary exceeds the AAL or any Forward Underwriting Limit (FUL) that may apply. In these circumstances, your eligibility for cover above the AAL or FUL (as applicable), will be subject to approval by the Insurer. This means that you will be required to submit a specific application for the amount of your cover above the AAL or FUL. Your application will be assessed by the Insurer and you may need to submit medical evidence (the cost of which will be paid by the Insurer). If the Insurer approves the cover you have applied for, restrictions, exclusions or premium loadings may apply.	

* Inclusive of any Additional Voluntary Cover and insurance cover associated with other accounts you may have in Qantas Super.

Calculating your Standard Insurance Cover

Your Standard Insurance Cover for death and TPD is calculated as 18% of Superannuation Salary at the date of your death for each year from the date of death to age 60 years with part years counting pro-rata.

The amount of your Standard Insurance Cover is calculated upon joining Division 7 and then on 1 July each year thereafter.

Example

Sam's Superannuation Salary is $40,000. He is age 40 on the previous 1 July. Sam's Standard Insurance Cover for death and TPD is calculated as:

18% x Superannuation Salary ($40,000) x 20 years = $144,000

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 7 are expected to exceed these minimum death cover requirements. However, to ensure that this requirement is met, a calculation is performed and the amount of Standard Insurance Cover increased if needed.

Insurance fees – cost of Standard Insurance Cover

The cost of your Standard Insurance Cover (also referred to as premiums) is deducted from your account. Premiums are re-calculated on 1 July each year and are deducted from your account each month.

Your cost of insurance depends on the premium rate for every $1,000 of cover you have, depending on your age.

Your age at last 1 July	Annual premium rate for every $1,000 of insurance benefit
	Death and TPD
16 – 30	$0.56
31 – 45	$1.06
46 – 50	$2.73
51 – 55	$4.97
56 – 59	$8.81
From your 60th birthday cover ceases	Nil

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

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

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

Example

Sam's Standard Insurance Cover for death and TPD is $144,000. At last 1 July he was aged 40, so his premium rate is $1.06. Sam's insurance premium will be:

$1.06 x $144,000 ÷ 1,000 = $152.64 a year ($12.72 per month).

Changing your Standard Insurance Cover

Standard Insurance Cover in Division 7 is compulsory. You are not able to cancel, change or decline the cover.

When is an insurance benefit paid?

An insurance benefit is payable in relation to your Standard Insurance Cover in the circumstances set out in the table below.

<table>
<tr><th>Benefit type</th><th>When paid</th></tr>
<tr><td>Death</td><td>A lump sum death insurance benefit is paid to your dependants or legal personal representative if you die.</td></tr>
<tr><td>Terminal Illness</td><td>If you are diagnosed with a Terminal Illness, you may receive an advance payment of up to $3 million of your death cover.

If your total death cover is higher than $3 million, the balance will be paid to your dependants or legal personal representative after you die. If a Terminal Illness insurance benefit is paid, your insurance premium for death and TPD cover will also be reduced accordingly.</td></tr>
<tr><td>TPD</td><td>You are eligible for a TPD insurance benefit if you satisfy the definition of TPD, as defined in the Trustee's insurance policy with the Insurer. These definitions, and when they apply, are set out below.

Which part of the definition applies to you*

If you are:
■ employed in Regular employment with the Qantas Group for at least 15 hours a week you are TPD if you satisfy paragraph (a) below; or
■ employed in Regular employment with the Qantas Group for less than 15 hours a week you are TPD if you satisfy paragraph (b) below.

a) Any Occupation
You have been absent from your Occupation solely through injury or Illness for a period of three consecutive months and you are incapacitated to such an extent that, in the Insurer's opinion, after consideration of medical and other relevant evidence, you were, at the end of the period of three consecutive months absence from employment, unlikely to ever engage in or work for reward in any occupation for which you are reasonably suited by education, training or experience.

b) Activities of daily living
You have been absent from your Occupation solely through injury or Illness for a period of three consecutive months and you are incapacitated to such an extent that, in the Insurer's opinion, after consideration of medical and other relevant evidence, you were, at the end of the period of three consecutive months absence from employment, unlikely to ever be able to perform at least two activities of daily living without the physical help of someone else. Activities of daily living means:
■ bathing and/or showering;
■ dressing;
■ moving from place to place (including in and out of bed and in and out of a chair);
■ eating or drinking; or
■ using the toilet.

* Note: If you joined Division 7 prior to 1 July 2013, a different definition may apply. Contact us for more information.</td></tr>
</table>

When your Standard Insurance Cover ends

Standard Insurance Cover for death and TPD in Division 7 ceases on the earliest of:

- the day you cease to be a member of Division 7;
- 90 days after the date you have insufficient funds in your account to meet the cost of insurance premiums;
- 90 days after you cease to qualify to be insured under the relevant insurance policy;
- the day you transfer to Division 8 of Qantas Super (see 'Division 8' in the 'Benefits of investing with Qantas Super Division 7' section for more information, including the level of cover that will continue upon your account being transferred to Division 8);
- the date you turn age 60;
- the day before you commence service in the armed forces of any country (excluding Australian Defence Force Reservists not deployed overseas);
- the day you die;
- the date the policy with the Insurer terminates or is cancelled;
- the date you effect a continuation option for the relevant cover (see 'Continuation option' under 'Continuing your cover' below);
- the date you are paid a death or TPD insurance benefit or the date you are paid a Terminal Illness insurance benefit (which is not less than the amount of your death and/or TPD cover); or
- 24 months after you commence leave of absence or parental leave approved by the Qantas Group, unless an extension of cover is approved by the Insurer (see below).

Continuing your cover

Parental leave and leave of absence

As a member of Division 7, your Standard Insurance Cover will continue for up to 24 months after you commence leave approved in writing by the Qantas Group prior to your leave commencing provided that you do not join the armed forces (excluding Australian Defence Force Reservists not deployed overseas), premiums continue to be paid and you remain employed by the Qantas Group and a member of Division 7.

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

When you leave the Qantas Group

When you leave employment with the Qantas Group, your benefit in Division 7 may be automatically transferred to Division 8 of Qantas Super, our retained benefits division. Refer to 'Division 8' in the 'Benefits of investing with Qantas Super Division 7' section for more information.

If you transfer your super to another super fund, all your insurance in Division 7 ceases the day you leave Qantas Super. However, you may be eligible to apply to continue your death and TPD cover with the Insurer, see 'Continuation option' below.

Continuation option

A continuation option is a personal insurance policy between you and the Insurer. If you are under age 60, you can apply to continue the same level of Standard Insurance Cover you had in Division 7 with the Insurer, without providing further medical evidence. Retail policy premium rates will apply and you will be responsible for payment of premiums directly to the Insurer. You must apply for, and have your continuation option approved within 60 days of ceasing to be eligible for Standard Insurance Cover in Qantas Super.

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

Interim accident cover

If you lodge an application for underwritten cover, while your application for cover is still being assessed by the Insurer, you are provided with interim accident cover as a member of Division 7 if you die or become TPD, as a result of an Accident. Interim accident cover commences on receipt of a fully completed application for insurance and declaration of health in the form that is required by the Insurer.

Your interim accident cover for death and TPD is the lesser of:

i) the increase in insurance cover for death and TPD you are applying for; and

ii) $1,000,000.

Interim accident cover expires on the earliest of the following:

- 90 days after the commencement of the interim accident cover;
- the date on which the Insurer gives notice that your application for insurance is accepted or declined;
- the date you cancel or withdraw your request for additional insurance; or
- the date you no longer satisfy the eligibility terms for insurance.

No interim accident cover is payable:

- for injury caused by engaging in hazardous pastimes or sports that would not be covered under the Insurer's normal assessment guidelines;
- for an injury that occurred prior to you lodging an application for an increase in cover;
- if the cover applied for would have been declined under the Insurer's normal assessment guidelines;
- if you lodge a claim for an event or condition that would have been excluded under the Insurer's normal underwriting process; or
- if interim accident cover has been previously paid for the same accident.

Duty of disclosure

Before you can be provided with underwritten cover under an insurance policy issued by the Insurer, you must disclose to the Insurer every matter that you know, or could reasonably be expected to know, which is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, on what terms. You must also disclose those matters to the Insurer before your insurance cover is extended, varied or reinstated. However, you are not required to disclose a matter that diminishes the risk to be undertaken by the Insurer, is of common knowledge, that the Insurer knows or, in the ordinary course of business, ought to know, or for which your duty of compliance is waived by the Insurer.

Non-disclosure

If you fail to comply with this requirement to disclose certain information to the Insurer and the Insurer would not have provided the insurance cover for you on any terms if the failure had not occurred, the Insurer may avoid the insurance cover provided to you within three years of providing it. If your non-disclosure is fraudulent, the Insurer may avoid the insurance cover at any time.

If the Insurer is entitled to avoid insurance cover, the Insurer may, within three years of providing cover, elect not to avoid the insurance cover but reduce the sum that you have been insured for, in accordance with a formula that takes into account the premium that would have been payable if you had disclosed all relevant matters to the Insurer.

How to make a claim

Death

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

Terminal Illness and TPD

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

You will be required to provide, at your own expense, reports from two treating doctors prepared using the forms we send you. The Insurer may also require you to undergo further medical assessment with a Doctor of its choice, at the Insurer's expense. If you lodge a claim for Terminal Illness or TPD more than one year after the event giving rise to the claim and the delay results in the Insurer's interests being prejudiced, your claim may be declined or reduced. When a decision has been made by the Insurer about your claim, you will be advised of the decision in writing. If you do not understand the decision or would like further information please contact us.

Additional Voluntary Cover

Additional Voluntary Cover provides you with further flexibility when it comes to arranging insurance cover at a level you feel is right for you and your personal circumstances. Any approved Additional Voluntary Cover is in addition to any Standard Insurance Cover provided within Division 7.

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

OTHER INFORMATION

Eligible Rollover Fund

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

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

Contact details for Qantas Super's nominated ERF are:

The AUSfund Administrator
PO Box 2468
Kent Town SA 5071

Phone: 1300 361 798
Fax: 1300 366 233

www.unclaimedsuper.com.au.

Privacy Policy

The Trustee respects the privacy of your personal information and is committed to complying with the National Privacy Principles (until 11 March 2014) and the Australian Privacy Principles (from 12 March 2014) in the Privacy Act 1988 (Cth).

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

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

If you do not provide your tax file number (TFN), additional tax will be payable on employer or salary sacrifice contributions, you will be unable to make personal after-tax contributions and you will not qualify for the government co-contributions scheme (if eligible).

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

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

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

Trustee contact details:

The Privacy Officer
Qantas Superannuation Limited
GPO Box 4303
Melbourne VIC 3001

Phone: 1300 362 967

Administrator contact details:

The Privacy Officer
Mercer Outsourcing (Australia) Limited
GPO Box 4303
Melbourne VIC 3001

Phone: 1300 362 967

Governing Qantas Super

The Trust Deed and Rules

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

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

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

The Trustee

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

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

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

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

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

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

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

Definitions

In explaining how Qantas Super works, it is necessary to use certain terms which have a very specific meaning. These are defined below (or earlier in this document). In addition, certain terms used in the 'Insurance in your super' section are also defined below.

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

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

At Work means the person is at work for the normal daily hours of work and is actively performing the full, unrestricted or unmodified duties of their normal Occupation for which they were Employed or would have been had the day not been a day of leave (other than due to Illness or injury), public holiday or weekend day.

Date of Claim means, for death (including Terminal Illness) and TPD cover:

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

Dependant means the following:

- your spouse which includes:
  - your husband, wife, widower or widow;
  - a person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple regardless of whether you are of the same sex or opposite sex; or
  - any other person (whether of the same or opposite sex) with whom you are in a relationship registered under a law of certain States or Territories (currently Queensland, Victoria, Tasmania, the ACT and NSW);
- your children which includes:
  - an adopted child, a stepchild or an ex-nuptial child;
  - a child of your spouse; and
  - someone who is your child under the Family Law Act 1975 (Cth);
- any person who, in the opinion of the Trustee, was wholly or partially financially dependent on you at the time of your death;
- any person with whom you had an interdependency relationship[1] at the time of your death; and
- any other person who is a dependant under the Superannuation Industry (Supervision) Act 1993 (Cth).

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

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

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

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

Employed means engaged in Regular employment with the Qantas Group.

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

Forward Underwriting Level (FUL) means the benefit amount (if any) which the Insurer last notified to you, up to which the Insurer will accept future increases in the amount of cover, in accordance with the formula for Standard Insurance Cover, without further underwriting.

Illness means a sickness, disease or medical disorder.

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

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

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

Occupation means the employment or activity in which you are Employed.

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

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

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

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

Terminal Illness means you suffer an Illness which in the Insurer's opinion, after consideration of medical evidence, would reasonably be expected to reduce your life expectancy to less than 12 months. The reduced life expectancy must occur while you are a member of Division 7 and have Standard Insurance Cover and/or Additional Voluntary Cover.

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

> Qantas Super is one of Australia's largest corporate super funds

Contacting us

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