

super update

May 2015

Changes to your super... and what they mean for you

From 1 July 2015, we're making changes that may impact you.

Change to our retained benefits offer

If you're already a member of Division 8, please read the 'Transfer from Division 8 to Gateway' notice sent to you with this edition of *Super Update*.

On 30 June 2015, Division 8 will close. From 1 July 2015, Gateway will replace Division 8 as the retained division for Qantas Super members* who cease employment with the Qantas Group or choose to have their employer contributions made to a different fund (choice of fund) – and, in both instances, leave some or all of their super with Qantas Super. For full details, please see page 3.

* For Division 15 members, this change will apply to members who cease employment with the Qantas Group. The change will not apply to Division 15 members who exercise choice of fund.

Timing of deductions from your account

We're making a change to the timing of some deductions from your account. From 1 July 2015:

- **Administration fees** (if applicable) will be deducted from your account monthly in arrears (previously annually in arrears at 30 June) or when you leave your Qantas Super division; and
- **Contributions tax** will now be deducted from your account effective the date your contribution is received (previously annually in arrears at 30 June) or when you leave your Qantas Super division.

These changes in frequency of deductions are being made to better align the timing of deductions from member accounts with the timing of when the costs are incurred by Qantas Super. You'll now also be able to view your monthly fees and contributions tax deductions when you login to your account online at www.qantassuper.com.au.

Changes to employer-paid fees

If you're a member of Gateway, Division 6 or Division 7, please read the 'Important changes to your super' notice sent to you with this edition of *Super Update* for changes to your administration fees and insurance premiums from 1 July 2015.

If you are a member of Divisions 3A, 5 or 10, your employer pays all or some of your administration fees and insurance costs in Qantas Super. Fees and costs paid by your employer are included in the calculation of your total concessional contributions for a financial year. As there is a limit on the amount of concessional contributions (called the concessional contributions cap) that can be made to your super before additional tax applies, it's important you understand how your concessional contributions are calculated.

What's changing?

From 1 July 2015, employer-paid fees and costs for Divisions 3A, 5 and 10 will be increasing. This increase is not paid directly by you but it will increase the amount included as concessional contributions and reported to the Australian Tax Office on your behalf. Therefore, you will need to take the increases in fees and costs into account when monitoring your concessional contributions against your cap from 1 July 2015.

▶ For more information on how to calculate your concessional contributions (using the updated fees and costs), please refer to the relevant *Concessional Contributions* fact sheet for your division available on our website, www.qantassuper.com.au.

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



Increases in premiums for Voluntary Cover

To meet the rising costs faced by insurance providers across the insurance industry, many insurers are increasing premiums. As a result, the premiums for Qantas Super's Voluntary Cover are increasing from 1 July 2015. Please see page 6 for more information.

What's inside



- Making the most of your insurance
- Grow your super with extra contributions
- Special travel offers
- Product enhancements and quicker calls
- New Qantas Super Board directors
- Update to retained benefits
- Voluntary Cover increase



How offsets apply to insurance cover

This information is relevant to members of Divisions 1, 2, 3, 5, 6 and Gateway only.

As a member of Qantas Super, you are provided with insurance cover¹.

This means you are automatically covered 24 hours a day, seven days a week for death, total and permanent disablement (TPD) and, depending upon your division, income protection (also known as total but temporary disability).

If you're considering taking out extra insurance outside of Qantas Super, please keep in mind that some or all of your insured benefit in Qantas Super is subject to the "offset rule". This means your TPD and income protection benefits may be reduced if you receive other benefits or income for the same period or condition for which your TPD/income protection benefits are paid.

Other benefits/income that can be offset include:

- Any worker's compensation payment²;
- Any social security payment²;
- Any payment received under Loss of Licence Insurance³;
- Any other income received as a result of the disability (including from other insurance policies).

We may also offset any future benefits/income you are likely to receive².

If you receive any offsetting amounts as a lump sum, they'll be offset against your lump sum benefit in Qantas Super. If the benefit you are to receive from Qantas Super is a monthly income amount, then the lump sum offsetting amount will be converted to equivalent monthly income amounts (where applicable) to determine the amount of the offset to be applied. If the offsetting amount is a monthly income, then the reverse process applies. The use of an offset against disability benefits is not unusual in the insurance industry, so it also may be worthwhile checking any other cover you have for this same exclusion.

For general information about insurance benefits available through Qantas Super, please visit www.qantassuper.com.au for the insurance fact sheets and the disclosure that applies to your division. Please seek financial advice before making any decisions based on your insurance through Qantas Super.

¹ Differing cover is provided for each division of Qantas Super and is subject to eligibility criteria. Check the disclosure for your division to review your standard cover and the eligibility requirements.

² Relating to the same period or condition.

³ Loss of Licence Insurance applies only to pilots. For details, see the *Application of Loss of Licence Insurance Plan* fact sheet on www.qantassuper.com.au

Thinking about making extra contributions to your super?

As a Qantas Group employee, you can make voluntary concessional contributions (before-tax) to your super by completing the online *Superannuation Contribution Authority Form* which is available on the Qantas intranet.

Concessional contributions are pre-tax contributions that come directly out of your pay (salary sacrifice contributions), which is why you need to provide instructions to your employer directly. The Qantas *Superannuation Contribution Authority Form* has recently been changed to an online form. Simply locate the form on the Qantas Intranet or on our website, fill it out and click Submit.

Once the form has been processed by Qantas Payroll, you'll receive a confirmation email in the following days.

If you have any questions about the form, you can contact People Services on x86111 or 1300 303 411

All members, can also make after-tax non-concessional contributions at any time via BPAY® (log into your super account online for BPAY details and your unique customer reference number), or you can make a contribution by completing a *Voluntary Contribution Advice Form – Lump Sum* (available on the Qantas Super website under 'Forms'). Simply return it to us, along with a cheque made payable to 'Qantas Superannuation Limited'.

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Make a big difference to your retirement savings



Making additional contributions to your super can make a big difference to your retirement savings. However, caps do apply to the amount you and your employer can contribute at the concessional tax rate from before-tax salary (concessional contributions) as well as the amount you can contribute to super from after-tax salary (non-concessional contributions). Please see the table below for the current caps. They do vary from time to time. You should monitor contributions made to Qantas Super as well as any other super fund against your caps. Additional tax is payable if you exceed your caps.

Concessional contributions cap for 2014-15 financial year	Your cap
If you were under age 49 on 30 June 2014	\$30,000
If you were age 49 or more on 30 June 2014	\$35,000
Non-concessional contributions cap*	Your cap
2014-15 financial year	\$180,000

* Note: If you are under 65 on 1 July in a financial year, you can bring forward up to two years of non-concessional contributions ie make contributions up to three times the annual limit in a year. If you bring forward the full two years, you will not be able to make any non-concessional contributions for the following two years. For 2014/2015, if you bring forward the full two years' worth of non-concessional contributions, this would give you a limit of \$540,000 for all of the 2014/2015, 2015/2016 and 2016/2017 financial years.

Changes to our retained benefits offer

Division 8 is currently the retained division for Qantas Super members* (other than members of the Gateway division) who cease employment with the Qantas Group or choose to have their employer contributions made to a different fund (choice of fund) – and, in both instances, leave some or all of their super with Qantas Super.

What's changing?

If you are currently in Division 8, please read the 'Transfer from Division 8 to Gateway' notice sent to you with this edition of Super Update.

On 30 June 2015, Division 8 will close. From 1 July 2015, all Qantas Super retained members will join Qantas Super Gateway, when they cease employment with the Qantas Group or choose to have their employer contributions made to a different fund but leave some of their benefits in Qantas Super*. There will be no change to the existing process for Gateway members.

Gateway is a cost-effective, contemporary superannuation product with flexible insurance options, offering ongoing annual administration fees that are lower than Division 8. Retained members will also benefit from all future product developments planned for the Gateway division, including the ability to choose multiple investment options at the same time – and an enhanced solution for transition to retirement, and retirement, for members aged 55 and over.

What this means for you

From 1 July 2015, if you cease employment with the Qantas Group or choose to have your employer contributions made to a different fund, your super benefit will be transferred from your current division to Gateway (effective the date you cease employment with the Qantas Group or 30 days after the date you choose another super fund). The transfer will occur after we receive and process your final employer contributions, unless you give us valid withdrawal instructions. We must receive these instructions from you before the effective date of your transfer to Gateway.

If you cease employment with the Qantas Group or exercise choice of fund before 1 July 2015, we'll need to receive valid withdrawal instructions from you by 23 June 2015, otherwise your super benefit will be automatically transferred into Gateway on or after 1 July 2015.

Fees and insurance premiums apply from the date you join Gateway. In Gateway, you can cancel, reduce or increase your insurance cover at any time. If your balance in Gateway drops below \$5,000, you may be transferred to Qantas Super's eligible rollover fund (AUSFund).

* Excluding members of Division 15 who exercise choice of fund.

Gateway is a cost-effective, contemporary superannuation product with flexible insurance options, offering lower ongoing annual administration fees



For more information about changes to our retained benefits offer and Gateway, please visit our website www.qantasuper.com.au where you can also download the Gateway Member Guide Product Disclosure Statement.

Summary of key features of Gateway

Here's a summary of the key facts and features of Gateway that will apply from 1 July 2015. For more information about Gateway, please read the Gateway Member Guide Product Disclosure Statement available on our website. However, please be aware that, due to some changes made to Gateway from 1 July 2015, to the extent that there is any difference between the information in this update and the Gateway Member Guide Product Disclosure Statement, the information in this update prevails.

Key feature	Description
Fees*	
Administration fees	\$137 pa fixed fee ¹ plus 0.23% pa of account balance ¹ plus 0.02% pa of account balance (APRA fee) ² No fee waiver period. Fees apply from the date you join Gateway.
Investment fees	Investment fees apply.
Exit fee	\$114.50 for each withdrawal (indexed by AWOTE ³). No fee waiver period.
Family law fee	\$100.
Standard insurance cover for retained members⁴	
Type of insurance	Death and total and permanent disablement (TPD) cover. (Cover for income protection does not apply for retained members.)
Level of cover	The amount of your Standard Cover for death and TPD (if any) will remain the same, converted to a fixed dollar amount of Basic Cover in Gateway**. Once in Gateway, you can adjust your level of Fixed Dollar Basic Cover to a level that best suits your needs (subject to eligibility and certain limits at any time). Note: In some divisions, the amount of Standard Cover for death and TPD are different. We will continue to use the amount of cover for death as the basis for determining the overall amount of Basic Cover for death and TPD.
Cost of cover	You pay for the cost of all your insurance cover in Gateway. Premiums for your Standard Cover (known as Basic Cover in Gateway) will be different to those currently paid by retained members of Division 8, but will be the same as those currently paid by members of Gateway, as well as Divisions 6 and 7. (For Divisions 1, 2, 3, 3A, 4, 5, 10, 12 and 15, your employer pays some, or all, of your insurance premiums.) For premium rates that apply to Basic Cover in Gateway, please refer to the Gateway Member Guide Product Disclosure Statement available on our website. Note: Premiums for Basic Cover in Gateway are not occupationally rated.
Investment options	
Investment choice	If you have previously made an investment choice, upon transfer to Gateway your super benefit will be automatically invested in the equivalent option in Gateway Choice. If you haven't made a choice, your super benefit will be invested in the default investment option for Gateway (the default investment option is currently Growth Essentials and has the same asset allocation and risk profile as the default investment option in Division 8 (Growth option)).
Term deposit	If you have taken out a term deposit, this will carry across to your Gateway account. Once in Gateway, you will continue to have access to term deposits.
Other	
Staying in Gateway	You can maintain your Gateway membership even after you leave employment with the Qantas Group or elect to direct your future contributions to another fund (choice of fund).
Member number	Your member number will remain the same.
Beneficiaries	Your beneficiary nomination (if you've made one) will be carried across to Gateway.
Tax File Number (TFN)	If you've provided your TFN to Qantas Super, this will be carried across to Gateway.
PIN	You'll receive a new PIN through the mail.
BPAY® details	Your unique BPAY® customer reference number (CRN) will change. ® Registered to BPAY Pty Ltd ABN 69 079 137 518

* Fees are inclusive of any applicable GST payable by Qantas Super.

** There's a different process for members of Division 8 who are transferring to Gateway on 1 July 2015. Please see the 'Transfer from Division 8 to Gateway' notice.

¹ The total of these components of the administration fee is capped at \$1,200 each year.

² APRA is the Australian Prudential Regulatory Authority. This rate represents a contribution to the annual levy paid by Qantas Super to APRA. This may change from time to time. We'll notify you of any changes as required by law.

³ This fee will increase each 1 April by the annual increase, if any, in the private sector average weekly ordinary time earnings (AWOTE). This increase is currently based on the change in AWOTE in the 12 months to 30 November of the previous year. The exit fee reflects the charge paid to the administrator.

⁴ The amount of your Voluntary Cover for death and TPD (if any) will continue unchanged as Voluntary Cover in Gateway.

New investment flexibility and retirement options

Qantas Super is working hard on a number of new and exciting product enhancements for members.

From October 2015, members will be able to choose to invest their super across a number of investment options (currently you can only choose one at a time). You will be able to change the allocation of your investment options at any time, by logging into the secure section of the website. These investment allocations will take effect according to the weekly switching cycle.

We're also planning to launch an enhanced solution for transition to retirement, and retirement. Look out for more information in the mail later this year.

Quicker calls!

We've introduced a faster way to identify yourself when you call the Qantas Super Helpline on 1300 362 967.

Now, when you call the Helpline and verify yourself through the normal identification process, you'll be offered a four digit access code to use for future calls. (This is different to the four digit PIN you use on the website).

Entering your staff number and then the access code when you ring the Helpline means you'll have automatically identified yourself to the Helpline team, and you'll get to the point of your call more quickly.

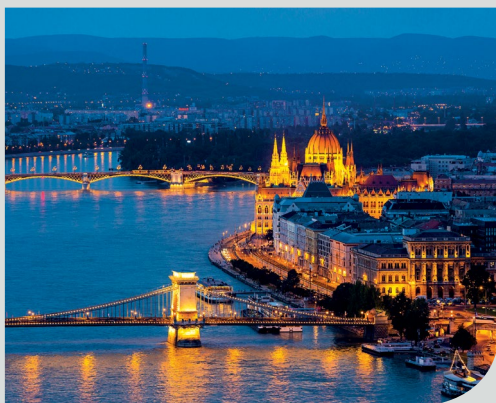
Special travel offers for Qantas Super members

We're pleased to bring you a range of offers especially for Qantas Super members, your families and friends.

The offers will be on last minute cruises and tours run by a well-known Australian travel company, with river and ocean cruises covering destinations including Europe, Vietnam, Cambodia, India, the USA and more. The offers include a number of cruises at a 2-for-1 price, representing a saving of 50% per couple. For those travelling on their own, there'll be no solo supplement on selected cruises.

Since the offers won't be available to the general public, we have to put the details on the Qantas Super secure site. To find out what opportunities are available, log into the Qantas Super secure site (click on the Login button on the home page).

The offers will change regularly so check back often to see what's available.



The travel and other service offers referred to in this newsletter are provided by a third party travel agent company. Qantas Super and Qantas Airways Ltd do not provide, recommend or endorse the travel agent company or any travel or other services offered by it, and do not accept any liability for loss or damage caused by or related to the travel or other services offered or provided by the travel agent company or arranged by it. You should consider the terms and conditions that apply to the services. Qantas Super and Qantas Airways Ltd are not related to the travel agent company or its affiliates and do not receive any benefits, commissions or other remuneration as a result of members using its services. You are responsible for any costs related to your use of the services.

New directors for the Qantas Super Board

The Qantas Super Board has two new company-appointed directors.



Andrew Monaghan, Qantas Executive Manager Group Audit & Risk, joined the Board on 26 November 2014, replacing Nicole Grantham.



Cecilia Ho, who is the airline's Treasurer Risk Management, was appointed to the Board on 28 January 2015. Cecilia replaced Karen Lonergan.

There are 10 directors in all – five are company-appointed and five are member-elected. For more information on the Qantas Super Board and the directors, please visit www.qantassuper.com.au

Increase in premiums for Voluntary Cover

You can increase your Standard Cover* for death only or for death and total and permanent disablement (TPD) in Qantas Super by purchasing Voluntary Cover (subject to eligibility).

The premiums for Voluntary Cover are increasing from 1 July 2015. This means the amount deducted from your account for any Voluntary Cover you have will increase. (Please note, not all members have Voluntary Cover.)

The insurance industry has experienced extreme pressure on premiums over the last few years. Though Qantas Super has not increased premiums for Voluntary Cover since November 2011, the rising costs faced by insurers have resulted in higher costs to Qantas Super when obtaining Voluntary Cover for members – and an increase in premiums is now needed.

If you have Voluntary Cover, you pay a premium rate for every unit (\$10,000) of Voluntary Cover you have for death only or for death and TPD. The annual premium rate that applies depends on your age last 1 July and your occupational group rating. Your occupational group rating depends on the nature of the role you are employed in. To work out what your occupational group rating is, if you are a Gateway member, please refer to the *Gateway Member Guide Supplement*, and if you are a member of any other division, please refer to the *Your Insurance Guide – Additional Voluntary Death and TPD Cover* booklet, both available on our website. Premiums for Voluntary Cover are deducted from your account each month.

The new annual premium rates for Voluntary Cover for all Qantas Super Divisions from 1 July 2015 are listed in the table on the right (and represent an increase of 74.3% for each premium).

You are able to reduce or cancel your Voluntary Cover at any time.

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

* Standard Cover is known as Basic Cover in Gateway.

Your age last 1 July	Occupational rating					
	Group 1		Group 2		Group 3	
	Death	Death & TPD	Death	Death & TPD	Death	Death & TPD
Up to 35	\$3.82	\$5.91	\$6.61	\$10.23	\$7.63	\$11.83
36	\$4.11	\$7.53	\$7.11	\$13.02	\$8.23	\$15.06
37	\$4.24	\$8.09	\$7.32	\$13.98	\$8.47	\$16.17
38	\$4.57	\$8.82	\$7.90	\$15.25	\$9.13	\$17.64
39	\$4.91	\$9.62	\$8.51	\$16.64	\$9.83	\$19.24
40	\$5.32	\$10.53	\$9.20	\$18.21	\$10.63	\$21.05
41	\$5.75	\$11.50	\$9.95	\$19.90	\$11.50	\$23.01
42	\$6.20	\$12.57	\$10.74	\$21.73	\$12.41	\$25.13
43	\$6.92	\$14.20	\$11.97	\$24.57	\$13.84	\$28.41
44	\$7.70	\$16.03	\$13.33	\$27.75	\$15.41	\$32.07
45	\$8.58	\$18.13	\$14.83	\$31.35	\$17.15	\$36.25
46	\$9.55	\$20.48	\$16.52	\$35.43	\$19.10	\$40.96
47	\$10.63	\$23.15	\$18.39	\$40.03	\$21.26	\$46.29
48	\$11.57	\$25.95	\$20.03	\$44.90	\$23.15	\$51.90
49	\$12.60	\$29.12	\$21.80	\$50.39	\$25.20	\$58.25
50	\$13.77	\$32.75	\$23.83	\$56.66	\$27.54	\$65.50
51	\$15.06	\$36.88	\$26.06	\$63.81	\$30.12	\$73.76
52	\$16.45	\$41.53	\$28.46	\$71.84	\$32.91	\$83.07
53	\$17.92	\$46.43	\$30.99	\$80.31	\$35.83	\$92.86
54	\$19.52	\$51.96	\$33.78	\$89.90	\$39.04	\$103.91
55	\$21.25	\$58.14	\$36.76	\$100.58	\$42.49	\$116.29
56	\$23.13	\$65.11	\$40.02	\$112.66	\$46.26	\$130.23
57	\$25.18	\$72.97	\$43.57	\$126.25	\$50.37	\$145.95
58	\$27.96	\$79.89	\$48.37	\$138.21	\$55.91	\$159.79
59	\$31.04	\$87.48	\$53.70	\$151.33	\$62.08	\$174.95
60	\$34.32	\$95.67	\$59.36	\$165.50	\$68.63	\$191.33
61	\$37.96	\$104.64	\$65.67	\$181.03	\$75.92	\$209.29
62	\$41.99	\$114.47	\$72.64	\$198.04	\$83.97	\$228.95
63	\$45.91	\$127.02	\$79.42	\$219.74	\$91.82	\$254.04
64	\$50.18	\$140.95	\$86.81	\$243.85	\$100.36	\$281.89

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This document is of a general nature and does not take into account your personal objectives, situation or needs. In addition, the information contained in this newsletter is generic and may not be applicable to members across all divisions.

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.

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