SA Metropolitan Fire Service
Superannuation Scheme

Your Member Benefit Guide

- **Permanent Employees**
- **Deferred Members**
- **Parked Members**

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About this document

SA Metropolitan Fire Service Superannuation Pty Ltd (ACN 068 821 750) is the trustee for the SA Metropolitan Fire Service Superannuation Scheme (ABN 99 439 309 855), an administered scheme under the Superannuation Act 1988 (SA) and the issuer of this Member Benefit Guide (Guide).

The Scheme is an exempt public sector superannuation scheme which is generally not subject to the requirements of federal legislation relating to superannuation funds although the trustee intends to operate the Scheme with best endeavours to comply with the relevant legislation as currently enacted.

Any reference throughout this Guide to 'the trustee', 'we' or 'us' means SA Metropolitan Fire Service Superannuation Pty Ltd. Any reference to 'your employer' or 'the Corporation' means the SA Metropolitan Fire Service or any other employer that participates in the Scheme. 'Scheme' means the SA Metropolitan Fire Service Superannuation Scheme. Any reference to 'financial adviser' means a licensed or appropriately authorised financial adviser.

This Guide describes, in simple terms, the benefits provided for permanent employees and parked members. It contains an outline of the main features and benefits provided by the Scheme, details of current fees and charges that may impact on your benefits and recent investment performance. The Scheme is an employer sponsored superannuation fund that provides superannuation for employees of participating employers. For more details see the **Important General Information** section of this Guide.

This Guide should be read carefully and kept for future reference.

The information contained in this Guide is general information only and does not take into account any person's individual financial objectives, financial situation or needs. We recommend that you speak to a financial adviser for personal financial advice.

The value of investments in the Scheme may rise and fall from time to time. Neither the trustee nor any participating employer guarantees the investment performance, earnings or return of any capital invested in the Scheme.

The trustee is responsible for the contents of this Guide. Information about the insurance cover made available by the Scheme is based on information provided by the insurer.

If you have a problem

The Scheme has a process in place for dealing with enquiries and complaints. Additional help is available to members through the Superannuation Complaints Tribunal. For more information, see the **Important General Information** section of this Guide.

Please remember, neither the trustee nor your employer can provide you with financial advice as they do not hold an appropriate licence. Before making decisions about your super, including which investment options you select for your Accumulation Benefit, you should seek advice from a financial adviser.

We'll keep you informed

As a Scheme member you will be kept informed about the progress of the Scheme and the growth of your benefits. You may also request further information about the Scheme. For details on keeping you informed see the **Important General Information** section of this Guide.

Up-to-date information

The information contained in this Guide is up-to-date at its preparation. However, some of the information can change from time to time including, for example, fees or the structure of the Scheme's investments or the investment options available. If there is a material change, inaccurate statement or omission the trustee will inform you as required. For any information about the Scheme you can call the Manager for an update. If there have been changes that do not materially affect members the trustee may prepare a written update showing those changes. If so, you will be able to obtain the update in writing free of charge by contacting the Scheme's Manager on 8204 3826 or via email at alan.kent@sa.gov.au

Stay in touch

Please take the time to carefully read this Guide as superannuation is an increasingly important component of financial planning during your working life as well as for retirement. The trustee welcomes any questions you may have about your superannuation and may be contacted as follows:

The Manager
SA Metropolitan Fire Service Superannuation Scheme
GPO Box 98
ADELAIDE SA 5001
or
Adelaide Station
99 Wakefield Street
ADELAIDE SA 5000

Ph: (08) 8204 3826 or (08) 8204 3713
Fax: (08) 8204 3610

Visit our website

You can also access up to date information by visiting the Scheme's website at www.samfs.superfacts.com.

For example, at the website you can:

- view your current balance
- update your personal details
- change your beneficiaries
- change your Investment option
- view the Scheme's latest newsletter, investment performance reports and other general super news
- find out about spouse super and more.

You will need your member number and PIN to gain access to the site.

If you have any problems gaining access to your information or require your PIN to be reissued, please contact the Superfacts Helpline on 1300 132 573.

Keep us informed

To help with the administration of your benefits, please let us know if you change address or your personal details change. We can only send you information about the Scheme and your benefits if we have your current address.

Why your superannuation is important

Most people don't spend enough time thinking about superannuation or retirement. Retirement may seem a long way off and it may seem you have little control over your superannuation. However, there are very good reasons why you should not just think about superannuation, but actively understand your entitlements and the options available.

Have you thought about how much money you will need in retirement to continue to live in the style you are accustomed to? If you have a figure in mind, have you thought about how you are going to achieve this figure?

The trustee recommends you seek professional financial advice to help you plan for your retirement or after you leave service.

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1. What does Scheme Membership provide?

Helping you save for retirement

Whatever your saving plans are, the Scheme is designed to help you save towards your financial goals for retirement. Below are some of the main benefits and risks of being a member of the Scheme.

Super benefits

The Scheme provides a benefit for you as a member:

- when you retire or cease employment with your employer
- in the event of your death, terminal illness or total and permanent disablement
- income protection if you suffer illness or injury or become partially disabled while still employed by the Corporation

Tax concessions

The Government actively encourages Australians to save for their retirement, and one of the ways it does this is by granting tax concessions to money invested in superannuation funds such as the Scheme. To obtain the maximum taxation savings, we recommend you speak to a financial adviser. More information on taxation can be found in the **Tax and super** section.

Insurance cover

You may be eligible for death and disablement insurance cover. The cost of this cover is met by the Scheme's assets as part of your Scheme membership.

You may also be able to apply for additional voluntary death and disablement insurance cover. Please refer to the **Death and disablement** section for details.

Investment Choice for Accumulation Benefits

As a permanent employee, you are provided with benefits that are of a Defined Benefit nature. You also have the option of making additional contributions or rolling over benefits from other super funds that are allocated to your Accumulation Benefit in the Scheme.

You have access to 7 investment options in relation to your Accumulation Benefit in the Scheme and you can move between options at any time. Please refer to the section titled **Investment Choice for Accumulation Benefits**" for more details.

Member services

The Scheme offers members a range of member services including:

- Regular newsletters and updates to keep you informed
- A telephone helpline service
- Attendance at worksites to discuss the Scheme structure and benefits
- A website that provides access to information at any time – including a mobile version of the website

Risks of Being a Member

Investment risks

As with any investment there is always a degree of risk to being a member of the Scheme. You need to be aware that the value of your super in the Scheme may rise or fall. There is the risk that if you leave the Scheme, you may get less than the amount of contributions paid in by you and your employer because of taxes and/or low or negative investment returns.

Please refer to the **Investments** section for further details of the investment risks that may impact on your super.

Financial Position

There are risks pertaining to the Scheme's financial position as follows:

1. The possibility that the contribution from the participating employers and the members may not be sufficient to maintain the financial position of the Scheme.
2. That investment returns are below those expected by the Actuary in reviewing the Scheme's financial position.
3. The underlying salary growth of Defined Benefit members will not be as expected by the Scheme's actuary.

Any one or a combination of the above may result in members having to pay higher contributions or having future benefits reduced or a combination of both, to ensure the ongoing financial position of the Scheme remains acceptable.

Deed Amendment or Closure of the Scheme

The trustee, with the consent of the SA Metropolitan Fire Service (the Fire Service), may amend the Scheme's trust deed or the Fire Service could even close and wind up the Scheme at some point in the future. This may affect the value of the super benefit you expect to receive.

Changes in Legislation

A change in the laws that govern super may also impact on your ability to access your money in the future or affect the tax effectiveness of your super savings. You should discuss any changes with a financial adviser.

Fees and Charges

As a member of the Scheme you may incur certain fees and charges. There is a risk that these fees and charges may increase from time to time which may affect your super benefit. You'll be provided with 30 days prior written notice of any such increases.

2. Joining the Scheme

Who can join the Scheme

All permanent and probationary full-time employees of the Fire Service are required to join the Scheme as a condition of employment.

Joining the Scheme is simple. All you have to do is follow the steps below, decide whether you wish to make extra voluntary contributions and then complete the Application Form.

What you need to do to join

Step 1 – See how your super works

The **Getting to know your Scheme** section describes the workings of the Scheme. You must complete an Application Form and return it to the Scheme contact (see the front page for details).

Step 2 - Do you want to put extra money into super?

You are required to contribute to the Scheme from either post tax or pre-tax (salary sacrifice) income at a rate that is based on your age next birthday at the date of commencing employment.

You can also make additional voluntary contributions out of your pay from either post tax or pre-tax (salary sacrifice) income. In addition, you can make lump sum deposits at any time from other money you have. If you have super accounts with other super funds you can transfer (or 'roll over') all your super into your Scheme account. See the **Contributions** section for more details.

Step 3 – Understand your insurance cover

A benefit may be payable on death, terminal illness and total and permanent disablement. Income Protection cover is also available to Permanent fire-fighters. See the **Death and Disablement Cover** section for more information and the **Fees and Charges** section for details on the cost of insurance cover.

You may also be able to apply for additional voluntary death and disablement insurance cover. Please refer to the **Death and Disablement Cover** section for details.

Step 4 - Who may receive your benefit in the case of your death?

The trustee must decide who your super is paid to if you die. To guide the trustee, it's in your interest to fill out the 'Nominate your beneficiaries' section in the Application for Membership form. See the **Nominating your Beneficiaries** section for more information on who is eligible to receive your death benefit.

Step 5 – Choose how the Accumulation Benefit in your super account is invested

You can choose from seven different investment options for investing your Accumulation Benefit.

The **Investments** section outlines your choices and the Scheme's investment performance but you will also need to read the **Fees and Charges** section for details of the investment fees before making your decision.

To advise the Trustee, indicate your investment choice preference in the Investment choice section of your *Application for Membership* form.

If you do not make a choice or make an invalid investment choice, your Accumulation Benefit will be invested in the default option which is the Growth option.

Step 6 - Avoid extra tax by providing your tax file number

Providing your tax file number when you join the Scheme means avoiding paying more tax than you have to and allows the trustee to provide the benefits outlined in this Guide. If you do not provide your tax file number to the trustee but provide it to your employer then your employer is required to provide it directly to the trustee. See the **Tax and Super** section for more details.

Step 7 - Once you've made your decisions, you can complete your Membership Application Form.

If you don't fill out the Membership Application Form correctly…

It's important that you take the time to follow the above steps, complete the Membership Application Form and return it to the Trustee (see details on the front page). If you don't:

- you may not be provided with any death or disablement benefits in the Scheme
- you may not accrue any benefits in the Scheme
- the trustee won't know who you would prefer your super to go to if you die while a member of the Scheme
- you may pay more tax than you need to
- you may not be invested in the investment option you prefer.

Once you have joined the Scheme, you have the opportunity to change your details including:

- whether your compulsory member contributions are made from before-tax (salary sacrifice) or after-tax pay
- the amount of any extra contributions you pay to the Scheme (if any)
- whether your extra contributions are made from before-tax (salary sacrifice) or after-tax pay
- your preferred beneficiaries in the event of your death
- increasing, decreasing or cancelling your voluntary insurance cover.

3. Getting to know your Scheme

The Scheme is a public-sector-exempt Scheme. That means it operates within the framework of State legislation rather than Federal legislation as with most superannuation funds. However, unlike other State Government Schemes (for example Super SA), the Scheme is a **taxed Scheme**. That means that employer and salary sacrificed contributions and investment earnings are taxed through the Scheme. Your benefits on leaving the Scheme, however, may be taxed lower than under an untaxed Scheme. For more information please speak to the Manager.

The Scheme provides a combination of a 'Defined Benefit' and an 'Accumulation Benefit' depending on your circumstances when you cease employment.

Defined Benefit

The 'Defined Benefit' component is a benefit that is calculated based on a multiple of your Final Average Salary at the time you cease employment. The multiple is based on the number of years (with complete months counting as a fraction of a year) you have contributed to the Scheme whilst a permanent employee.

"Final Average Salary" is the average of your superannuation salaries at the three annual review dates (1 July) prior to your actual retirement date. For benefit purposes your superannuation salary is your substantive salary at 1 April each year.

"Superannuation salary" is your net rate or remuneration excluding any non-regular payments.

"Defined benefit contributions" means the contributions you are required to make to the Scheme as a condition of employment (see page 12 for details). These contributions may be made from either before-tax (salary sacrifice) or after-tax pay.

You **will not** have access to investment choice on any of your contributions that are Defined Benefit related or on any of the employer's contributions to the Scheme (currently 13.5% of superannuation salary) that finance your Defined Benefit entitlements (see **The Investments** section for more information)

Accumulation Benefit

Your Accumulation Benefit operates like a bank account and is based on contributions (other than Defined Benefit contributions) to the Scheme together with investment earnings (net of tax, investment and administration fees) applicable to your chosen investment choice or if you have not made a valid choice, the default investment option. See the **Investments** section for more information about investment options in the Scheme. It will rise and fall with the prevailing markets and may be positive or negative. Any additional voluntary contributions you make are allocated to your Accumulation Benefit.

Your 'Accumulation Benefit' is made up of the following accounts. A description of each account is detailed below:

- Additional Voluntary Contribution Account (if any), plus
- Rollover Account (if any), plus
- Surplus Account (if any)**.**

Your "Additional Voluntary Contribution Account" is the total of any contributions you have made in excess of the compulsory Defined Benefit member contribution you must make to the Scheme and includes the following:

- Additional after tax contributions by you
- Additional pre tax (salary sacrifice) contributions by you
- Government co-contributions
- Net investment earnings applicable to your chosen investment option which may be positive or negative.

Your "Rollover Account" is made up of any money you have rolled over from another super fund together with net investment earnings applicable to your chosen investment option which may be positive or negative.

Your "Surplus Account" is made up of any amount allocated to you as a result of a surplus allocation due to the Scheme's financial position together with net investment earnings applicable to your chosen investment option which may be positive or negative.

For convenience, in this Member Benefit Guide, unless expressly stated otherwise or the context indicates otherwise, a reference to "investment earnings" or "net investment earnings" in relation to your Accumulation Benefit accounts means investment earnings applicable to your chosen investment option net of taxes and investment and administrative fees. As noted above, investment earnings may be positive or negative. Investment earnings applied to your Accumulation Benefit are reflected in the unit prices for your chosen investment options. Please refer to the section headed **Investments** for more information about unit prices.

Member investment choice will allow you to determine what level of investment risk you wish to take on any of the following accounts you have in the Scheme:

- Additional Voluntary Account – pre and post-tax voluntary contributions and Government Co-contributions
- Surplus Account – monies allocated to you as part of any surplus distributions
- Rollover Account – monies rolled into the Scheme from another superannuation fund
- Parked Benefit members accounts
- Deferred benefit members' Accumulation Benefit component.

Portability

You may be able to transfer some or all of your Accumulation Benefit before you cease employment with your employer.

Superannuation law allows you to request that part or all of your Accumulation Benefit be transferred to another fund of your choice. The trustee must generally comply with your request, however there are certain circumstances in which a transfer request can be refused including the following:

- if the trustee has already complied with a transfer request within the previous 12 months;
- if the fund you nominate refuses to accept the rollover or transfer
- the transfer request relates to any portion of the Defined Benefit component of your benefit in the Scheme.

For further information on transferring your superannuation benefit, including how this will impact on your remaining superannuation entitlements and any withdrawal fees that may apply while still employed contact the Manager.

The trustee recommends that you seek advice from a licensed, or appropriately authorised, financial adviser before making any decisions regarding your super.

4. Your Benefits

- Retirement Benefit
- Death Benefit
- Permanent Disablement Benefit
- Income Protection Benefit
- Leaving Service Benefits – prior to age 50
- Minimum Leaving Service Benefits
- Investment of benefits on cessation of service
- Parked Benefits

Retirement Benefit

When can I retire?

You are eligible for a retirement benefit once you have reached age 50, or after completion of 30 years service. The normal retirement age for the Scheme is age 60.

How is my retirement benefit calculated?

You will receive a lump sum benefit calculated as your "Final Average Salary" multiplied by your "Benefit Multiple" **plus** your Accumulation Benefit as detailed on page 3.

For an explanation of "Final Average Salary' see page 3.

Your "Benefit Multiple" is calculated as the sum of:

(i) 19.5% times your period of contributory Scheme membership to the later of age 55 and the completion of 30 years contributory Scheme membership, plus
(ii) 10.75% times your remaining years of contributory Scheme membership to your actual date of retirement or age 60,

A maximum "Benefit Multiple" of 8.0 applies in calculating the benefit.

Contributory Scheme membership is measured in years and complete months from the date you joined the Scheme. Any period of unpaid leave will not count in calculating your benefit multiple.

The benefit multiples detailed above may decrease in the event the investment return plus the existing level of member and employer contributions are insufficient to ensure the ongoing financial position of the Scheme. You will be notified should there be any adjustment to your future benefits or the level of compulsory Defined Benefit contributions you make to the Scheme.

On retirement (whether before or after age 60) you can request the trustee keep all or part of your benefit in the Scheme (subject to superannuation legislation) as detailed in the Parked Benefits section (as detailed on page 11). The trustee may set special terms and conditions on the benefit.

How will my retirement benefit in the Scheme be invested?

Effective from the date you ceased service your retirement benefit will be allocated with investment earnings as follows:

- Your defined benefit derived portion will be invested in the Cash investment option. You may subsequently choose an alternative investment option if you decide to keep your benefit in the Parked Benefits section.
- Your accumulation derived portion will continue to be allocated with investment earnings applicable to your chosen investment option, which may be positive or negative.

For more information refer to the Manager.

Examples:

(1) John joined the Scheme at age 22 and retires after 38 years membership at age 60. He will be required to contribute 5.8% of after-tax superannuation salary or 6.82% of before tax superannuation salary (as he is 23 next birthday when joining the Scheme as detailed in the Contributions section on page 12).

John's "Final Average Salary" is $90,000. John's "Benefit Multiple" will be calculated as:

(i) 19.5% x 33 years (period to age 55) = 6.435

plus

(ii) 10.75% x 5 years = 0.538

John's "Benefit Multiple" is 6.973

John's retirement benefit at age 60 would be:

6.973 x $90,000 = $627,570

plus his Accumulation Benefit.

(2) If John retires at age 50, his "Benefit Multiple" would be:

19.5% x 28 years = 5.46

Therefore, John's retirement benefit at age 50 assuming his Final Average Salary is $90,000 would be:

5.46 x $90,000 = $491,400

plus his Accumulation Benefit.

What if I retire after age 60?

If you retire from employment after age 60 your benefit is calculated as:

The greater of A or B as follows:

A The greater of:

(i) Your Benefit Multiple as at age 60, multiplied by your "Final Average Salary" at your actual date of retirement,

or

(ii) Your Benefit Multiple calculated to the date of your actual retirement after age 60 (with a maximum multiple of 8.0) multiplied by your "Final Average Salary" at age 60

B The balance of your Late Retirement Account calculated as:

(i) your Benefit Multiple at age 60 multiplied by your "Final Average Salary" at age 60, **plus**

(ii) investment earnings on (i) above based on the unit price movement (please refer to the Investments section on page 25 for information on unit prices) of the Conservative investment option which may be positive or negative, **plus**

(iii) the balance of your post age 60 Superannuation Guarantee account which is an employer contribution of 9.5% of Superannuation Salary less an allowance for 15% contribution tax and administration expenses plus investment earnings based on unit price movements of the Conservative investment option.

PLUS

C The balance of your Accumulation Benefit.

How will my over age 60 retirement benefit in the Scheme be invested?

Effective from the date you ceased service your retirement benefit will be allocated with investment earnings as follows:

- Your defined benefit derived portion will be invested in the Cash investment option. You may subsequently choose an alternative investment option if you decide to keep your benefit in the Parked Benefits section.
- Your accumulation derived portion will continue to be allocated with investment earnings applicable to your chosen investment option, which may be positive or negative.

For more information refer to the Manager.

Death Benefit

What happens if I die?

If you die whilst a member of the Scheme, a lump sum benefit will be paid to one or more of your dependants or legal personal representative as determined by the trustee (see the **Nominating your beneficiaries** section on page 41 for more details).

Your death benefit is equal to your Benefit Multiple (subject to a maximum of 8.0) assuming you had remained employed to age 60 multiplied by your Final Average Salary assuming your annual superannuation salary being paid to you at the date of your death continued to age 60, **plus** the total of your Accumulation Benefit (as detailed on page 3).

For more information about conditions on death benefits please refer to the **Death and disablement cover** section on page 34.

How will my death benefit in the Scheme be invested?

Effective from the date of death, your benefit will be allocated with investment earnings as follows:

- Your entire benefit will be invested in the Cash investment option.

For more information refer to the Manager.

What happens if I become terminally ill?

If you become terminally ill whilst a member of the Scheme, a lump sum benefit will be paid to you, representing an early payment of your death benefit. Please see page 34 for more information.

Permanent Disablement Benefit

What happens if I become permanently disabled?

If you are eligible, you may receive a lump sum amount equal to your death benefit (as calculated above) if you are under age 60 and your disablement is determined by the trustee to be total and permanent within the meaning of the Scheme's trust deed. If you are eligible, part of this benefit is covered by an insurance policy taken out by the trustee. Therefore to be eligible for this benefit you will need to satisfy the insurer's policy definition of total and permanent disablement. See the **Death and Disablement cover** section for more details.

If you have been approved by the trustee for a Total and Permanent Disablement (TPD) benefit, and you may also eligible to receive a benefit under Worker's Compensation and you have yet to cease employment with your employer, your TPD benefit will remain in the Scheme in the Parked Benefits section as detailed later in this Guide.

How will my TPD benefit in the Scheme be invested?

Effective from the date the Trustee approves your TPD benefit, it will be allocated with investment earnings as follows:

- Your defined benefit derived portion and any insured components will be invested in the Cash investment option. You may subsequently choose an alternative investment option if you decide to keep your benefit in the Parked Benefits section.
- Your accumulation derived portion will continue to be allocated with investment earnings applicable to your chosen investment option, which may be positive or negative.

For more information refer to the Manager.

For more information about conditions on TPD benefits please refer to the **Death and Disablement cover** section.

Income Protection Benefit

You will receive a monthly income, through the Income Protection (IP) benefit, if you are under age 60, still employed by the Corporation and are continuously absent from all work for at least 90 days and, on production of medical and other evidence, your disablement is determined by the trustee as totally or partially disabled. This benefit is partly covered by an insurance policy taken out by the trustee. Therefore to be eligible for a benefit you will need to satisfy the insurer's policy definition of total and temporary disability or partial disability. Please refer to the **Death and Disablement cover** section for details.

Your annual benefit is equal to 75% of your superannuation salary at date of disability (90 days after last day at work due to the disability) used for Scheme purposes. Your benefit will be paid to you at the start of each month for the previous month and will equal 1/12 of your annual IP benefit less any PAYG tax that is payable.

Leaving Service Benefits – prior to age 50

What happens if I leave my employer?

If you cease employment (other than for death or disablement) prior to age 50 with less than 30 years service you have the option of receiving:

A. an "Immediate Benefit"; **or**

B. a "Deferred Benefit"; **or**

C. a "Part Deferred/Part Immediate Benefit".

Please see below for details of how each of these options are calculated.

The Immediate Benefit is available for you to withdraw from the Scheme (subject to the Government's preservation requirements as detailed in the **Important General Information** section).

Important note

If you cease employment and do not make an election on how you wish to take your benefit within 90 days from the date you cease employment your benefit will be calculated as an Immediate Benefit under voluntary resignation (as detailed below) and you will not be able to select any other option.

A Immediate Benefit Options

(a) Voluntary Resignation

less than 5 years contributory Scheme membership

If you voluntarily resign and you have been in the Scheme for less than 5 complete years of contributory membership, a basic Immediate Benefit is payable.

This is equal to:

1. the balance of your own standard defined benefit contributions (as defined on page 12) together with investment earnings based on the unit price movement of the Growth investment option which may be positive or negative, **plus**
2. your Accumulation Benefit (if any).

This benefit is subject to the Minimum Leaving Service benefit detailed on page 10.

5 or more years contributory Scheme membership

If you have completed 5 or more years of contributory Scheme membership, a higher immediate benefit is payable.

This is equal to:

1. the balance of your standard defined benefit contributions (as defined on page 12) together with investment earnings based on the unit price movement of the Growth investment option which may be positive or negative, increased by 5% for each complete year of contributory Scheme membership in excess of 5 years, subject to a maximum of 100%.

plus

2. Your Accumulation Benefit (if any)

This benefit is subject to the Minimum Leaving Service Benefit as detailed on page 10.

(b) Resignation due to illness, injury or retrenchment

If, in the opinion of the trustee, you resign because of illness, injury or retrenchment, your immediate benefit will be calculated as the greater of:

A Twice your standard defined benefit contributions (as defined on page 12) to the Scheme, together with investment earnings based on the unit price movement of the Growth investment option which may be positive or negative,

and

B A multiple of your "Final Average Salary". The multiple is calculated as 10% for each year of contributory Scheme membership to the date of cessation of employment (with complete months less than a year counting as a fraction of a year).

Plus

Your 'Accumulation Benefit' (as detailed on page 3).

This benefit is subject to the Minimum Leaving Service Benefit as detailed on page 10.

"Retrenchment" means the termination of your employment by your employer on the grounds that work of the kind for which you are qualified or suited is no longer available to you but does not include the completion of the term of a contract of employment with your employer.

(c) Resignation after receiving monthly IP benefits (Partial Disablement Benefit)

You are entitled to receive a Partial Disablement Benefit if you cease employment with your employer and you:

(i) were receiving the monthly IP benefit from the Scheme due to you being Totally but Temporarily Disabled and no longer meet the definition of Totally but Temporarily Disabled, and

(ii) you are unable to recommence work with your employer because your employer is unable to employ you due to your state of health.

The benefit immediately available will be the sum of:

1* Your Benefit Multiple using contributory Scheme membership to your date of resignation only (measured in years and complete months), multiplied by your current superannuation salary

plus

2 5% of your current superannuation salary for each year and complete month for the period from your date of resignation to age 60.

If you are also eligible to receive a benefit under Workers' Compensation, the benefit from the Scheme will only be as described previously in 1*.

A minimum total Benefit Multiple of 3.00 and a maximum Benefit Multiple of 6.00 applies.

In addition, you will receive your Accumulation Benefit.

B Deferred benefit option

If you cease employment prior to age 50 you have the option of 'deferring' your benefit in the Scheme until you reach at least age 50.

If you select this option, the benefit on ceasing employment will be calculated as if you retired (as detailed on page 5) but counting only your contributory membership of the Scheme (measured in years and complete months) to the date of ceasing employment.

The Defined Benefit component of the Deferred Benefit will remain in the Scheme until you request payment after age 50. This component will be indexed annually by the movement in the Consumer Price Index (CPI Adelaide – All Groups) subject to a minimum of zero, from the date you cease employment to your 50th birthday. After age 50 the benefit will be allocated investment earnings applicable to your chosen investment option which may be positive or negative.

The deferred benefit is also payable from the Scheme prior to age 50 should you die or apply to the trustee and are approved for payment due to being totally and permanently incapacitated for work.

The total of your Accumulation Benefit will also remain in the Scheme and accrue investment earnings applicable to your chosen investment option which may be positive or negative.

What if I choose the Deferred benefit and subsequently decide I wish to withdraw it before I turn age 50?

Should you wish to withdraw your deferred benefit prior to age 50 and transfer it to another fund, the amount you will receive will be the amount of your immediate benefit based on voluntary resignation at the date you ceased employment together with investment earnings based on the unit price movement of the Growth investment option which may be positive or negative.

C Part Immediate / Part Deferred Benefit Option

If you cease employment prior to age 50, you have the option of taking a benefit that is a combination of the Immediate Benefit and the Deferred Benefit.

You may rollover the following amount from the Scheme.

1. Your standard defined benefit contributions (as defined on page 12) plus investment earnings based on the unit price movement of the Growth investment option which may be positive or negative, and
2. The balance of your Accumulation Benefit (as detailed on page 3);

and defer in the Scheme until at least age 50 (or your date of death or being determined by the trustee to be totally and permanently incapacitated for work, if earlier), the following;

20% of the difference between

(a) the Deferred Benefit (as detailed in B above), and
(b) the total of your standard defined benefit contributions (as defined on page 12) with investment earnings based on the unit price movement of the Growth investment option which may be positive or negative,

for each complete year of contributory Scheme membership to a maximum of 100%.

The deferred part of the benefit will increase with the annual movement in CPI Adelaide – All Group Index (subject to a minimum of zero).

What if I choose the Part Deferred benefit and subsequently decide I wish to withdraw it before I turn age 50?

Should you wish to withdraw your Part Deferred Benefit prior to age 50 and transfer it to another fund, the amount you will receive will be the amount of your immediate benefit at the date you ceased employment based on voluntary resignation less any amount you withdrew from the Scheme (including any rollover to another fund) together with investment earnings based on the unit price movement of the Growth investment option which may be positive or negative.

How will my under-age-50 benefit on cessation of service be invested?

Accumulation Benefits

When you cease service, your Accumulation Benefit will continue to be invested in your chosen investment option (or the Scheme's default, the Growth option, if you have not made an investment choice) until your benefit is paid out or you choose an alternative investment option.

Defined Benefits

When you cease employment with the Corporation, the Defined Benefit portion of your benefit will be calculated at the date you ceased employment. Your benefit will then be invested in the Scheme until such time as it is paid to you or rolled over to another fund. During this period your benefit will be invested as follows, depending on your circumstances:

- Any Deferred benefits derived from your Defined Benefits will be indexed to CPI. Please refer to page 9 for more details;
- Any other benefits derived from your Defined Benefit will be invested in the Growth investment option until payment instructions have been received and actioned, regardless of any other selection you may have made for your Accumulation Benefit.

Minimum Leaving Service Benefit

If you cease employment for any reason, a minimum leaving service benefit applies to ensure you receive your minimum entitlement under the Superannuation Guarantee legislation.

The minimum leaving service benefit is calculated as the sum of:

(i) your defined benefit member contributions (as defined on page 12), with investment earnings based on the unit price movement of the Growth investment option which may be positive or negative, plus
(ii) the balance of your Accumulation Benefit (if any), plus
(iii) employer contributions as prescribed under the Superannuation Guarantee legislation, less 15% tax, together with investment earnings based on the unit price movement of the Growth investment option which may be positive or negative, **less**
(iv) an allowance for the cost of administration of the Scheme and insurance for death and disablement benefits provided by the Scheme.

Family Law and your super

Under the Family Law Act 1975 (**Family Law Act**), superannuation benefits can be divided when a couple in a marriage or in a de facto relationship respectively divorce or separate.
The legislation allows married or de facto couples to make binding agreements or obtain Court orders from the Family Court in respect of how each partner's super will be divided upon marriage breakdown.

Your super benefit may need to be adjusted to reflect any agreements or Court Orders which may be binding on the trustee. Splitting super entitlements with your spouse will also affect the preservation components of your super and may have tax consequences.

You should seek professional advice on the consequences of separation on your super.

The trustee has determined that for Defined Benefit members there will be no splitting of any benefit whilst the benefit is in the growth phase. This means that no benefit can be paid to a spouse until a member ceases employment with their employer or exercises portability and transfers a portion of their benefit from the Scheme.

Please note that under the Family Law Act, the trustee is also required to provide certain information about a member's super benefit in the Scheme to 'eligible persons' where the information is required to negotiate a superannuation agreement or to assist with a Court Order. For the purposes of the Family Law Act, an eligible person means a member, the spouse of a member or a person who intends to enter a superannuation agreement with the member.

The trustee may charge a fee when a request is made for actions to be taken under the Family Law Act in respect of your super benefit.

You can also contact the Manager about family law matters affecting your super in the Scheme. The current fees applicable are shown in the **Fees and Charges** section of this Guide.

Parked Benefits

When you cease employment and are eligible you can leave your super in the Scheme for as long as you like.

No insurance benefits for death or disablement are provided for Parked members.

Who is eligible to use this arrangement?

Any member, other than those detailed below, is eligible to use the Parked Benefit facility.

Members under age 50 that are eligible for a resignation benefit may not be able to use this option as they have the option to take a Deferred Benefit, either full or partial. That is, a member under age 50, in lieu of receiving a payment of the immediate benefit, can opt to take a Voluntary Deferred Benefit or Part Immediate / Part Deferred benefit, which will be indexed with the increase in CPI – All Adelaide Group Index up to age 50. They can then 'Park' the Deferred Benefit after age 50 where it will be allocated with investment earnings based on the unit price movement of the Growth investment option which may be positive or negative instead of indexation and be subject to the normal Parked Benefit conditions.

Will I have access to my money?

There is an unlimited number of withdrawals permitted, but each one must be a minimum of $5,000 (or the balance in your account if less) and will be subject to the Government's preservation requirements. In other words, if an amount is required to be preserved you cannot access that amount until you satisfy a condition of release (see ***Super and preservation*** on page 48).

How is my benefit invested?

Any Parked Benefit derived from your Accumulation Benefit will be invested in your chosen investment option, or the Growth investment option if you have not made an alternative selection.

Any Parked Benefit derived from your Defined Benefit will be invested in the investment option applicable to you depending on the type of benefit available to you on your cessation of service, from the date your Parked Benefit is established until you chose an alternative investment option. For more details on the investment option applicable to you please refer to the relevant benefit section above.

Are there any fees involved?

If you elect to withdraw some money at the same time as electing to Park your benefit, we will not charge a fee for that withdrawal. For any subsequent withdrawals a 'benefit payment fee' of $60.00 will be payable. The benefit payment fee applied (if any) will be deducted from your remaining balance or if no remaining balance, from the final withdrawal amount.

At the date of production of this Guide a 'weekly administration fee' of $4.42 is charged for the Parked Benefits arrangement. This fee is deducted from your Parked Benefits account in the Scheme each year at 30 June or when you withdraw all your money from the Scheme. You may be subject to other fees as outlined in the **Fees and Charges** section.

The above fees are determined by the trustee and will be levied on the basis to recover the administration cost in processing the benefit payments and maintaining your Parked Benefit. These fees will be reviewed from time to time and may change. You will be appropriately advised if this happens.

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5. Contributions

- Your contributions to the Scheme
- Financing the benefits
- Assessing the Scheme's financial position
- Surplus Account
- Superannuation Guarantee
- Additional Voluntary Contributions
- Pre-tax contributions
- Tax on contributions
- Rollovers
- Payment of benefits after age 65
- Co-contribution from the government

Your contributions to the Scheme – permanent employees

As a permanent employee you are required to contribute to the Scheme.

Your compulsory defined benefit contributions

The amount you contribute is based on your age at the date you commence employment and can be made from either before-tax (salary sacrifice) or after-tax pay. These contributions are called "defined benefit contributions" in this Guide.

Age Next Birthday at Date of Joining	Your standard Defined Benefit contributions as a percentage of superannuation salary	
	After tax contributions	Before tax contributions
Up to 20	5.5%	6.47%
21	5.6%	6.59%
22	5.7%	6.71%
23	5.8%	6.82%
24	5.9%	6.94%
25 and over	6.0%	7.06%

Other information regarding your defined benefit contributions

Your contributions are based on your superannuation salary for Scheme purposes at 1 April each year. Your contributions will change at each 1 July being the Scheme's annual review date.

These contribution rates are current at the date of this Guide but may vary depending on the Scheme's overall financial position. If there is not enough money in the Scheme to support the benefits payable you may be required to contribute a higher amount.

The level of contribution required by you is assessed each year by the Scheme's actuary. If there is a requirement for your contributions to increase you will be provided with at least 30 days notice.

You do not have to pay contributions to the Scheme while you are receiving Income Protection benefits. The eventual lump sum benefit that you will be entitled to once you cease employment is not reduced by the monthly Income Protection payments you may receive.

Your standard compulsory defined benefit contributions to the Scheme will stop on the earliest of the following to occur:

- you attain age 60;
- you cease employment with your employer;
- you cease to be a member of the Scheme;
- your benefit on retirement is equal to eight times your Final Average Salary.

Financing the Benefits

Under the financing arrangements for permanent employees' benefits, the Employer pays a contribution of the Superannuation Guarantee amount (currently 9.5%) plus 4% of members' superannuation salaries. This amount is based on your salary at 1 April each year and changes for Scheme purposes at each 1 July.

You are also required to pay the relevant contribution based on your age at the date you joined the Scheme as detailed earlier.

Each year, the Scheme's actuary will conduct a review of the Scheme's financial position to determine if the contributions being made are sufficient to meet the ongoing financial requirements of benefits to members. See the **Important General Information** section for more information about contributions.

Assessing the Scheme's Financial Position

Actuarial reviews are conducted annually at 30 June to ensure a frequent measurement of the Scheme's financial position.

The reviews are conducted on two methods of valuation: the Best Estimate Valuation method and Solvency Valuation method (see below).

The annual valuation will determine the amount of Scheme assets that will be required as a reserve, and any surplus assets available for distribution to members.

A reserve is required to be maintained to ensure that, in the event of any adverse experience within the Scheme, there are sufficient assets available to meet members' existing benefit liabilities. Surplus assets will only be found to exist if there are sufficient assets in place to support the reserve as well as Scheme liabilities.

Best Estimate Valuation

- Assesses the adequacy of the member contribution rates as the contribution by the participating employers is fixed at the amount required under Superannuation Guarantee legislation plus 4% of members' superannuation salaries.

- Values the liabilities of existing members on past and future service.
- The last actuarial review as at 30 June 2018 expects that investment returns will exceed members' superannuation salary increases by a percentage advised by the Actuary. (The Actuary, in considering the expected movements in investment markets or salary increases, could vary this percentage).

Solvency Valuation

- Assesses whether any surplus is available for distribution.
- The assumptions are determined by considering the various risks which could impact on the security of members' benefits and providing a prudent level of reserves against such risks (e.g., a downturn in financial markets).
- The Actuary assumes that investment returns will exceed members' superannuation salary increases by a more conservative percentage than under the Best Estimate Valuation. (The Actuary, in considering the expected movements in investment markets or salary increases, could vary this percentage.)

  Any surplus identified in excess of that required to maintain the Scheme's financial position (including the desired reserves) may be distributed to members and, if so, would be allocated as a contribution to your Surplus Account which forms part of your Accumulation Benefit.

Method of Surplus Distribution to Members

In the years where the assets are in excess of the requirements of the reserve, the trustee, on advice from the Actuary, may distribute surplus to members. The method of distribution to members will be in a fair and equitable manner.

Surplus Account

Each member has a separate Surplus Account (as detailed on page 3) as part of their Accumulation Benefit. Any Surplus amounts distributed are allocated to this account and are allocated net investment earnings applicable to your chosen investment option which may be positive or negative and would be payable as part of the benefit entitlement on ceasing employment.

Any surplus allocated into a member's Surplus Account is a preserved benefit and is subject to the Government's preservation requirements.

Calculation

Each member's surplus entitlement is calculated in an equitable manner and is based on the value of a member's Defined Benefit only, therefore providing a distribution based on the period of contributory membership in the Scheme and salary levels. The distribution would not take into account the Accumulation Benefit (i.e., additional voluntary contribution, rollover and surplus accounts).

Allocation

Any distribution would be calculated and allocated as at a date or dates to be determined by the Trustee.

Deficit Implications

In some circumstances the Scheme may fall into deficit (as measured by the Scheme Actuary based on guidelines agreed with the trustee) and the trustee will be required to adjust benefit accruals or increase member contribution rates for a period of time until the financial position improves. Any additional member contributions paid, increased with the Scheme earnings, would be notionally maintained in a separate account for each member.

In the event that a subsequent surplus occurred (as measured by the Scheme Actuary based on guidelines agreed with the trustee), instead of being allocated to members' surplus accounts, in the first instance it would be used to reinstate the defined benefits for the adjustments that were made. This would involve either a reinstatement of the reduced benefit accrual and/or an allocation of some or all of the additional member contributions paid to the Surplus Account.

Reduction of Future Accrual Rates and the Effect upon Death & Disablement Benefits

In the event that the Scheme went into deficit and the trustee was required to apply a reduction in future Defined Benefit accrual rates, members' death and disablement benefits would be maintained at existing monetary levels at that time as a minimum.

Superannuation Guarantee

Under Federal Government legislation all employees must be provided with a minimum level of superannuation benefit known as the Superannuation Guarantee or SG.

Employers are currently required to provide superannuation equivalent to 9.5% of an employee's earnings. There is also a maximum limit* on the earnings on which the minimum level of super is calculated.

There are some circumstances where your employer is not required to meet the SG minimum requirements. These include:

- You are under 18 and working less than 30 hours a week;
- You earn less than $450 in a month;
- Earnings in excess of $52,760* in a quarter;
- Your duties are purely domestic in nature for less than 30 hours per week;
- In certain circumstances if you are working overseas;
- In certain circumstances if you have moved to Australia from overseas.

**This is the maximum limit for the 2017/18 financial year. It is indexed annually.*

More details on how SG arrangements apply to you are detailed later.

Additional Voluntary Contributions - if you want to

You can put extra money into super, over and above the contributions required for your Defined Benefits. Any contributions you make must be preserved. See the **Important General Information** section for more details on preservation.

These contributions are allocated to your Additional Voluntary Contribution Account and form part of your Accumulation Benefit.

You can make regular contributions by direct deductions from your salary, either post tax or pre-tax (salary sacrifice). You decide how much extra you'd like to put in as a fixed dollar amount in multiples of $10.

You can generally change the rate of your additional contributions at 1 July each year.

Pre-Tax contributions

With the prior approval of your employer, you have the option to make your additional voluntary contributions on a pre-tax or 'salary sacrifice' basis. Depending on your individual situation, salary sacrifice into super may save you tax. This is because you don't pay personal income tax on the part of your salary that is going into super. Instead your contributions are taxed at a concessional rate (15%) which may be lower than your personal income tax rate.

Please note that there are caps, called <u>concessional contribution caps,</u> to the amount you can contribute as pre-tax contributions. See the **Tax and Super** section for more details.

We recommend you speak to a financial adviser before choosing to contribute under a salary sacrifice basis.

Additional Lump Sum Deposits

If you wish to increase your superannuation benefit you also have the option to make a lump sum deposit to the Scheme from after tax dollars at any time.

The conditions for lump sum deposits are as follows:

- The minimum deposit is $200
- Amounts are preserved under government legislation and are not payable to you until you meet the preservation requirements. See the **Important General Information** section later in this Guide.

Any lump sum deposit will be held in a separate account that forms part of the Accumulation Benefit and will earn investment earnings applicable to your chosen investment option which may be positive or negative. See the **Investments** section of this Guide for more details.

Please note that there are caps, called non-<u>concessional contribution caps,</u> to the amount you can contribute as lump sum or post-tax contributions. See the **Tax and Super** section for more details.

Lump sum deposits must be made by cheque payable to the 'SA Metropolitan Fire Service Superannuation Scheme' and must be attached to a Lump Sum Deposit Form which is available from the Manager.

Tax on contributions

Tax is deducted from employer contributions and any before-tax (salary sacrifice) contributions you make. This tax is normally deducted at 15% but contributions may also be subject to additional tax if you have not supplied your tax file number or exceed the contribution caps that apply. Tax may also be deducted in respect of any monies rolled into the Scheme and in respect of certain super benefits that contain an untaxed component. For more details refer to the **Tax and Super** section.

Rollovers - multiple fees may eat away at your super

You can rollover other super money into the Scheme if you want to. If you've had other jobs in the past, you will probably have super accounts with other super funds. You have the choice of rolling your other super into your Accumulation Benefit in the Scheme.

You will not be paying duplicate fees and you have only one set of paperwork to think about. Why not discuss the benefits of rollovers with a financial adviser?

If you'd like to rollover other super into the Scheme, just contact the Manager on 8204 3826. The Scheme doesn't charge a fee for receiving money rolled in from other funds, although you should check with your other fund/s to see what fees or conditions they may apply if you wish to transfer your money. Any money rolled over will be allocated to your 'Rollover Account' in the Scheme and form part of your Accumulation Benefit.

Be aware that if the money you roll in is 'preserved', it stays preserved in the Scheme (see the **Important General Information** section for information on preservation).

Payment of benefits after age 65

You can leave your benefit in the Scheme for as long as you like. There is no requirement to take your benefit from the Scheme upon reaching a certain age.

Contributions after age 65

Employer contributions after age 65

If you are still working after 65, generally contributions will continue to be made. However the law will not allow employer contributions in certain circumstances.

After age 65, the Scheme can only accept 'mandated' employer contributions in respect of you. 'Mandated' employer contributions are SG and/or contributions required under an award or certified agreement.

The Scheme can only accept other employer (including salary sacrifice) contributions for you up to age 75 if you have worked at least 40 hours during any period of 30 consecutive days in the financial year to which the contributions relate. These contributions cannot be made after age 75.

Other contributions you may make after age 65

Between ages 65 and 75, the Scheme can only accept personal after-tax contributions made by you if you have worked at least 40 hours during any period of 30 consecutive days in the financial year to which the contributions relate.

Once you reach age 75, the Scheme cannot accept personal contributions.

Co-contributions – the Government matches your after-tax contributions to super

In respect of the financial year from 1 July 2018 to 30 June 2019, the co-contribution is a contribution, by the Government, of up to $0.50 for each $1.00 of personal after-tax member contributions paid to a superannuation fund.

The amount of the co-contribution you will get depends on your income# and the personal after tax contribution you have made during the financial year. The maximum amount of co-contribution for the 2018/19 financial year is $500 and is available to people whose income is $37,697* or less. This maximum or cap then phases down by 3.333 cents for each dollar of additional income over $37,697 and cuts out completely for incomes of $52,697^ or more. You also need to meet other conditions to be eligible for the co-contribution - these are set out below.

 # Income is your assessable income plus your reportable fringe benefits for the applicable financial year. including most before tax or 'salary sacrifice' contributions you make and can also include voluntary employer contributions where you have an option whether or not these are payable.

** This amount is the lower threshold and is applicable for 2018/19.*

^ This amount is equal to the lower threshold plus $15,000.

Eligibility for the Government co-contribution

The co-contribution is currently only available to people who earn at least 10% of their income from employment as an employee even if there is no entitlement to employer superannuation contributions and will not be available to those self-employed persons who are able to claim a tax deduction for their contributions. You must also be under age 71 at the end of the financial year. It is not available to most temporary residents.

In addition to the eligibility requirements above you will not be eligible for the co-contribution in an income year if either:

- your non-concessional contributions exceed your non-concessional contributions cap for that year; or
- if, at 30 June of the previous year, your total super balance equals or exceeds $1.6 million.

Please see the **Tax and Super** section for more details on concessional and non-concessional contributions and the taxation implications of both types of contributions.

Claiming the contribution – you don't need to do anything

The trustee must give the Tax Office information about your contributions and those made by your employer. Using this information and information in your tax return, the Tax Office will work out if you are entitled to receive a co-contribution. Any co-contribution payable will then be sent directly to the Scheme or another fund to which you belong.

We recommend that you speak to a financial adviser to work out how this might apply to you.

Contribution Splitting

Scheme members are able to split the contributions received by the Scheme with their spouse. Contribution splitting allows members to transfer or rollover certain contributions to another fund or to a spouse account in the Scheme.

There are some conditions that apply to super splitting as outlined below:

- Only 85% of employer and salary sacrifice contributions made to the Accumulation section of the Scheme can be split.
- After tax contributions cannot be split.

- you will be able to split your contributions once each year in respect to the contributions made for the previous year. For example, you can split contributions made prior to 30 June 2018 at any time between 1 July 2018 and 30 June 2019.
- You will only be allowed one split per financial year.
- You can only split contributions with your spouse if they are under their preservation age (see ***Super and Preservation*** on page 48)
- Defined Benefit members are not able to split either member or employer contributions that relate to the financing of their Defined Benefit entitlement.
- You are not able to split your account balance with your spouse.
- A withdrawal fee applies to each split. (refer to the **Fees and Charges** section).

These provisions may provide some tax benefits should you take advantage of the arrangements the trustee has put in place. However, the trustee recommends that you seek advice from a licensed or appropriately authorised financial advisor before making any decisions regarding your super.

If your spouse does not have a super account and you want to take advantage of these arrangements you can open a spouse account in the Scheme. More details about spouse accounts are outlined in the **Guide for Spouse Members** or by contacting the Manager.

6. Fees and other Costs

This document 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 the superannuation entity 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.

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund benefit rather than 1% could reduce your final return by up to 20% over a 30 year period
(for example, reduce it from $100,000 to $80,000).

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

You or your employer, as applicable*, may be able to negotiate to pay lower 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 based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

* The above wording is mandated for regulated superannuation funds. The fees and costs of the Scheme are not negotiable. .

Fees and other costs table

SA Metropolitan Fire Service Superannuation Scheme		
Type of fee	**Amount**	**How and when paid**
Investment fee	Nil	The applicable investment fees and costs incurred in the Scheme's underlying investments are included in the indirect cost ratio below.
Administration fee	Permanent fire-fighters: Nil Deferred members: Nil Parked members: $4.51 per week	This fee is deducted monthly.
Buy-sell spread	Nil	
Switching fee	One free switch per year; subsequent switches are $30 each	The switch fee is deducted from your Accumulation Benefit at the time you switch investments.
Exit fee / Withdrawal fee	$60	This fee is deducted from your account at the time a payment is made
Advice fees	Nil	
Other fees and costs[1]	See note 1	
Indirect cost ratio (ICR)[2]	Ranges from 0.05% to 0.73%. The ICR is different for each investment option. See Note 2 and page 20 for details.	The ICR is calculated and applied in determining the weekly unit price for each investment option.

[1] Other fees and costs which may apply to you are: family law fees, activity fees and withdrawal fees AND if you leave the Scheme early, you will be charged an exit fee of $60. Please refer to the ***Additional explanation of Fees and Costs*** on page 20 for details.

[2] ICR shown for the Scheme are forecast ICRs for the underlying investments of the Scheme for 2017/18 financial year. They do not include any performance related fees or transactional and operational costs.

Example of annual fees and costs for the Growth Option for <u>Permanent fire-fighters</u> and <u>Deferred members</u>

This table gives an example of how the fees and costs for the Growth option, one of the Scheme's investment options, can affect your superannuation investment over a one year period.

EXAMPLE — Growth Option		**BALANCE OF $50 000**
Investment fees	Nil	For every $50 000 you have in the growth option you will be charged **$0.00** each year
Plus Administration fees	Nil	**And**, you will be charged **$0.00** in administration fees regardless of your balance
Plus Indirect costs for the Growth option	0.73%	**And**, indirect costs of **$365** each year will be deducted from your investment
EQUALS Cost of product		If your balance was $50,000, then for that year you will be charged fees of **$365** for the Growth option.

Note: Additional fees may apply. **And,** if you leave the Schemes, you may also be charged an **exit fee** of $60 and for every withdrawal you make, you will be a charged a withdrawal fee of $60.

Example of annual fees and costs for the Growth Option for <u>Parked members</u>

This table gives an example of how the fees and costs for the Growth, one of the Scheme's investment options, can affect your superannuation investment over a one year period.

EXAMPLE — Growth Option		**BALANCE OF $50 000**
Investment fees	Nil	For every $50 000 you have in the growth option you will be charged **$0.00** each year
Plus Administration fees	$4.51 per week = $235.16	**And**, you will be charged **$235.16** in administration fees regardless of your balance
Plus Indirect costs for the growth option	0.73%	**And**, indirect costs of **$365** each year will be deducted from your investment
EQUALS Cost of product		If your balance was $50 000, then for that year you will be charged fees of **$600.16** for the Growth option.

Note: Additional fees may apply. **And,** if you leave the Schemes, you may also be charged an **exit fee** of $60 and for every withdrawal you make, you will be a charged a withdrawal fee of $60.

Additional explanation of Fees and Costs

This section provides further information on fees and costs.

Withdrawal Fee

For each withdrawal you will be charged a withdrawal fee of $60.00 (including when you leave the Scheme early).

Insurance Fees

Insurance fees for your basic default insurance cover are currently paid from the Scheme and factored into the contributions you and your employer make. If this arrangement were to change in the future you will be appropriately advised. There is no insurance cover for Parked or Deferred members.

Insurance premiums for any additional voluntary insurance cover are deducted from your accumulation accounts.

No-TFN tax refund fee

If we don't receive your Tax File Number (TFN) then additional tax is payable in respect of your concessional contributions (see the section 'You'll pay extra tax if the trustee does not have your TFN' in the **Tax and Super** section for more details). If you leave the Scheme and your super payout is paid from the Scheme before we receive your TFN, an allowance for this additional tax will be deducted from your super payout. A fee of $800 will apply if you subsequently provide your TFN and request that this additional tax be refunded and paid to you or rolled over to your new super fund from the Scheme. This fee is additional to the fees shown in the "Fees and other costs table".

Family Law: fees for information and for splitting your super – charged to members and/or their former spouses for various services

Where fees apply	Fee	Who pays the fee
Application for information – in the format specified under the Family Law Act - For Defined Benefit valuation - No valuation required	 $250 Nil	Payable by the person requesting the valuation.
Splitting a benefit	$385	Shared equally by both parties and will be deducted from each super benefit at the time the benefit is split
Flagging a benefit	Nil	N/A

For more information about Family Law and how it may affect you, please call or write to the Manager.

Indirect cost ratio

The indirect cost ratio (ICR) shown includes fees and costs that are not deducted directly from your account that impact on your investment returns. This includes the fees and costs of managing your investments by specialist investment manager, Funds SA. The ICR shown excludes any performance related fees and costs and any transactional and operational costs.

The investment management fee that Funds SA deducts before they declare returns covers costs such as fund manager fees (including performance related fees), asset consulting fees, custodian fees, investment-related legal advisory fees, and an administration fee that covers expenses incurred by Funds SA in managing the funds as well as transactional and operational costs associated with the investments.

Indirect cost ratios for 2017-18

The ICR relating to a specific investment option reflects the actual investment management expenses and cannot be precisely calculated in advance. The amounts may vary from year to year. As a guide, the table below shows these ratios for the 12 months ending 30 June 2018.

It should be noted that the **actual** investment management expenses shown are for the 2017/18 financial year only and **exclude** any performance related fees and transactional and operational costs. The costs in future years may vary due to a number of factors including growth in Funds SA funds under management and the outcome of performance fee arrangements with certain managers which are dependent on the relevant manager's performance for the year.

This table shows a breakdown of the indirect cost ratios incurred in the previous financial year as referred to in the Fee table on page 18 as they apply to the Accumulation Benefit for each investment option.

Estimated indirect cost ratio (ICR)	
Investment Option	**ICR Year to 30 June 2017 (% pa)**
High Growth	0.73
Growth	0.73
Balanced	0.66
Moderate	0.55
Conservative	0.41
Capital defensive	0.35
Cash	0.05

Estimated investment related expenses associated with the Plan's investments in pooled investment products are included as indirect costs. Investment fees and indirect costs are taken into account in calculating the investment returns to your account. These amounts can vary and cannot be calculated precisely in advance. The table above shows estimated indirect costs incurred based on information for the 12 month period ended 30 June 2018. Actual amounts may vary.

Performance related fees

Some of the managers of pooled investment vehicles are entitled to a performance related fees if they outperform certain benchmarks. The estimated performance related fees (if any) for each of the investment options for the year ending 30 June 2018 are set out in the table below:

Estimated performance related fees for year to 30/6/2018	
Investment Option	**Fees**
High Growth	0.29
Growth	0.28
Balanced	0.23
Moderate	0.15
Conservative	0.02
Capital defensive	0.01
Cash	0

Performance related fees are not included in the indirect cost ratios shown for each option and are an additional cost to investors.

Transactional and Operational Costs

The estimated transactional and operational costs for each of the investment options for the year ending 30 June 2017 are set out in the table below:

Estimated Transactional and Operational Costs for year to 30/6/2018	
Investment Option	**Fees**
High Growth	0.22
Growth	0.21
Balanced	0.19
Moderate	0.17
Conservative	0.14
Capital defensive	0.12
Cash	0

Transactional and Operational Costs are not included in the indirect cost ratios shown for each option and are an additional cost to investors.

Variation to fees
The fees outlined above are determined by the trustee from time to time based on the expenses incurred in running the Scheme and investing the Scheme's assets and may be revised, increased, added to or adjusted by the trustee from time to time. You will be notified of any changes to the fees outlined above.

Indexation of Fees
The fees for withdrawals, terminations and administration fees for Parked members (see the Fees and other costs table) may be subject to annual indexation based on increases in the annual rate of Average Weekly Ordinary Time Earnings (AWOTE).

Defined Fees

Activity fees

A fee is an ***activity fee*** if:

(a) the fee relates to costs incurred by the trustee of the Scheme that are directly related to an activity of the trustee:

(i) that is engaged in at the request, or with the consent, of a member; or

(ii) that relates to a member and is required by law; and

(b) 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 superannuation entity and includes costs that relate to that administration or operation, other than:

(a) borrowing costs; and
(b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the Trustee of the entity or in an interposed vehicle or derivative financial product; and
(c) costs that are 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:

(a) the fee relates directly to costs incurred by the trustee of the Scheme because of the provision of financial product advice to a member by:

(i) a Trustee of the Scheme; or

(ii) another person acting as an employee of, or under an arrangement with, the Trustee of the Scheme; and

(b) 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 Scheme in relation to the sale and purchase of assets of the Scheme.

Note: The Scheme does not charge any buy-sell spreads on member transactions.

Exit fees

An ***exit fee*** is a fee to recover the costs of disposing of all or part of members' interests in the Scheme.

Family Law fees

If your super is subject to an agreement or court order that splits your super between you and your former spouse, a Family Law fee will apply. This charge is split equally between you and your former spouse.

Indirect cost ratio

The indirect cost ratio (“ICR”), for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

Note: A fee deducted directly from a member’s account or paid out of the superannuation entity is not an indirect cost.

Insurance fee

A fee is an insurance fee if:
(a) the fee relates directly to either or both of the following:
i. insurance premiums paid by the Trustee of a superannuation entity in relation to a member or members of the entity;
ii. costs incurred by the Trustee of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and
(b) 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
(c) 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

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Investment fees

An ***investment fee*** is a fee that relates to the investment of the assets of the Scheme and includes:

(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and

(b) costs that relate to the investment of assets of the entity, other than:
i. borrowing costs;
ii. indirect costs that are not paid out of the superannuation entity that the Trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
iii. costs that are 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 Scheme from one class of beneficial interest in the Scheme to another.

7. Investments

Investments are made in a range of asset types and markets, including shares, fixed interest and property. Therefore the value of the Scheme's assets can increase as well as decrease. As a result, depending on your chosen investment option, the investment earnings may be positive or negative.

Who manages the Scheme's investments?

The Scheme's investments are managed by Funds SA. Funds SA invests and manages over $25 billion on behalf of South Australian public sector superannuation funds and other approved authorities. Funds SA create and deliver multi sector investment products by engaging specialist investment managers and advisers to enable superannuation funds like the Scheme to have access to efficient and well-structured investment facilities.

Funds SA determines the allocations of investments in each of the investment options and which managers are used to invest the assets. Funds SA critically assesses the selection of investment managers, management of investment manager appointments and replacements, and reviews and reports on performance against investment objectives.

The Scheme's investment approach for Defined Benefits

The Trustee invests the Scheme's defined benefit assets in the Growth investment option for members under age 60 and in the Conservative investment option for members over age 60. For details of the investment aims, investment risks and asset allocations of these investment options please refer to ***Your investment options…in detail*** later in this section. The Trustee and the Actuary monitor the strategic asset allocation on an annual basis.

The Scheme's investment approach for Accumulation Benefits

The Trustee aims to help you manage your investment risk by offering you a range of investment options that help provide you the benefit of diversification by accessing different asset classes.

Investment choice for your Accumulation Benefits

Investment choice will allow you to determine what level of investment risk you wish to take on any of the following accounts you have in the Scheme:

- Additional Voluntary Account – pre and post-tax voluntary contributions and Government Co-contributions
- Surplus Account – monies allocated to you as part of any surplus distributions
- Rollover Account – monies rolled into the Scheme from another superannuation fund
- Parked Benefit members accounts
- Deferred benefit members Accumulation Benefit component.

You **will not** have access to investment choice on any of your contributions that are Defined Benefit related or on any of the employer's contributions to the Scheme that finance your Defined Benefit entitlements.

Parked members will have access to investment choice on their full account balance due to their benefits being only accumulation based.

What options are available?

You have a choice of seven investment options as follows:

- High Growth
- Growth – **default option if no selection is made**
- Balanced
- Moderate
- Conservative
- Capital Defensive
- Cash

A more detailed description of each option is provided later.

What doesn't investment choice apply to?

You will only have access to investment choice on your Accumulation Benefit in the Scheme as detailed earlier.

You will not have access to investment choice on your contributions that you are required to make to the Defined Benefit section of the Scheme. This applies to all permanent and probationary employees of the Corporation or other participating employers.

As you would be aware, some benefits on leaving service prior to age 50 are related to the Scheme's earnings, i.e. the resignation benefit. The assets for the Defined Benefit Section of the Scheme are invested in the Growth option (for members under age 60) and therefore the investment earnings generated by this option will be allocated to your compulsory contributions to calculate your leaving service benefit options.

For those members that have incurred a surcharge assessment as part of the previous Superannuation Surcharge tax, your surcharge payment account (which is negative, if applicable) will also be invested in the Growth option (or, if you are over age 60, the Conservative option) and will be updated with investment earnings based on the returns of the Growth option.

How do you value your Accumulation Benefits?

As part of the Scheme's arrangements with Funds SA we will provide a weekly valuation of your Accumulation Benefit in the Scheme using a system called unit pricing. Funds SA is the investment manager that the trustee has decided to allocate all the Scheme's investments. Please refer to the section headed, "Who manages the Scheme's investments?" for more information about the Scheme's arrangements with Funds SA.

Investment earnings will be determined on a weekly basis (as reflected by the change in unit prices). This process enables you to closely monitor the value of your Accumulation Benefit in the Scheme.

Unit prices reflect the return on the investments in your selected investment option after allowances for any investment earnings, tax and investment related expenses. A unit price for each option will be calculated on a weekly basis as at the close of business each Friday to apply for the following week. Since each value of the underlying investments can go up and down unit prices may also move up and down to reflect these movements.

In selecting any investment option you should remember that superannuation is generally a longer term investment so you should not necessarily be concerned about weekly variations in the Scheme's unit prices. Unit pricing is simply a more accurate and more regular way of valuing your Accumulation Benefit in the Scheme.

All contributions you make to the Scheme will be allocated units in the investment option you select or the Growth investment option if you don't make a selection. Your Defined Benefit compulsory contributions will also be allocated units in the Growth investment option (if under age 60) or the Conservative investment option (if age 60 or over) as this is where the assets of the Defined Benefit section are held.

Buying and Selling Units

When money is paid into the Scheme for you (i.e. contributions or rollovers) you buy units in your chosen investment option or in the Growth investment option (which is the Scheme's default investment option) if you have not made an investment choice. If you are eligible to withdraw money from the Scheme (i.e. a Parked member or if you have unrestricted non-preserved amounts transferred into the Scheme) you sell units that you hold at the unit price that applies at the time we pay your benefit from the Scheme.

Example:

John's Accumulation Benefit is made up of 1,000 units in the Growth investment option. John makes an after tax contribution of $120 to the Scheme and the unit price on the day the contribution is received is 1.2000. This means that John has "bought" another 100 units (i.e. $120 ÷ 1.2000). John now has a total of 1,100 units in his Accumulation Benefit that would be valued at $1,320 (1,100 units x 1.200000).

Buy/sell spread

The Trustee will determine a buy price that will be used to allocate units when a contribution is received and a sell price to be used when you take money out of the Scheme.

There is no difference between the buy and sell price for each investment option meaning that there will be no cost to make contributions to the Scheme. The Trustee does not currently impose a buy/sell spread for any of the investment options but it reserves the right to introduce a spread at some future date if deemed necessary. You will be notified if this is the case.

Switching between investment options

You can switch between investment options on a weekly basis. A switching form must be received by the close of business on Thursday of each week. The switch will be processed once the unit price for the week after we received your switching instructions has been determined, generally on Tuesday of the following week.

You can make one free switch per financial year but subsequent switches will cost $30 per switch.

When are unit prices declared?

The unit price for each option will be calculated on a weekly basis as at the close of business on Friday of each week. The applicable unit price for each week will generally be determined on Tuesday of the following week.

How do I calculate my investment return?

Your investment return is based on the movement in the unit price from one date to the next. To calculate your return you can divide the unit price at the end of the period you wish to measure by the unit price at the commencement of the period.

This method will provide an estimate only as it does not take account of any unit allocations/redemptions during the period and these will impact on the actual return on your assets in the Scheme.

Defined Benefit Arrangements

Investment choice does not apply to your compulsory contributions to the Defined Benefit section of the Scheme. These contributions are allocated to your member account in the Scheme and for resignation benefit purposes are updated with investment earnings (which may be positive or negative) based on the unit price movement of the Growth investment option.

What happens to my investments when I cease employment?

Your Accumulation Benefit will remain invested in your selected investment option until you elect to take your benefit from the Scheme. If you elect to retain your benefits in the Scheme's Parked Benefits section your Accumulation Benefit will remain invested in your selected investment option. You are still able to switch between investment options on a weekly basis (refer to ***Switching between investment options*** as detailed earlier).

If you are a Defined Benefit member, your Defined Benefit derived portion will be invested in the Growth investment option if under age 50 (and you choose the Immediate Benefit option) or in the Cash investment option if over age 50, effective from the date of your leaving service, and will accumulate with investment earnings which may be positive or negative. Any Accumulation derived benefit will be invested in your chosen investment option/s and will accumulate with investment earnings which may be positive or negative.

If you are a Permanent Fire-fighter under age 50 and choose the Deferred Benefit option, the Defined Benefit component of the Deferred Benefit will remain in the Scheme until you request payment after age 50. This component will be indexed annually by the movement in the Consumer Price Index (CPI Adelaide – All Groups) subject to a minimum of zero, from the date you cease employment to your 50th birthday. After age 50 the benefit will be allocated investment earnings applicable to your chosen investment option which may be positive or negative.
If you die whilst a member of the Scheme, your total benefit will be transferred to the Cash investment option once the Trustee has been provided with appropriate evidence of your death.

Your investment options… at a glance

You will have a choice of the following seven investment options:

- High Growth
- Growth
- Balanced
- Moderate
- Conservative
- Capital Defensive
- Cash

You can choose to split your investment choice between these investment options.

If you do not make a valid choice your Accumulation Benefit will be invested in the Growth investment option which is the default option for the Scheme.

Before we get into the details of the investment options, here is an explanation of some investment basics.

Asset classes

Superannuation money is typically invested in shares (both Australian and overseas), property, fixed interest (both Australian and overseas) and cash. These different types of investments are known as asset classes.

Growth and income assets

Growth assets are generally:

- shares
- property

These are types of investments that generally have the potential to grow over the long term but are also likely to experience volatility (ups and downs) in performance from year to year.

Income assets are generally:

- fixed interest
- cash

These are types of investments used to reduce the chance of a negative return (in other words the value of the investment falls). These assets may also experience volatility but the level of fluctuation in value will be less than that of shares and property over the longer term.

Different options have different mixes of growth and income assets

To balance out the characteristics of growth and income assets, most superannuation funds offer investment options with different mixes of growth and income assets. Investment options with higher proportions of growth assets are generally expected to give higher returns over the longer term (albeit with more market fluctuations in value and a higher likelihood of negative returns) than those with higher proportions of income assets.

See details later about each option and the amount invested in growth and income assets.

About risk

Most investments have some element of risk associated with them. Generally, investment risk is the chance that your investment return will be different to what you expect. Your investment in the Scheme could rise or fall in value or produce a return which is less than you anticipate. Rises and falls in value occur for a variety of reasons and sometimes quickly. The types of investment risks which may have an impact on your investment in the Scheme include:

- Individual asset risk – the risk attributable to individual assets within a particular asset class.
- Market risk – the risk of major movements within a particular asset class.
- Political risk – current domestic and international political circumstances can impact on your investment.
- Inflation risk – the risk that money may not maintain its purchasing power due to increases in the price of goods and services (inflation).
- Timing risk – the risk that, at the date of investment, your money is invested at higher market prices than those available soon thereafter. Alternatively, it can also mean the risk that, at the date of redemption, your investments are redeemed at lower market prices than those that were previously available or that would have been available soon thereafter.
- Investment manager risk – the risk that a particular investment manager will underperform (this could be for example because their view on markets is wrong or because of their investment ‘style’ or because they lose key investment personnel).
- Credit risk – the risk that a fixed interest security issuer will default on payment of interest and/or principal.
- Liquidity risk – the risk that you will be unable to redeem your investment at your chosen time.
- Currency risk – the risk that overseas investments gain or lose value as a result of a falling or rising Australian dollar.

Before making any investment decisions, you should carefully consider the risks that apply to each of the investment options on offer. This is important as your investment in any of the investment options is not guaranteed and as such you may get back less money than you invest. You should be aware that investment returns can be volatile and the value of your investments may increase or decrease over time. Also you should not rely on past performance as an indicator of the future performance of any of the investment options. We strongly recommend that you speak to a licensed financial adviser before making any investment decisions.

Choosing and monitoring investment managers

The Trustee has decided to allocate all the Scheme’s investments to Funds SA. Funds SA invests and manages over $25 billion on behalf of South Australian public sector superannuation funds and other approved authorities. Funds SA create and deliver multi sector investment products by engaging specialist investment managers and advisers to enable superannuation funds like the Scheme, to have access to efficient and well-structured investment facilities.

Funds SA determines the allocations of investments in each of the investment options and which managers are used to invest the assets. Funds SA receives professional advice on:

- selection and ongoing evaluation of investment managers; and
- management of investment manager appointments and replacements.

Funds SA uses this information to review and report on performance against investment objectives.

Your investment options… in detail

The Trustee is responsible for the provision of each investment option. Each investment option has an investment policy and strategy, which is summarised below. Information on historical investment performance of each option is provided based on the historical performance of the facility that has been operated by Funds SA. However, you should note that past performance is not an indicator of future performance.

The information presented in the following pages is generic information and does not take account of your specific financial circumstances, needs or objectives. It is recommended that you refer to a financial adviser for advice as to which is the best option for you.

	High Growth Option	Growth Option (Default Option)	Balanced Option
Investment Objectives/Risk	The High Growth investment option is structured for investors with an investment time horizon of at least 10 years. Over this period it aims to earn a return averaging 4.5% in excess of the rate of inflation. However, annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC its risk level is classified as 'high' (Risk Band 6) meaning that a negative return might occur between 4 and 6 years in 20.	The Growth investment option is structured for investors with an investment time horizon of at least 8 years. Over this period it aims to earn a return averaging 4% in excess of the rate of inflation. However, annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC its risk level is classified as 'medium to high' (Risk Band 5) meaning that a negative return might occur between 3 and 4 years in 20.	The Balanced Investment option is structured for investors with an investment time horizon of at least 7 years. Over this period it aims to earn a return averaging 3.5% in excess of the rate of inflation. However, annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC its risk level is classified as 'medium to high' (Risk Band 5) meaning that a negative return might occur between 3 and 4 years in 20.
Investment Strategy	The option is invested 75% -100% in growth assets with the balance in income assets.[#]	The option is invested 65% - 85% in growth assets with the balance in income assets. [#]	The option is invested 55% -75% in growth assets with the balance in income assets. [#]
Asset Allocations	see below	see below	see below

Asset Class	High Growth Benchmark %	Growth Benchmark %	Balanced Benchmark %
Australian Shares	33	26	23
Overseas Shares	27	22	19
Diversified Strategies - Growth	10	10	8
Property	16	14	12
Diversified Strategies - Income	12	16	16
Inflation Linked Securities	0	6	9
Fixed Interest	0	4	11
Cash	2	2	2

[#] The above strategic asset allocation benchmarks represent the expected allocation of assets within the various markets over the longer term but may change from time to time. Funds SA may determine to move outside of these ranges in order to temporarily improve the defensive characteristics of the portfolio.

Diversified Strategies – Growth relate to other growth assets such as private equity and other property investments.

Diversified Strategies – Income relate to other fixed interest investments such as Corporate Bonds, Emerging Market Debt, and Absolute Return strategies.

	Moderate Option	Conservative Option	Capital Defensive Option
Investment Objectives/Risk	The Moderate investment option is structured for investors with an investment time horizon of at least 6 years. Over this period it aims to earn a return averaging 3% in excess of the rate of inflation. However annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC its risk level is classified as 'medium' (Risk Band 4) meaning that a negative return might occur between 2 and 3 years in 20.	The Conservative investment option is structured for investors with an investment time horizon of at least 4 years. Over this period it aims to earn a return averaging 2% in excess of the rate of inflation. However annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC its risk level is classified as 'low to medium' (Risk Band 3) meaning that a negative return might occur between 1 and 2 years in 20.	The Capital Defensive investment option is structured for investors with an investment time horizon of at least 2 years. Over this period it aims to earn a return averaging 1.5% in excess of the rate of inflation. However annual returns may be volatile. Using the Standard Risk Measure developed by ASFA and the FSC its risk level is classified as 'low' (Risk Band 2) meaning that a negative return might occur between 0.5 and 1 year in 20.
Investment Strategy	The option is invested 40% - 60% in growth assets with the balance in income assets. #	The option is invested 25% - 45% in growth assets with the balance in income assets. #	The option is invested 15% - 35% in growth assets with the balance in income assets. #

Asset Allocations*

Asset Class	Moderate Benchmark %	Conservative Benchmark %	Capital Defensive Benchmark %
Australian Shares	17	13	7
Overseas Shares	15	11	5
Diversified Strategies - Growth	5	0	0
Property	10	9	6
Diversified Strategies - Income	17	18	17
Inflation Linked Securities	12	16	15
Fixed Interest	16	23	35
Cash	8	10	15

The above strategic asset allocation benchmarks represent the expected allocation of assets within the various markets over the longer term but may change from time to time. Funds SA may determine to move outside of these ranges in order to temporarily improve the defensive characteristics of the portfolio.

Diversified Strategies – Growth relate to other growth assets such as private equity and other property investments.

Diversified Strategies – Income relate to other fixed interest investments such as Corporate Bonds, Emerging Market Debt, and Absolute Return strategies

	Cash Option
Investment Objectives/Risk	The Cash investment option has a target of maintaining the value of capital. Using the Standard Risk Measure developed by ASFA and the FSC its risk level is classified as 'very low' (Risk Band 1) meaning that a negative return might occur less than 0.5 years in 20.
Investment Strategy	The option is invested 100% in income assets.
Asset Allocations	

Asset Class	Benchmark %
Australian Shares	0
Overseas Shares	0
Diversified Strategies - Growth	0
Property	0
Diversified Strategies - Income	0
Inflation Linked Securities	0
Fixed Interest	0
Cash	100

Default arrangements if you don't make a selection

Should you not make an investment selection your Accumulation Benefit will be allocated to the **Growth** option which is the default option for the Scheme.

Use of derivatives

Derivatives, such as futures or options, are investment products whose value is derived from other investments. For example, the value of a share option is linked to the value of the underlying share.

The Trustee does not directly utilise derivative instruments such as futures and options and does not intend to do so. External managers appointed by Funds SA may utilise derivatives in managing pooled investment vehicles in which the Trustee invests. Where this is the case, Funds SA considers the risks and the controls in place by analysing the relevant manager's Risk Management Statement.

Socially responsible investments

Across all investment options, the managers appointed are required to follow thorough and well developed investment processes which aim to identify companies that will generate the best financial performance resulting in the best investment returns for stakeholders.

In evaluating investment opportunities, managers will consider the many risks inherent in each investment. In most cases this includes environmental, social and governance factors, where relevant, as managers acknowledge that such issues have the potential to impact on performance.

Further, the options exclude investments in manufacturers of tobacco products wherever possible.

All managers appointed are active and diligent representatives of members' interests as shareholders in companies in the portfolio. Many of the managers adopt a positive engagement approach, working directly with the management of companies in order to achieve any change necessary to improve the financial performance and risk management of the company.

All managers are active in exercising their right to vote at general meetings of companies in which members are invested. The managers' guiding principle is to vote in the best financial interests of members on the numerous issues raised at general meetings of companies.

Many of the managers are members of special interest groups (such as the UN Principles of Responsible Investment) that promote the inclusion of environmental and social governance factors in investment decisions and provide information to assist in monitoring such factors.

Investment Fees

The current investment fees for each option are outlined in the 'Fees and Charges' section.

Your investment timeframe

You may wish to ask yourself this question - "When will I need my super money?" Government rules generally mean that you can't access your super until you're at least age 55 (or older if born after 1960). Even once you've retired, you're likely to need to invest a big proportion of your money to give you an adequate income in retirement. So for many people, the answer to this question may be: "Not for a long time".

If you have a long time frame, then perhaps time is on your side. You may wish to consider focusing on investments that have a high proportion of growth assets. With time on your side, you may feel you can afford to ride out the inevitable ups and downs of investment markets.

On the other hand, if you have a short time frame, and if it's important to avoid short term falls in the value of your super, a more conservative approach may be better.

However, there is no specific answer other than the one you give based on your own financial circumstances and needs. It is recommended that you seek advice from a licensed or appropriately qualified financial adviser when making decisions about your investment in the Scheme.

Some other points you may wish to consider before making your choice

- Do you have any other investments outside of superannuation and are they mainly growth assets or income assets?
- How much longer will you be earning an income and contributing to superannuation?
- Are you planning on cashing in all or part of your superannuation when you retire to pay for things other than ongoing income?

If you are unsure about how you want to plan your finances in retirement you should see a licensed or appropriately qualified financial adviser. They will be able to help you make a decision based on your individual circumstances.

Once you have made your choice of investment option you can change it in the future.

Remember…
If you do not make a choice your Accumulation Benefit and future contributions will be automatically invested in the Growth option.

Some frequently asked questions about investment choice

Does my choice of investment option apply to all my superannuation?

Your choice of investment option applies to your Accumulation Benefit. You do not have access to investment choice on any of your Defined Benefit related entitlements in the Scheme.

Which option(s) suit me?

This very much depends on your individual financial circumstances. It is recommended that you seek professional advice when making this decision.

Some of the things you may wish to consider include:

- How much risk you are comfortable with, i.e. can you accept that returns will be negative at some point
- Your investment timeframe (i.e. when you plan to retire or access your super); and
- What you plan to do with your lump sum when you retire.

When making your choice of investment option(s), the Scheme's Manager can help you with general inquiries, but is not allowed to give advice as to which investment option you should choose. This choice will be your decision alone and will need to be based on your individual financial circumstances and needs.

Can I split my money between investment options?

Yes. You can choose to allocate your existing account balance between up to the seven available investment options. You can also choose a different investment strategy for your future contributions.

How do a make an investment switch?

You can carry out a switch online by logging into your account at www.samfs.superfacts.com

Alternatively, you can download a form from www.samfs.superfacts.com or you can contact the Manager who can either post or email you a form for you to complete.

When can I change my investment option?

You can change your investment option on a weekly basis. The Trustee must receive your switch advice by the close of business on Thursday. Forms received after close of business Thursday will be held until the following Thursday.

Your switch will be processed once the next unit price is declared by the Trustee generally on Tuesday of the week following it being received by the Trustee.

Is there a fee for changing my choice?

You can make one free switch per financial year but subsequent switches will cost $30 per switch. There is no buy/sell spread applicable to the unit prices when you carry out a switch.

How often should I change my choice?

Many financial advisers would suggest that while it's important to review your choice of investment option, particularly if your personal circumstances change, it's generally not necessary to change your choice very often. Remember, superannuation is usually a long-term investment.

How do I know how my investment option is performing?

Summaries containing investment performance for all investment options are issued on a monthly basis via the Scheme's website in the library section under "Documents and Forms". Returns will also be detailed in the Scheme's annual report.

Are returns guaranteed?

No. Actual performance of investment options cannot be guaranteed and returns can be negative.

However, while there are no guarantees, Funds SA reviews the performance of its managers regularly with a view to ensuring that the investment managers remain appropriate. The Trustee will also monitor the performance of all the options provided by Funds SA to ensure they provide competitive returns to members.

What happens if I do not make a choice?

If you do not make a choice your Accumulation Benefit will be invested in the **Growth** option.

What if I'm not sure which option to choose?

If you are unsure see a financial adviser for advice. They will be able to help you make the most appropriate decision for your needs, and perhaps advise you on your overall financial situation at the time.
Please remember, the Scheme's Manager or the trustee **cannot** advise you on which investment option may be best for you. They can only describe and generally explain the choices available through the Scheme.

8. Death and Disablement Cover

- What insurance cover is available
- Your insurance provider
- Conditions apply to your insurance cover
- Death and Total and Permanent Disablement insurance cover
- Terminal Illness Benefit
- Income Protection (IP) Benefit
- Additional Voluntary Insurance cover
- General policy conditions

You're entitled to a super benefit in the event of your death or total and permanent disablement while you are employed by your employer and eligible under the policy and a member of the Scheme.

The amount of your benefit payable in these circumstances is set out in the **Your Benefits** section of this Guide. Part of the benefit is paid from the Scheme and part comes from an insurance policy taken out by the trustee. This part of the Guide sets out important details about your insurance cover in the Scheme and how it affects your benefits and can assist you or your dependants. It is very important that you understand these conditions.

What insurance cover is available

If you are eligible the insurance cover available in the Scheme is:

- Death and total and permanent disablement cover to age 60.
- Income Protection cover to age 60.

Note that you must be working at least 15 hours per week to be eligible for total and permanent disablement cover and Income Protection cover.

No insurance cover is available for Parked or Deferred members.

Your insurance provider

The trustee has currently appointed Hannover Re (Hannover) to provide the insurance for the Scheme. The insurance is provided under a policy of insurance issued by Hannover to the trustee. The trustee has the right to change the insurer from time to time.

Conditions apply to your insurance cover

Like most forms of insurance certain conditions (and exclusions) apply to the granting or payout of your insurance cover. Details of the conditions (and exclusions) applicable to the insurance cover available through the Scheme are set out in the pages that follow in this section.

If for some reason insurance cover is not available to you or the amount of cover is reduced, declined or restricted in some manner by the insurer under the policy, the amount payable in the event of your death or total and permanent disablement or through the Income Protection benefit will also be reduced by the same amount.

Death and Total and Permanent Disablement insurance cover

As a member of the Scheme and where eligible under the insurance policy you will be provided with death and total and permanent disablement cover. While employed you are generally covered 24 hours a day, 7 days a week up to age 60. Your insurance cover commences from the date you join the Scheme.

Who is Eligible for Cover?

Permanent employees under age 60 working at least 15 hours a week can be covered for death and total and permanent disablement, up to the Automatic Acceptance Limit of $1,000,000.

Permanent employees under age 60 working less than 15 hours a week can be eligible for death cover (up to the Automatic Acceptance Limit of $1,000,000) but not total and permanent disablement cover.

Casual employees (no matter how many hours worked), Deferred Members and Parked Members are not eligible for either death cover or total and permanent disablement cover.

If you are not at work performing your normal duties on the date you join the Scheme, or at work but not medically fit to carry out all of your normal duties and work hours, then the insurer won't provide you death or total and permanent disablement cover until you commence your normal duties. The insurer may require evidence of good health before providing cover for you. You will be advised if this applies.

Amount of cover

The Scheme is a Defined Benefit Scheme, with benefits related to your superannuation salary and your years of Scheme membership, so the amount of your insurance cover changes over time. Your amount of insurance cover in the Scheme is generally based on your Benefit Multiple assuming you remain employed to age 60 less your Benefit Multiple that has accumulated based on your actual contributory Scheme membership multiplied by your superannuation salary for Scheme purposes.

The most important thing is not how much insurance cover you have but the total amount of the benefit payable to you in the event of death, terminal illness or disablement and this

is shown on your benefit statement (which is inclusive of any insured part of your benefit). However, if the insurer does not pay or refuses or reduces your cover (or both) then your benefit will be reduced by the amount not paid or provided as cover by the insurer.

Changing the amount of cover

You cannot alter the amount of your basic insurance cover. However, you can apply for Additional Voluntary death and permanent disablement insurance cover.

Note also that the amount of your basic insurance cover decreases over time to offset the amount of super being built up in the Scheme through contributions by both you and your employer and investment earnings.

Cost of insurance cover

The cost of basic insurance cover is paid from the Defined Benefit assets which are funded by both employer and member defined benefit contributions.

The cost of any Additional Voluntary Insurance cover is deducted from your Additional Voluntary account.

Deferred and Parked members cannot purchase insurance cover.

What is Total and Permanent disablement?

Before becoming eligible for a total and permanent disablement benefit, you will need to be under age 60 and meet the insurer's definition of total and permanent disablement (TPD). The insurer's definition of TPD is:

"An Insured Person is "Totally and Permanently Disabled" if their disability meets the insurer's definition of disablement in either <u>Part 1</u> or <u>Part 2</u> of this definition and it commences while the Insured Person was insured under this policy and engaged in Regular Remunerative Work with and Employer.

<u>Part 1</u>

The Insured Person is disabled if they suffer and illness or injury and:

a) *the Illness or injury causes the Insured Person to be absent from employment with their Employer for at least 6 consecutive months; and*
b) *at the end of that 6 months, in our opinion, after consideration of the medical and other evidence satisfactory to us, the Illness or injury means that the Insured Person is unlikely to ever work in or attend to any Regular Remunerative Work* for which they are reasonably fitted by education, training or experience.*

<u>Part 2</u>
The Insured Person is disabled if they suffer from the total and irrecoverable loss of;

- *the use of two limbs; or*
- *the sight of both eyes; or*
- *the use of one limb and total and irrecoverable loss of the sight of one eye*

Where, a limb means an entire arm or entire leg."

<u> Regular Remunerative Work means if you work in any employment, business or occupation for reward or hope of reward of any type. This includes full-time, part-time or casual forms of employment.</u>*

You will need to provide all relevant information to the trustee or the insurer to enable your claim to be processed.

Payment of total and permanent disablement benefits

The assessment of a TPD claim involves the collection of medical and other evidence. This may mean that a decision is not made until sometime after you complete the qualifying period of 6 months. In some cases it may take as long as 6-12 months.

Terminal Illness Benefit

The terminal illness benefit is an early payment of the death cover. This insurance benefit is an advance on the benefit for death cover, subject to a maximum of $3 million with any balance of the insured death benefit amount paid on your death.

Your terminal illness benefit comprises an insured component and a super benefit component. Each component has different criteria that need to be met before becoming payable.

You are considered to be terminally ill when you have been diagnosed with an illness or have incurred an injury which, in the opinion of an appropriate medical specialist approved by the insurer, will result in your death within:

- 12 months of certification by two medical practitioners (one being a specialist in that particular medical field) for ***your insured component***; and
- 24 months of certification by two medical practitioners (one being a specialist in that particular medical field) for ***your super benefit***,

regardless of any treatment that is undertaken.

This means that you may have your super benefit released under a 24 month certification period but your insurance benefit would still only be payable under a 12 month certification period. If this occurs, you must retain a portion of your super account balance in the Scheme to ensure that payment of premiums can continue to be made so that a claim can be assessed under the insurance policy.

The maximum amount that the insurer will pay for the insured component is equal to the amount of your death cover. Your TPD cover will cease on payment of this terminal illness benefit.

In addition, Hannover reserves the right to ask for any additional information it feels is appropriate.

For more information please contact the Scheme's Manager on 8204 3826.

Income Protection (IP) benefit

Before being entitled to receive an IP benefit from the Scheme, you will need to be under age 60 and meet the insurer's definition of total disability or partial disability.

Generally this means that you must be a permanent employee working at least 15 hours per week and have an illness or injury that causes you to:

- be absent from your employment for a continuous period of at least 90 days; and
- during the first 2 years of any one period of absence from employment to be wholly and continuously unable to carry out your usual occupation as a permanent employee; and
- during the remainder of your period of continuous absence from your employment to be wholly and continuously unable to carry out any regular remunerative work for which you are fitted by education, training or experience, and
- be under the regular care and attention of a validly qualified medical practitioner.

If you are eligible for this benefit the annual rate of the IP benefit is generally 75% of your superannuation salary, subject to any limitations in the policy. This benefit is paid by equal monthly instalments and will be reduced by the amount of any Workers' Compensation, social security, sick leave or other similar periodic payments you receive such as any government authority income payments and pensions or other insured disability income.

The income benefit will continue until:

- your disablement is regarded as total and permanent – the full lump sum benefit will then be paid,
- you recover and are able to engage in regular paid work or occupation,
- you reach your normal retirement age of 60,
- you die – the death benefit will be paid, or
- you are no longer considered to be disabled,

An IP benefit is not payable as a result of normal uncomplicated pregnancy or from any intentional self injury (whether wholly, partly, directly or indirectly).

Additional Voluntary Insurance cover

You can apply for additional voluntary death and total and permanent disablement (TPD) insurance cover in the Scheme. Details are as follows:

- you can apply for either death only cover or for death and TPD cover, in multiples of $1,000;
- additional voluntary insurance cover is provided up to age 60;
- the TPD insurance cover reduces uniformly to nil in the last five years before your normal retirement date (i.e., for Permanent fire-fighters, this reduces between ages 55 and 60);
- The premiums for the additional voluntary insurance cover are deducted from your Additional Voluntary Super Account. You must have sufficient balance in your Additional Voluntary Super Account to cover the premiums. If the balance at any time is insufficient to cover insurance premiums then the cover may be cancelled;
- Provision of the additional voluntary insurance cover is subject to your providing satisfactory evidence of good health to the Scheme's insurer.

How much does it cost?

The cost of the additional voluntary insurance cover is shown in the table on the right.

Example

Jack is 34 years old (35 next birthday) and applies and is approved for $100,000 of additional voluntary death and TPD insurance cover. The annual cost is calculated as:

$100,000 times $0.78 divided by $1,000 = $78

So Jack's additional voluntary death and TPD insurance cover will cost him **just $1.50 per week**. When Jack turns 35 he will move to the next age premium rate, and the same cover would cost him $83 per year, or $1.60 per week.

How to apply for additional voluntary insurance cover

To apply for additional voluntary insurance cover, please complete the Additional voluntary Insurance cover form which you can obtain from www.samfs.superfacts.com or by contacting the Manager on 8204 3826.

Additional Voluntary Insurance annual premium rates per $1,000 of cover

Age Next Birthday	Death Only Rates	Death and TPD Rates
16	0.46	0.67
17	0.46	0.67
18	0.46	0.67
19	0.46	0.67
20	0.46	0.67
21	0.46	0.67
22	0.44	0.66
23	0.42	0.65
24	0.40	0.64
25	0.37	0.61
26	0.35	0.61
27	0.34	0.61
28	0.33	0.61
29	0.33	0.63
30	0.33	0.64
31	0.32	0.65
32	0.33	0.67
33	0.34	0.72
34	0.35	0.75
35	0.36	0.78
36	0.37	0.83
37	0.39	0.89
38	0.42	0.96
39	0.46	1.07
40	0.49	1.16
41	0.53	1.30
42	0.58	1.45
43	0.63	1.64
44	0.69	1.87
45	0.75	2.13
46	0.82	2.41
47	0.90	2.72
48	0.99	3.10
49	1.08	3.52
50	1.18	4.00
51	1.27	4.48
52	1.38	5.07
53	1.49	5.70
54	1.62	6.43
55	1.76	7.13
56	1.91	7.89
57	2.09	8.82
58	2.29	9.86
59	2.51	11.08
60	2.75	12.44

Increasing your insurance cover when certain Life Events occur

You can apply for Additional Voluntary Insurance cover (see above) without the need to provide further medical evidence, when the following 'life events' occur:

- You or your partner gives birth or adopts a child;
- You get married;
- You get divorced; or
- You have a new mortgage or increase your mortgage on your permanent residence. The mortgage increase must be at least $100,000.

You can apply to increase your cover once in any 12 month period as a result of a life event and you can only increase your cover once for each life event.

We must receive your application for increased cover as a result of a life event within 90 days of the life event occurring and you must be less than age 55 at the time of applying. If your application is accepted, your death only cover or death and TPD cover will be increased by your nominated amount from the date of acceptance, provided it is less than the following maximum amount:

- 25% of your basic insurance cover; or
- $200,000; or
- The increase in mortgage (if existing), or the amount of the mortgage (if new); or
- Your total insured TPD benefit is less than the maximum benefit available under the insurance policy.

How to apply for increased cover on a life event

For further details and to apply for additional voluntary insurance cover following a life event, please complete the *Application for a life event insurance increase* form which you can obtain from www.samfs.superfacts.com or by contacting the Manager on 8204 3826.

General policy conditions

Claims

A claim should be made as soon as reasonably practicable after the event giving rise to you ceasing work. Hannover may not consider a claim if any delay in notification prejudices its ability to assess the claim. So it is important that you advise the trustee of any claim as soon as possible.

Medical evidence/ proof of age

At some point you may be asked to provide evidence of good health or proof of age. Special terms and conditions may be imposed or the amount of cover adjusted or refused if the information supplied is incorrect or unsatisfactory or if you don't supply the requested information. In these cases you will have a corresponding reduction in your benefit.

Cover while on leave without pay

Your death, total and permanent and temporary total disablement cover can generally continue for up to two years if you go on employer approved leave without pay, including maternity and paternity leave, provided the premiums are paid in advance of you commencing unpaid leave. The amount of cover will be based on your level of cover arranged by the trustee. In this case the premiums will be payable by you if you wish to have your insurance cover continue during the period of leave. If your employer approved leave without pay goes beyond two years the insurer may agree with you to continue cover for an extended period otherwise cover will cease immediately.

Income Protection benefits are also able to be continued whilst on employer approved leave without pay as long as you pay the relevant insurance premium in advance of ceasing work. If you meet the requirements for a benefit it will commence to be paid from the later of the date you were due to return to work or the completion of 90 days absence from work.

If you are not in Active Employment on the day you return to work, then:

- You will be covered for death only; and
- if you previously had TPD cover, you will be eligible for new events TPD cover only; and
- You will only be covered for new events for your Income Protection cover until you return to active employment.

Important note:
If you don't want cover while on leave without pay you can suspend it but you may need to provide satisfactory evidence of your good health in order to resume your cover when you return to work. You will be advised if this is the case.

Cover while working overseas

If you are asked to work overseas, you can continue your death, terminal illness, total and permanent disablement cover and income protection cover automatically up until the expiry of Hannover's guaranteed period (1 July 2019). Subject to their approval Hannover may continue cover past the expiry of the guaranteed period. Please contact the Manager if you believe you will be working overseas beyond 1 July 2019.

Insurance premiums must be paid by you in advance of you departing Australia unless your employer agrees to pay.

You should be aware that additional premiums may be payable and in some instances cover may be limited. You will be advised if this applies to you.

If your cover ceases and you then subsequently return to Australia, you will need to provide health evidence before your cover will be reinstated.

When your cover stops

Your death, total and permanent disablement and temporary total disablement cover will cease on the earliest to occur of:

- you attain age 60;
- you cease employment with your employer (but see **Extension of cover after ceasing service** section below);
- the date you cease to be a member of the Scheme but continue as an employee with your employer;
- if you work overseas and do not pay the premium or if you do pay the premium then upon the expiration of two years working overseas or any period beyond 2 years which was previously approved by the insurer;
- if you are on unpaid leave or parental leave and do not pay the premium or if you do pay the premium then upon the expiration of two years of such leave as notified to the insurer;
- if you are on unpaid leave that has not been approved by your employer'
- you cease to be an Australian resident;
- you commence active service with the armed forces of any country, except as a member of the Australian Defence Force Reserves whilst performing duties in Australia; or
- on the date you are accepted under a continuation option policy.

If you work less than 15 hours per week you will only have insurance cover for death. No insured component is provided if you are a casual employee.

Whilst your level of insurance cover ceases when you reach age 60, your benefits from the Scheme will continue to be provided as detailed in the **Your Benefits** section of this Guide.

Extension of insurance cover after ceasing service - death, terminal illness and total and permanent disablement

Your death, terminal illness and total and permanent and terminal illness insurance cover will extend after you cease service with your employer, until the earlier of:

- 60 days after you ceased service with your employer;
- You reach age 60;
- You are engaged under a contract of employer other than with a participating employer of the Scheme; or
- You have death, terminal illness or total and permanent disablement insurance through any other arrangement including a policy issued as a result of a Continuation Option through the Scheme's policy with Hannover.

Extension of insurance cover after ceasing service – income protection

Your income protection insurance cover will extend after you cease service with your employer, provided you intend to immediately take up employment elsewhere and you are not receiving or entitled to receive payment of income protection benefits through the Hannover policy, until the earlier of:

- 60 days after you ceased service with your employer;
- You reach age 60;
- You are engaged under a contract of employer other than with a participating employer of the Scheme; or
- You have income protection insurance through any other arrangement including a policy issued as a result of a Continuation Option through the Scheme's policy with Hannover.

Continuing your cover after you cease employment with a participating employer

If you cease employment with your employer and are under age 60, you're generally covered for up to 60 days after leaving employment by the Scheme's insurance arrangements (see **Extension of insurance cover** sections above).

You may have the option of continuing insurance cover, at your own expense through a personal policy up to the amount of cover that you had while a member of the Scheme, subject to the following conditions:

- You must be under age 55;
- you must apply to the insurer on the relevant form within 60 days from the date you cease employment;
- you must not have you commenced active service with the armed forces of any country, except as a member of the Australian Defence Force Reserves whilst performing duties in Australia;
- you must be commencing employment in an occupation that is not an excluded occupation as defined by Hannover;
- for income protection cover you must be intending to commence employment as a permanent employee or contractor working at least 15 hours per week, within 90 days of ceasing employment with your employer;
- you must not have submitted, and not intend to submit, a claim for benefits in respect of total and permanent disablement;
- you must not be receiving, or eligible to receive, any income protection benefits through the Scheme or any other policy;
- satisfactory evidence of your good health may be required and other conditions of the insurer will apply.

In the event that your employer doesn't tell us that you have ceased employment in time to meet the above requirements, cover may be denied.

9. Nominating your Beneficiaries

If you die while you are a member of the Scheme, the trustee has discretion to pay your super benefit to any one or more of your dependants or your estate in any proportion it determines.

Because of this the trustee needs to know who you would like to receive your super benefit if you die.

The trustee of the Scheme is not legally bound by your wishes but will take them into account when exercising its discretion. To let the trustee know your wishes, you need to complete a Nomination of Beneficiaries form.

Who can you nominate?

You have the choice of nominating one or more of your dependants. For the purposes of the Scheme, a dependant is any of the following:

- your spouse (including de-facto and same-sex partners);
- your children (including step-children, adopted children, ex-nuptial children and your spouse's children);
- any other person who the trustee considers is wholly or partially dependent on you; and
- any person with whom you have an interdependency relationship.

You can also nominate your legal personal representative (your estate). If your legal personal representative receives your benefit, it will be distributed according to your will, or if you don't have a will, according to State law.

An interdependency relationship is one where two persons:

- have a close personal relationship; and
- they live together; and
- one or each of them provides the other with financial support; and
- one or each of them provides the other with domestic support and personal care.

An interdependency relationship will also exist where you have a close personal relationship with another person but due to either or both persons suffering from a physical, intellectual or psychiatric disability the other criteria of interdependency outlined above cannot be met.

If you don't have any dependants and no legal personal representative has been appointed within 12 months, and it is unlikely that one will be appointed, your benefit shall be forfeited to the Scheme.

Changing your nomination

You can change your nomination at any time by completing a Nomination of Beneficiaries form. The latest form will override any earlier form.

10. Tax and Super

The rules at a glance….

Your Tax File Number (TFN) is important – if the Trustee has your TFN you'll avoid paying extra tax on your contributions and your super payout, and the Trustee can accept your contributions.

Concessional contributions up to $30,000 regardless of your age are taxed at 15%.

Non-concessional contributions up to $120,000 are generally tax-free.

Super payouts are generally:

- tax free when paid from age 60 (although tax may be payable on some death payouts)
- taxable when paid before age 60.

Some useful definitions…..

Concessional contributions include superannuation guarantee contributions, notional employer contributions in respect of defined benefit members, salary sacrifice contributions, any additional employer contributions (including any employer paid fees or insurance premiums) and any contributions for which a tax deduction is claimed.

Non-concessional contributions include contributions made from your after-tax salary, spouse contributions made for you and any concessional contributions over and above the concessional contributions limit.

The following information is a general description of the tax treatment of superannuation and is based on our understanding of the tax laws as at the date of this Guide. It aims to give you an overview only, assuming you are an Australian resident. If you are not an Australian resident for income tax purposes different tax rules may apply.

Given the information in this Guide in general information only and does not take into account your personal situation, needs and objectives, and the tax treatment of super can become complex and may change at any time, the Trustee recommends that you obtain advice from a licensed or appropriately authorised financial adviser, about how the tax laws affect you. This particularly applies if you are considering making large contributions or are considering retiring.

You should also consider obtaining appropriate advice as you build your super so that you can appropriately plan for your eventual retirement.

Superannuation is generally taxed at three stages:

- contributions paid into a super fund
- investment income of a super fund
- super payouts from a super fund.

Your tax file number is important

Your employer should pass your tax file number (TFN) to your super fund when you provide it for employment purposes. If the Trustee does not have your TFN:

- you will pay higher tax on any concessional contributions made for you;
- the Trustee will only be able to accept employer (including salary sacrifice) contributions made for you;
- **no other contributions can be accepted** including after-tax contributions, government co-contributions, and spouse contributions;
- you may pay higher tax than necessary on your super payout.

You should ensure that you provide the Trustee with your TFN to avoid paying more tax.

Any TFN information supplied to the Trustee will automatically be applied to all future contributions to and payouts from the Scheme. For more information on the use of tax file numbers call your local branch of the tax office.

Spouse contributions tax offset

Provided your super account balance does not exceed $1.6 million and your non-concessional contributions have not exceeded the limit for the corresponding financial year, then

- If your income* is below $37,000 in a financial year, your spouse may be entitled to a tax offset (or rebate) of 18% for spouse contributions up to $3,000 per annum made in respect of you.
- If your income* is between $37,000 and $40,000 a reduced tax offset applies.

Certain conditions must be met to be eligible for the tax offset including that you must be living with your spouse and you both must be Australian residents.

* Income is your assessable income, including reportable fringe benefits and reportable employer super contributions (RESC) for the financial year.

First Home Super Saver Scheme (FHSSS)

You may be able to apply to withdraw part of your super to purchase a first home. The maximum amount will be calculated by the Australian Tax Office (ATO) based on your personal voluntary super contributions, including salary sacrifice contributions, made after 1 July 2017.

You can contribute up to $15,000 per year and $30,000 in total under the FHSSS. These contributions must be made within existing contributions caps. The calculation of the maximum withdrawal amount allows for the 15% tax payable by your fund/scheme on any salary sacrifice contributions and on any contributions for which you claim a tax deduction.

You need to meet certain conditions to be eligible for a withdrawal under the Scheme. The main eligibility rules are that you:

- Must be aged 18 or over,
- Must have not previously used the FHSSS,
- Must have not owned a property in Australia (unless this condition is waived by the ATO due to financial hardship),
- Intend to buy a property within 12 months from the date of the withdrawal from your fund/scheme,
- Must buy a residential property and **not** a property that cannot be occupied as a residence, a houseboat, a motor home or a vacant property (unless you are planning to build),
- Intend to live in the property for at least 6 months of the first 12 months you own it or after it is practical to move in.

The FHSSS can also be used by those intending to build a home.

To make a withdrawal under the Scheme, you will need to make an application to the ATO. If eligible, the ATO will determine how much you can withdraw and arrange for the release of the money from your super fund. Any part of the withdrawal that relates to un-deducted after-tax contributions will not be subject to tax, with the remainder taxed at your marginal rate less a 30% tax offset.

If you do not sign a contract to purchase or commence construction of a home within the required period and notify this to the ATO, you must:

- For an extension of time for a maximum of a further 12 months,
- Recontribute the amount (net of tax) into a superannuation fund/scheme (as a non-concessional contribution), or
- Pay a tax of 20% of the assessable amount released.

Refer to the ATO website www.ato.gov.au for more information about these rules.

Downsizing contributions

You may be able to contribute some or all of the proceeds of the sale of your main residence into super. You must enter into the sale contract on or after 1 July 2018.

If you are aged 65 or over you will be able to make an after-tax contribution to your super up to a maximum amount of $300,000 ($600,000 for couples) using the proceeds from the sale of your main residence as long as you meet the following conditions:

- You owned the home for at least 10 years,
- The proceeds from sale are exempt or partially exempt from capital gains tax (CGT),
- You provide your super fund/scheme with the downsizing contribution form, either before or at the time of making your downsizing contribution,
- You make your downsizing contribution within 90 days of receiving the proceeds of sale,
- You have not previously made a downsizing contribution to your super from the sale of another home.

You do not need to meet the work test to make a downsizing contribution and these contributions are not counted against your non-concessional contribution cap.

Refer to the ATO website www.ato.gov.au for more information about these rules.

Tax on contributions

The tax paid on super contributions depends on:

- the type of contribution – concessional or non-concessional
- the amount of the contribution, and
- whether the Trustee has your TFN.

Any tax on your contributions will be charged to your super account according to the investment option you have selected for your future cash flows into your super account at the time the tax assessment is processed.

Concessional contributions

The Trustee deducts tax at the rate of 15% on most concessional contributions made in respect of you. If a taxable contribution is accepted into the Scheme, 15% tax will be deducted immediately and will be held until it is required to be paid to the tax office.

Tax for high income earners

If you're a high income earner with an adjusted taxable income of more than $250,000 a year, the tax on your concessional contributions is 30%.

If your income is less than $250,000 a year, but by including your concessional contributions the total is more than $250,000, the 30% tax rate will apply to the part of your before-tax contributions that are over $250,000.

For example, if your income is $230,000 and your before-tax contributions are $25,000, you only pay the 30% tax rate on $5,000.
You can either pay this additional tax yourself, or you can ask the Trustee to pay this additional tax from your super account in the Scheme.

You'll pay extra tax if the Trustee does not have your TFN

Additional tax of 32% (including the Medicare levy) could be payable if the Trustee does not have your TFN, i.e. a tax rate of 47% (including the Medicare levy) will apply to your concessional contributions instead of 15%. If you provide your TFN to the Trustee later, the Trustee may be able to reclaim the additional tax paid on your behalf and allocate this to your super account, but generally only additional tax paid in respect of the current financial year and the three previous years can be claimed.

If the Scheme has paid the additional tax to the tax office, there will generally be a considerable delay before any tax paid can be reclaimed because the application can only be made when the Scheme lodges its next tax return.

If you leave your Scheme before any additional tax can be reclaimed from the tax office, your super payout will be reduced.

If you request a refund of this additional tax paid which is received after you have left the Scheme, the amount will be paid to you direct or to your rollover fund based on your original payment instructions.

You'll pay extra tax if you exceed the annual limit

An annual limit of $30,000* applies to everyone and applies to the total concessional contributions that are taxed at 15%. From 1 July 2018, if your total super balance is less than $500,000, you will be able to carry forward any unused part of your concessional contribution limit in 2018/19 (and future income years) for up to five consecutive years.

Concessional contributions in excess of the relevant limit will be included in a person's assessable income and taxed at their marginal income tax rate (subject to an offset for the 15% contributions tax already paid).

An additional charge will also be payable on excess concessional contributions.
The tax office will determine whether you have exceeded the $30,000* limit and whether you are liable for any additional tax.

If additional tax is payable, the tax office will issue a tax assessment to you. You can either pay this additional tax yourself, or you can ask the Trustee to pay this additional tax from your super account in the Scheme. If you have already paid the tax yourself, you can ask the Trustee to refund the amount paid from your super account.

Note that it will only be possible for the Trustee to pay or refund this tax up to the amount in your super account.

Your payout from your plan will be reduced to take account of any additional tax paid from your super account.

The annual concessional contribution limit is a limit per person, not a limit on the amount that can be made to each super fund if a person is a member of more than one fund.

Any concessional contributions over the limit will also count towards the limit on non-concessional contributions – see "Non-concessional contributions" below.

** this limit will be indexed.*

Non-concessional contributions

Non-concessional contributions are generally tax-free, however an annual limit of $120,000 applies to the amount of any tax-free non-concessional contributions that can be made to super.

If your super balance is $1.9 million or more you will not be eligible to make non-concessional contributions.

If you are under age 65 at any time during a particular financial year, you can bring forward two financial years of non-concessional contributions and make total non-concessional contributions of up to $360,000^ over a 3-year period.

The bring forward provision is automatically triggered if a person makes a non-concessional contribution in excess of $120,000 in a financial year. Essentially, if a person makes non-concessional contributions in excess of $120,000 in a financial year, then any further non-concessional contributions they make in the next two financial years will be restricted so that the total non-concessional contributions in the three (financial) year period do not exceed $360,000.

If you are age 65 or over, a limit of $120,000 applies for each financial year. You cannot bring forward contributions for future years. To make contributions after age 65 you must meet certain conditions set down in legislation. See the **Contributions** section of this Guide for details.

The limit is a limit per person, not a limit on the amount that can be made to each super fund if a person is a member of more than one fund.

The Trustee can generally accept amounts up to these limits but where any contribution, taken by itself, exceeds the limits, the Trustee is required to refuse to accept or refund the excess amount. The Trustee will continue to accept contributions which, by themselves, do not exceed the limits. **This may mean that the total contributions received for you during the year will exceed the limits and you may be liable for additional tax. It is the member's responsibility to monitor their contributions made during the year.**

^The "bring forward" limit is three times the non-concessional contributions limit that applies in the first year you elect to bring forward contributions.

You'll pay tax if you exceed the limits

If non-concessional contributions exceed these limits in total, any excess contributions will be taxed at 47% (including the Medicare levy). The tax office will determine whether you have exceeded the limits and whether you are required to pay any tax. Any tax payable will be levied on you and you must nominate a super fund to release money from your super account to pay the tax liability.

Alternatively, you may choose to release the excess contributions plus 85% of any associated investment earnings. The investment earnings, less a 15% tax offset, will be taxed at your marginal tax rate.

A notice of assessment will be issued by the ATO stating the amount of additional tax payable for the financial year. You can elect for the additional tax to be paid from your super account.

Claiming a deduction for your super contributions

You may be eligible to claim a tax deduction for your personal super contributions to the Scheme provided you meet certain conditions.

Any contributions for which you claim a deduction will count towards your concessional contributions limit.

To be eligible to claim a deduction:

- you must be under age 75. If you are over 75 you can only claim a deduction for contributions you made before the 28th day of the month following the month in which you turned 75. (To make contributions after age 65 you must meet certain conditions set down in legislation. See the **Contributions** section of this Guide for details);
- you must give a valid notice to the Trustee of your intention to claim a deduction and receive an acknowledgement from the Trustee of receipt of the notice;
- the notice must be given by the earlier of the time you lodge your income* tax return and the end of the financial year following the year the contributions were made.

**Income is your assessable income for tax purposes plus your reportable fringe benefits and the total of your reportable employer super contributions for the income year.*

The Trustee can only accept a notice that you intend to claim a deduction if it is a valid notice. A notice will not be valid if:

- when you give it to the Trustee you are no longer a member of the Fund;
- the Trustee no longer holds the contribution in respect of you, for example, if you have elected to transfer your benefit to another fund under portability or choice of fund (see the **Getting to know your Scheme** section of this Guide for details).

Call the Manager if you would like more information about claiming a deduction.

Tax on your super payout

You may have to pay tax on your super payout when it is paid from the Scheme. The actual amount of tax you'll have to pay depends on:

- your age when your payout is paid
- the type of payout, and
- certain other factors.

You should obtain advice from a licensed, or appropriately authorised, financial adviser if you are unsure of what (if any) tax you may have to pay on your super payout.

Your lump sum payout and tax

The tax payable on lump sum super payouts (for reasons other than death) depends on your age and the different components that make up your payout.

Lump sum payouts from age 60

You pay no tax on lump sum payouts from age 60, while you are alive.

Lump sum payouts before age 60

Your lump sum payout will be made up of two components:

- a tax-free component – this is generally made up of your personal after-tax contributions, spouse contributions and an amount that represents the portion of your benefit built up before 1 July 1983. A higher tax-free amount may apply if you are totally and permanently disabled. You pay no tax on this component; and
- a taxable component – this is your super payout less any tax-free component. If you take your super payout while you are alive and after you reach your preservation age but before age 60, you pay no tax on the first $200,000* of this component and 15%^ tax on any amount over $200,000. If you take your super payout *before* you reach your preservation age, you pay tax at 20%^ on your total taxable component.

Higher tax rates will generally apply to preserved or restricted non-preserved super payouts to a temporary resident who has permanently left Australia.

** The limit is applicable for 2017/18 and is indexed from 1 July each year to Average Weekly Ordinary Time Earnings (AWOTE) in steps of $5,000. The limit is a lifetime limit applicable to all payments made after you reach your preservation age, including such payments made before 1 July 2007.*

^ Plus the Medicare levy (and where applicable the Medicare surcharge).

Tax on investment income

Generally, the Trustee is liable to pay tax at a maximum rate of 15% on:

- all investment income;
- realised capital gains from assets held for less than twelve months; and
- two-thirds of realised capital gains from assets held for more than 12 months.

Where the Scheme is invested in pooled super trusts and statutory funds of life insurance companies, the Trustee won't pay tax on gains received from these investments as tax would have already been deducted by the pooled super trust or life office.

The actual rate at which the Trustee pays tax may be reduced below 15% due to the effect of various tax credits and rebates.

Your death payout and tax

A lump sum payment made upon your death directly to:

- a dependant (as defined for tax purposes) will be tax free;
- a non-dependant will be taxed at special rates (ranging from 15% to 30%)^ on the taxable component; no tax is payable on any tax-free component.

Similarly, if a lump sum payment is made upon your death to your estate for distribution in accordance with your will or the administration laws, the amount given to a dependant (as defined for tax purposes) by the estate will be tax free in the estate and to the dependant. A payment by the estate to a non-dependant will be taxed at special rates on the taxable component, no tax is payable on any tax-free component.

^ Plus the Medicare levy (and where applicable the Medicare surcharge).

Monthly Income Protection benefit

Any monthly income benefit paid to you is generally taxed as normal income.

Surcharge tax

An additional tax, known as surcharge, may apply to certain contributions and some termination payments made by your employer for the 1997 – 2005 financial years.

Although the surcharge was abolished from 1 July 2005, the Australian Taxation Office (ATO) may still issue surcharge assessments in respect of contributions and termination payments made before this date.

If the Scheme is required to pay surcharge tax in respect of you, the tax payable will be charged to an account in your name in the Scheme. Your surcharge account (including any investment earnings) will be deducted from your payout when you leave your plan. You should check your most recent member statement to see if surcharge tax has applied to you.

If you rollover benefits into the Scheme from another fund, any liability to pay the surcharge in that fund will be transferred to the Scheme. If we receive a surcharge assessment after you have left the Scheme, we will return it to the ATO. The ATO will either forward it to your new fund or to you if your benefit was paid directly to you

Up to date information

You can find up to date information on the annual contribution limits on the Scheme's website at www.samfs.superfacts.com (after you sign-in to your member account) or call the Manager on 08 8204 3826.

We can also send you a copy of the updated information, free of charge on request.

11. Important General Information

The trustee and trust deed

The Scheme operates as a trust, separate from your employer, and is managed by a trustee company, SA Metropolitan Fire Service Superannuation Pty Ltd. The Scheme's assets are kept separate from any participating employer's assets. This means the Scheme's assets can't be used to pay any debts of your employer or any other participating employer.

The Scheme is an employer sponsored superannuation fund which is used by your employer and other participating employers to provide superannuation benefits.

The Scheme is governed by a legal document called the trust deed, including a set of governing rules. The trust deed describes the rights and benefits of all the Scheme members, as well as the duties and obligations of the trustee and the participating employers. If there is any conflict between the trust deed and this Guide, the trust deed will be the final authority. You can obtain a copy of the trust deed by contacting the Manager.

The trustee's main responsibilities are to make sure:

- your rights and interests as a member are protected;
- benefits are paid correctly and at the correct time;
- the Scheme's assets are invested properly; and
- the overall operation of the Scheme is conducted in accordance with the trust deed and relevant legislation.

Professional help

Professional independent advisers such as investment managers, administrators, consultants, lawyers, actuaries and auditors, can be appointed by the trustee to help it fulfil its responsibilities. Details of any advisers to the Scheme will be set out in the Scheme's annual report. Adviser's fees are paid from the Scheme as an expense.

Trustee indemnity

The trustee and its directors are entitled to be indemnified from the Scheme for costs and liabilities incurred in the proper management of the Scheme except in circumstances where indemnification is not permitted by law (eg. wilful default, fraud or dishonesty).

We'll keep you informed

After joining the Scheme you will receive, at least:

- a welcome letter confirming your membership of the Scheme – you will also receive confirmation of any balances transferred in
- an annual report to keep you informed about investment performance, the Scheme's financial position and what's happened to the Scheme over the year
- an annual member statement showing changes to your super account including all transactions to your membership
- notification of all material changes or the occurrence of significant events
- a statement about your benefit when you cease to be a member of the Scheme and information about what to do next
- regular newsletters to keep you informed;
- a member number and PIN to access the Scheme's website, www.samfs.superfacts.com. Through the website you can view your current balance, update your personal details, change your Investment option, view the Scheme's latest publications and much more.

Further information available on request

As well as sending you regular information and answering your questions, the trustee can provide you with further information including:

- the Scheme's trust deed
- the Scheme's investment policy statement
- the latest audited Scheme accounts
- the Scheme's Privacy Policy Statement
- the rules covering the appointment and removal of member representative directors on the trustee board
- the Scheme's disputes resolution procedures.

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If you'd like to see copies of any of these documents contact the Manager. There is no charge for this information.

Financial Advice

Require financial advice? Want to know whether you should make salary sacrifice contributions or not? How much extra do you put into super to "top-it-up"?

These are just some of the questions put to Scheme staff from members. Your employer, trustee and its staff are not permitted to provide members with financial advice as they are not appropriately licensed to provide that advice.

An initiative introduced by the trustee is to allow for 50% of the cost of any financial advice you receive to be paid for from your accumulation accounts held in the Scheme.

Super and preservation

Government legislation is designed to make sure that your super money is used for retirement and, consequently, there are restrictions on when you can access your benefit. Your benefit may be made up of:

- A restricted non-preserved amount
- A preserved amount

Restricted non-preserved amounts are only payable when you cease employment. It is not available to you if you transfer to another employer that participates in the Scheme.

Preserved amounts of over $200 are only accessible in cash if you satisfy one of the conditions permitted under superannuation law shown below:

- You have permanently retired from work on or after your 'preservation age' (see table below).
- You are aged 60 or more and you resign or retire.
- You are aged 65 or more.
- The trustee is satisfied that you are permanently incapacitated.
- You have compassionate grounds for applying.*
- You suffer severe financial hardship.*
- You have a terminal medical condition (and provide the required evidence^)
- You leave Australia permanently (if you are a temporary resident and satisfy certain conditions) – see the **Access to your super if you are a temporary resident and leave Australia permanently** section.

** as specified under superannuation law and permitted under the trust deed. The Scheme's trust deed does not permit a release of benefits in these circumstances.*
^ as provided under superannuation law.

Your 'preservation age'

Your 'preservation age' (ie the age at which your preserved super can be paid to you in cash if you have permanently retired from the workforce) depends on your date of birth:

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

The law requires that preserved super stays invested in an approved superannuation arrangement. This could include transferring any preserved benefit from the Scheme to another employer's fund, a personal super fund, a rollover fund or a retirement savings account in circumstances where you cease employment.

Receiving your benefit and leaving your employer

After you have ceased employment you will receive a statement from the Scheme that shows:

- the gross dollar value of your super
- how it was worked out
- how much of your super must still be 'preserved', and
- any estimated tax payable on your benefit.

You will be asked to fill in a *Payment Instruction* form to tell the trustee what you want to do with your super**. It is important that you note how your super will be invested from the date you cease employment, please refer to the Your Benefits section of this Guide for full details.**

The Scheme's administrator will arrange for your super to be paid according to your written instructions.

You are also able to remain as a member of the Scheme after you cease employment with your employer. For details on the terms and conditions refer to the **Your Benefits** section.

If you don't give instructions

Following your termination of employment with a participating employer you have 90 days from when you receive information from the Scheme to make arrangements for your super. If you don't advise the trustee of where your benefit is to be paid you will remain in the Scheme as a Parked Member as detailed in the **Your Benefits** section of this Guide.

If you are **under age 50**, the amount of your benefit will be based on the amount payable for the Immediate Benefit as detailed in the **Your Benefits** section of this Guide and you will not have the option to select the Deferred benefit.

If you are **aged 50 or more**, the amount of your benefit will be based on the amount payable for the Retirement Benefit as detailed in the **Your Benefits** section. **It is important to note that your Defined Benefit derived portion will be invested in the Cash investment option effective from the date of your leaving service and will accumulate with investment earnings which may be positive or negative. Any Accumulation derived benefit will be invested in your chosen investment option and will accumulate with investment earnings which may be positive or negative.**

Unclaimed money

If you are over age 65 and no longer gainfully employed and have not told the trustee where to pay your super, then your benefit will be considered to be unclaimed money and will be placed with the Australian Tax Office (ATO) which handles unclaimed superannuation monies. You can approach the ATO to claim any such money directly.

Member-representative directors

The board of the trustee comprises eight directors, four appointed by and representing your employer and four representing members.

The Member Directors are elected from two separate electoral groups. Three Directors will be nominated by the United Fire Fighters Union Inc (UFU) and one Director, the Member-Elected Director, will be elected by the members of the Scheme who are not eligible to join the membership of the UFU. Their period of office is up to three years.

Subject to their being renominated and being willing, Member Directors can be re-elected for a further term.

A UFU nominated Member Director can be removed from office by the UFU or in the case of the Member-Elected Director, written notice of a majority of the members who are not eligible to join the membership of the UFU.

A formal set of rules governing the appointment and removal of Member Directors has been established. A copy of these rules may be obtained from the Manager if desired.

Enquiries and complaints

Most queries can be sorted out over the phone, but if we are unable to help you immediately, you can make a complaint over the phone or by writing to:

Enquiries and Complaints Officer
SA Metropolitan Fire Service Superannuation Scheme
GPO Box 98
ADELAIDE SA 5001

The Complaints Officer will generally reply to your enquiry as soon as possible. By law your complaint should be resolved within 90 days. Sometimes further time is required for complicated matters. If more time is needed you will be advised.

If you have a complaint and you are not satisfied with the response, or the matter can't be resolved, you may be able to refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent government body which is set up to help resolve disputes between super funds and their members. Any complaints must be lodged with the Tribunal within certain time limits.

AFCA can be contacted at:

- Online: www afca.org.au
- Email: info@afca.org.au
- Phone: 1800 931 678

Monitoring enquiries

The Trustee may, at its discretion, monitor or record enquiries or transactions made by telephone. This is done for reasons of accuracy, security and service.

Protecting your privacy

In order to provide your superannuation benefits and to properly manage the Scheme, it's necessary for the Scheme to hold personal information about you. This information identifies you as a Scheme member and typically includes your name, address, date of birth, gender, occupation, salary, tax file number and any other information that is required.

The Scheme generally collects this information from either you or your employer. Your personal information may be disclosed to the Scheme's administrator and professional advisers, insurers, government bodies, your employer and other parties as required and permitted by law, including the trustee of any other Scheme you may transfer to. By becoming a member of the Scheme, it's assumed that you consent to this handling of your personal information. If you do not provide the Scheme with your personal information, the Scheme may not be able to provide all of your superannuation benefits.

You may request access to your personal information held by the Scheme. Should any of your personal information be incorrect, you have the opportunity to correct it. There are, however, some circumstances where you may be denied access to your information. The Scheme's Privacy Officer will advise if any of these circumstances apply.

The Scheme abides by the National Privacy Principles under the Privacy Act 1988 (C'th) and has adopted a Privacy Policy which sets out in detail the way it handles members' personal information. If you would like a copy of the Scheme's Privacy Policy please contact the Scheme's Privacy Officer by writing to:

The Privacy Officer
SA Metropolitan Fire Service Superannuation Scheme
GPO Box 98
ADELAIDE SA 5001

Amending the trust deed

The trust deed is a document that describes the rights and benefits of all the Scheme members, as well as the duties and obligations of the trustee and your employer. It can be amended by agreement between the trustee and the Fire Service at any time subject to certain restrictions.

As circumstances change, it may be necessary for the trust deed to be amended. However, no amendment made can reduce your accrued benefits up to the date of the amendment without your consent, unless the change is required by law. You'll be advised, in writing, of the nature and effect of any amendment made to the trust deed.

All amendments made must comply with the strict requirements of the trust deed and all government legislation. If you would like to see a copy of the trust deed, contact the Manager.

You can't borrow from the Scheme

You can't borrow money from the Scheme or use your super as security for a loan from any form of lender.

Continuation of the Scheme

While the Fire Service intends for the Scheme to continue, future events may make it necessary to change or wind up the Scheme. Under the Scheme's trust deed the Fire Service can terminate the Scheme by giving one month's notice to the trustee.

If this should happen, the Scheme will be closed and your benefits may be adjusted by the trustee in a manner considered fair and equitable (having regard to the remaining assets of the Scheme after payment of all Scheme expenses and the provisions of the trust deed).

Associated employers

The Fire Service and trustee may admit other employers as a participant in the Scheme as an associated employer. If this happens the employees of that associated employer may be eligible to remain members of the Scheme. Similarly any associated employer may cease to participate in the Scheme in certain circumstances including if it gives thirty days notice to the trustee or if your employer notifies the trustee and associated employer. If any of these events were to happen the affected members would have their benefits appropriately adjusted and their adjusted benefits and membership would be transferred, subject to superannuation legislation, to another superannuation arrangement.

Cessation of employer contributions

Your employer may, on giving one month's notice to the trustee, terminate all or any of its contributions to the Scheme. If this happens the affected members may also cease contributions and their benefits may be adjusted by the trustee on the advice of the Scheme actuary in a manner considered fair and equitable and either paid to the member if payable under the Scheme's trust deed or transferred to another superannuation arrangement.

Special leave

If you are temporarily absent from employment with the employer's approval, the trustee and the employer may determine the special terms and conditions to apply during the period of leave in respect of benefits and contributions made for you.

Part–time employment

For defined benefit members under age 60

Your Benefit Multiple for calculation of benefits will be adjusted to take account of any period or periods of contributory Scheme membership that you have worked on a part time basis.

For defined benefit members over age 60

Please contact the Scheme Manager on 08 8204 3826 for details of how your calculation of benefits is affected by part time employment.

Incapacity

If a member or beneficiary is an infant or incapable of managing their affairs the trustee may pay the member's or beneficiary's benefit to another appropriate person (eg. parent, guardian, trustee) to be applied for the benefit of the member. The receipt of monies by the appropriate person shall be sufficient for the trustee discharge its obligations.

Membership of other funds

If your employer is required to contribute either directly or indirectly on your behalf to a national superannuation scheme or another arrangement which has Government support, the trustee and the employer have the right to adjust benefits in the Scheme to take account of entitlements that arise in that other national scheme or arrangement.

Transfer to other funds

The Scheme's trust deed gives the trustee the power on you ceasing to be employed by your employer or during your membership to transfer your benefit to another complying superannuation fund either with or without your consent as required or permitted by legislation.

Information

On joining the Scheme or during membership you may be required to provide certain information on age, health or other matters as reasonably required by the trustee. If any of this information is incorrect or incomplete then the benefit payable may be appropriately adjusted on a basis considered equitable by the trustee.

Claiming a benefit

A person claiming a benefit must provide the trustee with any information and documents necessary to enable payment of the benefit.

Investment of Scheme assets

The trustee is responsible for the management of the Scheme's assets. The assets of the Scheme are held in trust and must be invested in accordance with the investment powers contained in the Trust Deed and with Government requirements.

Material changes or significant events

You will be provided with at least 30 days' notice of any proposed increases in fees or charges. All other material changes or significant events will be advised as soon as practicable, but in any event within the period required by superannuation law.

Other provisions under the Scheme's governing rules

Under the governing rules, there are provisions that may impact on your super.

These provisions may apply if:

- You fail to provide the trustee with information requested. In this case insurance cover may not be able to be provided to you or tax may be deducted from your super benefit at the highest possible rate.
- Your employer ceases all or any of its contributions or provides super for you in another fund. In this case, your benefits may not grow at the rate you may have anticipated.
- You are on leave of absence. In this case, your super account may not grow at the rate you may have anticipated.
- You change your employment status. In the case of moving to a casual or a part-time arrangement, your insurance options may be limited.

Taxation

The trust deed requires the trustee to comply with certain laws. This enables the Scheme to be eligible for tax at concessional rates. The trustee can also deduct tax and surcharge from your benefits or from the Scheme, as applicable. You may request a copy of the Scheme's governing rules by contacting the Manager.

Financial position of the Scheme

The Scheme is a Defined Benefit superannuation scheme as the benefits of some members are described in the form of a benefit formula, generally based on salary.

Your employer contributes a fixed percentage of Defined Benefit members' salaries to assist in financing benefits. The balance of the funding requirements is met by the Defined Benefit members and their contributions or benefits may vary from time to time depending on the Scheme's financial position. The level of funding, i.e. the relationship between assets and benefit liabilities, of the Scheme will vary from time to time. A professional, known as an actuary, is appointed by the trustee to advise on the level of funding.

In the event of the Scheme winding up in the future at a time when the total level of funding was insufficient, and the members being unable to make a contribution to finance the difference, the trustee and the Scheme Actuary would need to determine whether benefits would need to be adjusted. Such adjustments, if any, will take into account the restrictions in the legislation which governs the running of super funds in such circumstances.

You will be advised annually of the Scheme's financial position in the annual report or earlier in the case of a significant event occurring.