Term Allocated Pension guide

23 August 2024

Post GPO Box 1547 Hobart TAS 7001 | **Phone 1800 005 166** | **Email** info@spiritsuper.com.au | **Website** spiritsuper.com.au | **Fund registration details** ABN 74 559 365 913 (Spirit Super) | **Issuer** Motor Trades Association of Australia Superannuation Fund Pty Ltd. AFSL 238718. ABN 14 008 650 628 (Trustee). | **About this document** – This *Term Allocated Pension guide* (guide) tells you about the features, benefits, risks and significant terms and conditions of the Spirit Super Term Allocated Pension. It has information for members who have a term allocated pension with Spirit Super. Read this guide and keep it for future reference. Any reference to 'the trustee', 'we' or 'us' in this guide means Motor Trades Association of Australia Superannuation Fund Pty Ltd, ABN 14 008 650 628. 'Fund' means the super fund known as Spirit Super. 'Pension' means the pension section of Spirit Super. If we say 'Spirit Super account' we mean an accumulation account in Spirit Super. | **Obtaining up-to-date information** – Information in this guide may change from time to time. Non-materially adverse information may be updated by placing such information on the website of Spirit Super at **spiritsuper.com.au**. A paper or electronic copy of this information will also be available free of charge on request by calling us on **1800 005 166**. We recommend that you regularly check our website for updated information about this product. | **Disclaimer** – This guide is a summary of significant information. The information provided in this guide is general information only. It doesn't take into account your personal financial situation or needs. You should get financial advice tailored to your personal circumstances before making any decision about Spirit Super including whether to invest with us. Any advice is provided by Quadrant First Pty Ltd (ABN 78 102 167 877, AFSL 284443) (Spirit Super Advice) which is wholly owned by Motor Trades Association of Australia Superannuation Fund Pty Ltd. A copy of the *Financial services guide* for Spirit Super Advice is available at **spiritsuper.com.au/financial-services-guide** or by calling us on **1800 005 166**. The value of investments in the funds may rise and fall. The trustee doesn't guarantee the investment performance, earnings or return of capital invested in our defined benefits fund through this guide. | The rights of members are ultimately governed by the trust deed governing Spirit Super. While the trustee has taken all due care in preparation of this guide, it reserves the right to correct any errors and omissions. If there's any inconsistency between the trust deed and this guide, the trust deed will prevail. | Our pensions are subject to minimum pension standards in super regulations. Some, but not all, of these pension standards have been summarised in this guide as they're applicable to all super (account-based) pension products and must be adhered to (whether or not they're mentioned in this guide). In the event of any inconsistency between the minimum standards and this guide, the standards prevail. | **The Term Allocated Pension is closed to new applications, members and accounts, and we won't accept any applications for a Term Allocated Pension.**

1. OUR TERM ALLOCATED PENSION AT A GLANCE

About Spirit Super

Spirit Super is a multi-industry, profit-for-members super fund. We're all about doing what's best for members. We provide super, retirement and advice options when you need them to help you feel confident and achieve your best possible retirement.

About the Term Allocated Pension

With a Spirit Super Term Allocated Pension, you receive a regular income, and your pension is invested for a fixed period of time, based on your life expectancy or that of your spouse (referred to as the term).

Your Term Allocated Pension may also be eligible for Centrelink and Department of Veterans Affairs concessions.

The Spirit Super Term Allocated Pension is closed to new applications, members and accounts.

Benefits of investing with us

Our aim is to provide the best deal we can for our members. Some of the advantages you can enjoy with us include:

Putting members first

We return all profits to our members.

We charge low fees and cap the percentage-based administration fees and costs deducted from account balances. We don't charge you to change your investments.

Lower fees may mean your savings could last longer than they would with other funds.

Flexibility

You can choose how often you'd like to receive your pension payments and have some flexibility with the amount you'd like to receive (within limits set by the government).

You can also choose to invest in one or a mix of our investment options. Each option has a different investment strategy and varying levels of risk and expected return.

Professional investment management

We aim to deliver strong returns. Our goal is to maximise your returns during your working life and in retirement while protecting your retirement savings from large fluctuations.

Your money is professionally managed on your behalf by our investment experts. You don't have to make day-to-day decisions on what to invest in, nor do you have to keep track of all the paperwork.

Easy and convenient online access

Member Online is a secure online service that gives you up-to-date information about your account. It lets you manage your pension anywhere and anytime.

It's easy to set up your online access, simply go to **spiritsuper.com.au**, click the *Login* button and follow the prompts.

Download the Spirit Super app for easy access to your account.

If you're unsure of your member number or which email address you registered with us (or you don't have one registered at all), call us on **1800 005 166**.

Need advice?

Careful planning can make a big difference to your retirement lifestyle, so it's generally a good idea to get financial planning advice before you decide what to do.

We provide access to general information, education, and personal (intra-fund) advice on your Spirit Super account at no extra cost. Go to **spiritsuper.com.au/get-advice** for more details.

Term Allocated Pension features

The main features of our Term Allocated Pension account are outlined in the following table:

Feature	Details
Who can join?	This product is closed to new members.
Additional contributions	You can't make additional contributions.
Term	The number of years your Term Allocated Pension is to be paid for. You can't change the term for your Spirit Super Term Allocated Pension. See page 5 for more details.
Pension payments	Your pension payments are recalculated each year. The amount you receive is based on your account balance at 1 July divided by a pension factor reflecting the number of years remaining in the term of your pension. You can vary your pension payment between 90% and 110% of the annual pension amount. Your annual payment amount may change from year to year depending on the performance of the option/s you're invested in. See pages 5-6 for more details.
Payment frequency	Choice of fortnightly, monthly, quarterly, twice-yearly or yearly payments. You must receive at least one pension payment in a financial year. See page 5 for more details.
How will I receive my pension?	Your pension will be paid to your nominated bank, credit union or building society account. It can't be paid to you by cheque or cash.
How long will my pension last?	Your Term Allocated Pension will end at the earliest of: • the end of the term (you chose this when you started your Term Allocated Pension) • when your pension account balance is zero • you transfer your pension to another complying income stream that accepts term allocated pensions or • you pass away and haven't nominated a reversionary beneficiary[1] for the pension to continue (see page 32 for more details on beneficiaries).
Withdrawals	Generally, you can't make lump sum withdrawals, except in limited circumstances. See page 7 for more details.
Fees	Fees and costs apply. See page 22 for details.
Centrelink	Your pension will be assessable for Centrelink's assets and income tests. Depending on your circumstances, you may be eligible for a 50% assets test exemption. For more details, speak to a financial adviser or Centrelink.
Investment options	You can invest your pension account in one or a mix of our nine investment options. You can switch your investments and future transaction strategy[2] at any time. See pages 8-12 for more details on our investment options.
Investment earnings	Investment earnings in your Term Allocated Pension are generally tax-free.
Beneficiary option	When you started your Term Allocated Pension, you could nominate a reversionary beneficiary who would continue to receive your pension payments in the event of your death. If you didn't make a reversionary beneficiary nomination, you can make a binding or non-binding death benefit nomination. See page 32 for more details.

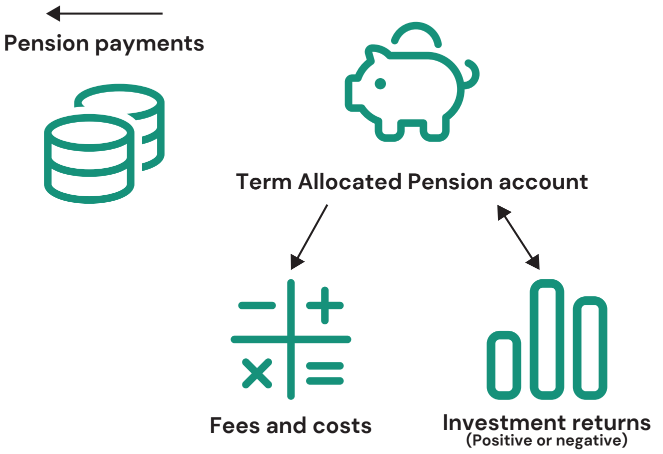
[1]If your Term Allocated Pension was established using the life expectancy of your reversionary beneficiary, and you pass away, your pension payments will automatically be paid to your reversionary beneficiary and can't be taken as a lump sum. | [2]Your future transaction strategy tells us which investment options you want us to pay future transactions from, including your pension payments and fees.

2. HOW YOUR TERM ALLOCATED PENSION WORKS

Our Term Allocated Pension provides regular pension payments for a fixed period of time (referred to as the term of your pension). When you started your Term Allocated Pension, you selected the term to apply within limits set by the government. Your term can't be changed. See *The term of your pension* below for more details.

Your pension is invested in one or more of our nine investment options. Any net investment earnings are credited to your account, and pension payments and fees are deducted from your account. You can change your investment options at any time. See *Your investment options* starting on page 7 for more details about our investment options.

Each year, your annual pension payment amount is recalculated. The amount you'll receive depends on your account balance at 1 July and the pension payment factor applicable for the remaining term of your Term Allocated Pension. More details on pension payments can be found opposite.



The term of your pension

When your Term Allocated Pension started, you chose the term of the pension – that is, the number of years you wanted your pension to be paid to you. This decision was permanent, and once your pension started, you couldn't change the term you'd chosen[3].

The term for your Term Allocated Pension is between a minimum and maximum allowable term. The length of the term depended on when the pension was started and your age at that time. If the Term Allocated Pension was set up as a reversionary pension, then the term of the pension could also be set based on the reversionary beneficiary's life expectancy.

More details about reversionary beneficiaries can be found in *Nominating beneficiaries* on page 32.

[3]You may be able to change your term by transferring your pension to another complying super fund that offers term allocated pensions with the option to select a new term.

Your pension payments

Pension frequency

You can choose how often you want your pension payments to be made.

Frequency	When
Fortnightly	every second Thursday
Monthly	20th of each month
Quarterly	20th of every third month
Twice-yearly	20th of every sixth month
Yearly	20th of the month that you choose

We'll pay into your nominated bank, building society or credit union account. Your account must be held solely or jointly in your name. We can't make payments to business accounts or third parties.

You must receive at least one pension payment in a financial year.

Calculating your pension payments

The government sets limits on how much you can receive as pension payments each year. Your annual pension payment amount is calculated using the balance of your account at the beginning of the financial year (1 July) and the payment factor applicable for the remaining term of your pension (see **Table 1** on page 6).

The remaining term of your Term Allocated Pension is the number of years you have left before your pension ends. On each 1 July, the number of years is rounded up if the pension originally commenced between 1 January and 30 June, or rounded down if the term allocated pension commenced between 1 July and 31 December.

Your annual pension payment is calculated as follows:

Your annual pension payment amount =
Your account balance ÷ payment factor

You can vary your annual pension amount within a range that isn't less than 90% and not greater than 110% of your annual prescribed pension payment.

Your annual amount is then divided according to the frequency of payments you've chosen.

Table 1 – Pension payment factors

Remaining term	Payment factor	Remaining term	Payment factor
70 or more years	26.00	35	20.00
69	25.91	34	19.70
68	25.82	33	19.39
67	25.72	32	19.07
66	25.62	31	18.74
65	25.52	30	18.39
64	25.41	29	18.04
63	25.30	28	17.67
62	25.19	27	17.29
61	25.07	26	16.89
60	24.94	25	16.48
59	24.82	24	16.06
58	24.69	23	15.62
57	24.55	22	15.17
56	24.41	21	14.70
55	24.26	20	14.21
54	24.11	19	13.71
53	23.96	18	13.19
52	23.80	17	12.65
51	23.63	16	12.09
50	23.46	15	11.52
49	23.28	14	10.92
48	23.09	13	10.30
47	22.90	12	9.66
46	22.70	11	9.00
45	22.50	10	8.32
44	22.28	9	7.61
43	22.06	8	6.87
42	21.83	7	6.11
41	21.60	6	5.33
40	21.36	5	4.52
39	21.10	4	3.67
38	20.84	3	2.80
37	20.57	2	1.90
36	20.29	1	1.00

Minimum pension drawdown requirements if your Term Allocated Pension commenced after 20 September 2007

If your Term Allocated Pension started after 20 September 2007, the amount received must also be no less than the minimum pension drawdown requirements that apply to account-based pensions, as shown in **Table 2** on this page. We may adjust your pension payments to ensure you meet the prescribed minimum pension requirements.

Table 2 – Minimum pension drawdown requirements

Age on 1 July	Minimum pension drawdown[4]
Under 65	4%
65–74	5%
75–79	6%
80–84	7%
85–89	9%
90–94	11%
95+	14%

[4]Percentage of your account balance on 1 July.

Example

Meet Terry

Terry is 78 and his Term Allocated Pension started after 20 September 2007. Terry's account balance at the start of the 2024-25 financial year is $500,000. The remaining term of his Term Allocated Pension is 19 years:

- the payment factor (from **Table 1** on this page) is **13.71**.
- his prescribed annual pension amount for 2023-24 is **500,000 ÷ 13.71 = $36,470**
- his minimum pension drawdown amount for 2024-25 (from **Table 2** on this page) is **$500,000 X 6% = $30,000**
- he can choose to receive annual pension payments for the year of between **$32,823** (90% of $36,470) and **$40,117** (110% of $36,470). This also meets the minimum pension drawdown requirements.

If he chooses an annual payment amount of $40,117 paid quarterly, each payment will be **$40,117 ÷ 4 = $10,029**.

Changing your pension payments

You can change your pension frequency and/or your pension payment amount within the prescribed limits at any time:

- by calling us on **1800 005 166**
- by completing the *Change your pension payments* form available at **spiritsuper.com.au/forms**.

Keeping you informed

You have 24/7 access to your Spirit Super account online through **Member Online**.

With **Member Online**, you can view your account balance, investment options and payment history, change your bank details and request a Centrelink schedule. See page 3 for details on how to set up online access to your account.

You'll also receive regular updates and important information about your pension account, including:

- an annual notice advising you of your pension payment amounts
- an annual statement that lists all transactions on your pension account
- a PAYG payment summary each year and
- a Centrelink schedule (if you request it).

For more details, including our annual reports, newsletters and current investment performance information, visit **spiritsuper.com.au**.

Withdrawals

You can't make lump-sum cash withdrawals from your Term Allocated Pension, except in the following circumstances:

- you transfer your full balance to another complying income stream
- to pay a super surcharge liability
- to make a family law split in the event of a relationship breakdown or divorce
- when you pass away and your Term Allocated Pension isn't based on the life expectancy of your reversionary beneficiary, or if you pass away after your reversionary beneficiary
- to satisfy a release authority issued by the Commissioner of Taxation.

If you satisfy one of these criteria and want to make a withdrawal, you'll need to withdraw the entire balance of your account. You can't make part withdrawals from your Term Allocated Pension. Your pension payments will stop at this time.

When does your Term Allocated Pension end?

Your Term Allocated Pension will end at the earliest of:

- the end of the term
- when your pension account balance is zero
- when you transfer your pension to another complying income stream that accepts term allocated pensions or
- when you pass away and haven't nominated a reversionary beneficiary for the pension to continue (see page 32 for more details on beneficiaries).

Your investment options

You select how your retirement savings are invested and which investment option you want your payments to come from. You can change your investments at any time, with no additional charges.

You determine your investment strategy, from the available investment options

There are nine investment options, separated into pre-mixed and asset class options. Each investment option has a different mix of growth and defensive assets.

You can choose to invest in one or a combination of our nine options to ensure the best possible match with your risk profile.

Before deciding on which option/s to choose, it's important to understand the objectives and strategy of each investment option, as the expected risk and return varies.

It's important to note that the investment objectives aren't forecasts or guarantees of future returns. Investment option returns aren't guaranteed, and the value of investments might rise or fall. Past performance isn't a reliable indicator of future performance.

For the latest investment returns and unit prices, go to **spiritsuper.com.au/investments**.

See pages 8-12 for details on each of our investment options.

When deciding which investment option to choose, consider the information about asset allocation and risks in *How we invest your money* on page 13, and the applicable fees and costs detailed in *Fees and costs* on page 22.

Your future transaction instruction

You can choose which investment option/s your pension payments and fees and costs deducted from your account are paid from. This instruction can be different to how your account is invested.

If you have insufficient funds in your option/s nominated for your future transactions, we'll draw the amounts proportionately from your investments.

How to change your investments

You can change how your account is invested and/or your future transaction instruction:

- through **Member Online**
- by calling us on **1800 005 166**
- by completing the *Change your pension investments* form available at **spiritsuper.com.au/forms**.

The cut-off time for switch requests is 4pm AEST/AEDT on a business day. Requests received after 4pm AEST/AEDT or submitted online on a national public holiday or weekend will be processed the following day.

Pre-mixed investment options

Growth

Description

This investment option aims to achieve strong returns by investing in a portfolio of mainly shares and other growth assets.

Type of investor

You're seeking high capital growth over the long term (more than 10 years) and don't mind substantial risk and volatility.

Investment return objective[5]

CPI + 4.5% a year over rolling 10-year periods.

Minimum suggested time frame

10 years.

Risk level[6]

High – risk band 6. You may expect 4-6 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	4	0-10
Australian fixed interest	0	0-10
Global fixed interest	0	0-10
Absolute return	4	0-20
Property	6	0-20
Infrastructure	8	0-20
Australian shares	30	0-50
Global shares	40	0-50
Private equity	8	0-20
Growth assets	**90**	**–**
Defensive assets	**10**	**–**

Sustainable

Description

This investment option aims to achieve strong returns by investing in a diversified mix of mainly growth assets with heightened consideration given to environmental, social and governance risks.

Type of investor

You're seeking moderate to high-level capital growth over the long term (more than 7 years) using environmentally and socially responsible investments. You can tolerate medium to high risk and volatility.

Investment return objective[5]

CPI + 3.5% a year over rolling 7-year periods.

Minimum suggested time frame

7 years.

Risk level[6]

Medium to high – risk band 5. You may expect 3-4 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	8	0-20
Australian fixed interest	4	0-30
Global fixed interest	6	0-40
Absolute return	4	0-20
Property	9	0-25
Infrastructure	9	0-25
Australian shares	25	0-35
Global shares	30	0-40
Private equity	5	0-20
Growth assets	**75**	**–**
Defensive assets	**25**	**–**

Go to page 16 for more details on our approach to environmental, social and governance.

[5]The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | [6]Refer to *Investment risks* on page 18 for more details about the risk measures that this risk level is based on.

Balanced

Description

This investment option aims to achieve strong returns by investing in a diversified mix of mainly growth assets as well as cash and fixed interest instruments.

Type of investor

You're seeking moderate to high-level capital growth over the long term (more than 7 years) and can tolerate medium to high risk and volatility.

Investment return objective[7]

CPI + 3.5% a year over rolling 7-year periods.

Minimum suggested time frame

7 years.

Risk level[8]

Medium to high – risk band 5. You may expect 3-4 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	8	0-20
Australian fixed interest	4	0-20
Global fixed interest	6	0-30
Absolute return	4	0-20
Property	10	0-25
Infrastructure	10	0-25
Australian shares	23	0-40
Global shares	30	0-50
Private equity	5	0-20
Growth assets	**74**	–
Defensive assets	**26**	–

Moderate

Description

This investment option aims to achieve moderate returns by investing in a diversified mix of growth and defensive assets.

Type of investor

You're seeking a moderate level of capital growth in the medium to long term (more than 5 years) and at a moderate level of risk and volatility.

Investment return objective[7]

CPI + 2.5% a year over rolling 5-year periods.

Minimum suggested time frame

5 years.

Risk level[8]

Medium – risk band 4. You may expect 2-3 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	15	0-40
Australian fixed interest	8	0-30
Global fixed interest	15	0-40
Absolute return	5	0-20
Property	6	0-20
Infrastructure	8	0-20
Australian shares	16	0-30
Global shares	22	0-35
Private equity	5	0-15
Growth assets	**55**	–
Defensive assets	**45**	–

[7]The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | [8]Refer to *Investment risks* on page 18 for more details about the risk measures that this risk level is based on.

Conservative

Description

This investment option aims to achieve returns in excess of price inflation with low to medium risk.

Type of investor

You're seeking some capital growth over the short to medium term (at least 4 years) with low to medium level of risk and volatility.

Investment return objective[9]

CPI + 1.5% a year over rolling 4-year periods.

Minimum suggested time frame

4 years.

Risk level[10]

Low to medium – risk band 3. You may expect 1-2 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	24	20-50
Australian fixed interest	12	5-50
Global fixed interest	22	15-60
Absolute return	5	0-20
Property	5	0-15
Infrastructure	7	0-15
Australian shares	9	0-20
Global shares	12	0-25
Private equity	4	0-10
Growth assets	**35**	**-**
Defensive assets	**65**	**-**

[9]The investment return objective is after investment fees and costs, transaction costs and investment-related taxes. | [10]Refer to *Investment risks* on page 18 for more details about the risk measures that this risk level is based on.

Asset class investment options

Australian shares

Description

This investment option aims to generate high long-term investment returns through diversified investments in Australian shares. Returns are likely to be very volatile.

Type of investor

You're seeking a high level of capital growth over the long term (more than 10 years) by investing in a diversified portfolio of Australian shares. You're comfortable with substantial risk and volatility.

Investment return objective

To meet or exceed the return to the S&P/ASX300 Accumulation Index, including franking credits but before fees, costs and investment-related taxes.

Minimum suggested time frame

10 years.

Risk level[11]

High – risk band 6. You may expect 4-6 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	0	0-10
Australian shares	100	90-100
Growth assets	**100**	–
Defensive assets	–	–

International shares

Description

This investment option aims to generate high long-term investment returns through diversified investments in global shares. Returns are likely to be very volatile.

Type of investor

You're seeking a high level of capital growth over the long term (more than 10 years) by investing in a diversified portfolio of global shares. You're comfortable with substantial risk and volatility.

Investment return objective

To meet or exceed the return to the MSCI All Countries World Index (ex-Australia), partially hedged to Australian dollars before fees, costs and investment-related taxes.

Minimum suggested time frame

10 years.

Risk level[11]

High – risk band 6. You may expect 4-6 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	0	0-10
Global shares	100	90-100
Growth assets	**100**	–
Defensive assets	–	–

[11]Refer to *Investment risks* on page 18 for more details about the risk measures that this risk level is based on.

Diversified fixed interest

Description

This investment option aims to deliver moderate returns over the medium term by investing in a diversified portfolio of Australian and global fixed interest instruments.

Type of investor

You're seeking moderate returns with some capital growth over the medium term (more than 5 years) by investing in a range of fixed interest investments. You want a lower level of risk and volatility than shares.

Investment return objective

To meet or exceed the return to a weighted average of Australian and international fixed interest indices, hedged to Australian dollars before fees, costs and investment-related taxes.

Minimum suggested time frame

5 years.

Risk level[12]

Low to medium – risk band 3. You may expect 1-2 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	0	0-10
Australian fixed interest	35	0-60
Global fixed interest	65	40-100
Growth assets	–	–
Defensive assets	**100**	–

Cash

Description

This investment option aims to ensure security of capital and to limit year-to-year variability through investment in cash.

Type of investor

You want a high level of capital security and to maintain the purchasing power of your investment over the short term. You want very low risk and fairly consistent but low returns.

Investment return objective

To deliver the return to the Bloomberg AusBond Bank Bill Index before fees, costs and investment-related taxes.

Minimum suggested time frame

0 years.

Risk level[12]

Very low – risk band 1. You may expect less than 0.5 negative annual returns in a 20-year period.

Asset allocation

Asset class	Strategic asset allocation %	Range %
Cash	100	NA
Growth assets	–	–
Defensive assets	**100**	–

[12]Refer to *Investment risks* on page 18 for more details about the risk measures that this risk level is based on.

3. HOW WE INVEST YOUR MONEY

We aim to deliver strong returns. Our goal is to maximise your returns during your working life and in retirement while protecting your retirement savings from large fluctuations.

Our investment strategy

We use our expertise to build a portfolio of assets that balances investment returns and risks. We do this by investing in both growth and defensive assets.

Handy tip:

Investments are typically classified into two main categories – growth assets and defensive assets. These form the building blocks of your investment. Growth assets generally carry a higher risk, but can earn higher returns over the long term. Defensive assets are generally lower risk and can be used to protect your investment against loss, but deliver lower returns over the long term. Some asset classes, like absolute return, can have underlying investments that can be considered to have both growth and defensive elements.

Our growth assets include shares and private equity. Our infrastructure and property assets are growth oriented but do include some lower-risk assets and tend to add significant diversification benefits. The returns on growth assets come mainly from capital gains and, to a lesser extent, income in the form of dividends. We expect to see growth in the value of these assets over time. Returns from growth assets may be negative from time to time.

Our defensive assets include fixed interest and cash. The returns on defensive assets are mainly from interest. The focus is on generating stable and predictable cash flows with a relatively low level of risk. Our absolute return strategies are also mainly defensive, including by virtue of adding diversification. We note that negative returns are possible in the case of fixed interest and absolute return. However, cash returns are generally positive, although this can't be guaranteed.

We invest in a number of private market investment asset classes such as private equity, property and infrastructure. These assets are less frequently traded than other asset classes (such as shares, for example) and can be in both domestic and international markets. Assets such as property and infrastructure can have long-term leases. They're not directly linked to share markets, and can provide an income stream and a buffer against the short-term fluctuations of share markets.

Asset allocation

The pre-mixed investment options are Growth, Sustainable, Balanced, Moderate and Conservative. These options invest in a range of asset classes and are built with the aim of achieving the option's specific investment return objective.

In comparison, each of our asset class options invests in one asset class only. Each option's name describes the single asset class for the option: Australian shares, International shares, Diversified fixed interest and Cash.

We set medium to long-term risk and investment return objectives for each of our investment options. We then set a strategic asset allocation for each option with the aim of achieving the option's investment return objective.

Handy tip:

The strategic asset allocation is the proportion of each of our options that's invested in each asset class to achieve its long-term risk and return objectives. This is the main influence on the expected return of any investment option.

The investment return objective and strategic asset allocation information for each of the investment options are provided on pages 8-12.

We review the strategic asset allocation and ranges at least annually.

For the pre-mixed investment options, we may adjust the asset allocation and make portfolio adjustments within the strategic asset allocation ranges without letting you know. This allows us to make changes to asset allocations in response to market changes and shifts in the medium-term global economic outlook.

From time to time the actual asset allocations may differ from the strategic asset allocation for the pre-mixed options due to market fluctuations, new investments and irregular cash flow levels. Generally, we'll seek to rebalance the portfolio back toward the strategic asset allocation.

For example, if the share market falls, the proportion allocated to shares in the pre-mixed options may decrease, and the allocation to other asset classes in the options may increase.

We try to ensure that variations between the actual and strategic asset allocations of all investment options are managed within the ranges. However, in times of extreme market volatility the actual and strategic asset allocations can differ significantly.

We regularly review our investment options to check whether objectives are being met. We may, after careful consideration, implement changes to the investment options, or we may close, remove or add new investment options. We'll let you know of any significant changes affecting you before taking any action, though minor changes may occur without notifying you. We may make changes to the investment options without getting your consent.

Key investment terms explained

It's good to spend time understanding your investments. Here we explain some key investment terms to help you decide which investment option/s may be right for you.

Understanding asset classes

An asset class is a group of investments that have similar features.

All asset classes have different levels of risk and expected return. The key asset classes we invest in include shares, fixed interest, cash, property and infrastructure.

These asset classes can be further broken down to include among other things, Australian and global shares, unlisted shares and private equity, Australian or global fixed interest, direct or indirect property investments, and domestic and global infrastructure.

Shares

When you invest in shares (also known as equities), you're buying a share of a company that can be traded on a stock exchange. You can access small and large companies across a range of industries in Australia or overseas. Shares provide gains or losses through changes in their price on the stock exchange and income through dividends. Shares are regarded as a high-risk investment with the potential for short-term negative returns. However, they also have the potential for higher returns than most other asset classes over the long term.

Infrastructure

Infrastructure involves investing in assets that provide essential public facilities and services such as roads, airports, seaports and power generation and distribution in Australia and overseas. This investment primarily involves exposure to unlisted companies or assets. Relative to shares, infrastructure tends to have a slightly lower risk and return profile. Although returns should be less volatile than other share investments, infrastructure may also produce negative returns.

Property

Property investments include exposure to both directly held property assets as well as investment pools that own commercial office buildings, large retail shopping centres and industrial buildings. Property provides income in the form of rent, and the value of the assets can increase or decrease over time. Property is generally regarded as a medium to high-risk investment, depending on the characteristics of the underlying assets. Generally, property investments provide higher returns than fixed interest or cash in the long term but may incur negative returns in certain market conditions.

Private equity

Private equity involves investing in companies that aren't listed on a stock exchange. Investments can include Australian and overseas companies across a wide range of industries and various stages of development, from early-stage venture capital and those requiring expansion capital to grow, through to management-supported buyouts. It aims to produce high long-term returns but is a high-risk asset class and may incur negative returns. Private equity is classified as a growth-orientated asset class and is likely to exhibit risks similar to those associated with listed shares over the long term.

Fixed interest

Fixed interest involves investing in bonds issued by governments and corporations where a fixed or floating rate of interest is paid. These typically provide interest payments over the term of the security and the return of the amount invested at the end of the bond's life. A floating rate security has a variable interest rate, whereas the interest paid by a fixed-rate security doesn't fluctuate. The bond's value fluctuates during its lifetime in response to a variety of factors, including changes in market interest rates.

Our investment in fixed interest securities may include government and credit securities of both a fixed and floating rate nature. There may be exposures to high yield securities and direct lending from time to time, including infrequently traded debt securities that exhibit greater credit risk and higher expected returns than government bonds. Capital gains or losses may also be incurred through movements in the price of fixed-interest investments, primarily arising from movements in interest rates and changes in credit risk. Fixed interest investments may provide higher returns than cash over the long term, but may also have negative returns in certain market conditions.

Absolute return

Absolute return strategies cover a broad array of investments with exposure to a range of traditional markets, including high-yield credit, shares and commodities as well as other more esoteric markets such as catastrophe insurance. The unique exposures of each investment, taken together, mean that this asset class is designed to be relatively defensive in nature overall. Individual absolute return strategies can exhibit a mixture of growth and defensive characteristics; however, the aim is to control risk through lower market risk exposure and lower return volatility than if we were solely invested in shares. Absolute return strategies aim to generate higher returns than cash returns but may produce negative returns from time to time.

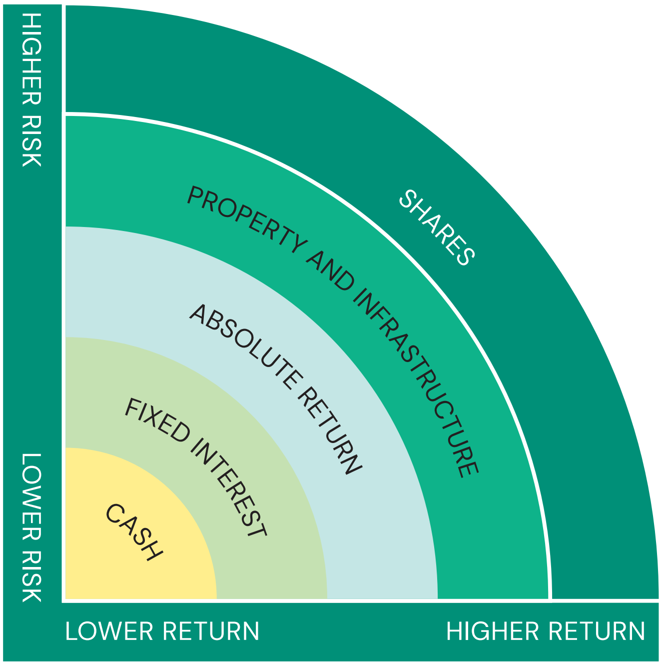
Cash

Cash is made up of bank deposits, including term deposits, and other short-term money market investments and cash instruments. Interest is generally received from cash investments. An investment in cash generally offers the lowest returns over the long run of any asset class but also has the lowest risk. The purchasing power of cash is reduced over time as a result of inflation.

It's also possible that returns on the cash asset class could be negative in an environment where short term interest rates are very low or even negative. Cash investments are based on the official cash rate set by the Reserve Bank of Australia and represents the interest rate on unsecured overnight loans between banks.

Risk versus return

Our investment options have varying levels of risk and expected returns. The key to choosing the right investment option/s is deciding the rate of return you'd like to achieve and balancing this against the degree of risk you're prepared to accept. It's important to know your risk profile – you should consider not only your tolerance for short term fluctuations in the value of your investments, but also your longer-term aims and goals.



Diversification

The best way to manage investment risk is through diversification. This means investing in a mix of different assets and asset classes.

Diversification is all about not having all your eggs in one basket.

If one asset class is falling in value, another asset class may be rising in value, thereby offsetting the capital loss suffered by the fall in value of the first asset class. A diversified investment mix may be invested in a range of asset classes such as cash, property, government bonds, Australian shares and global shares. At any one point in time, all of these investments will be earning different rates of return.

Choosing the appropriate mix of different asset classes is known as asset allocation. Our investment options offer a range of asset allocations to suit various risk and return levels.

Investment time frame

Your investment time frame reflects how long your pension will be invested. Having enough time in investment markets is an important consideration in making your investment choice. Your investment time frame will be influenced by your age and whether you're investing for the short term or long term.

When you have a short investment time frame, you may want to reduce the risk of a negative return and choose a lower risk investment strategy.

A higher risk investment strategy may be more suitable when you have a longer investment time frame or horizon as you have more time to ride out the market fluctuations that can be associated with higher risk investments.

Remember that your investment horizon will change over time, as will your risk profile, so it's important to review your investment choice and make changes if appropriate.

Your investment needs also change over time. You should seek professional financial advice to ensure your investment strategy is right for your circumstances.

Environmental, social and governance (ESG)

We take ESG issues, including ethical considerations and labour standards, into account in the selection, retention or realisation of our investments. We do this for all of our investment options through our approach to responsible investment, which includes the activities and practices summarised below.

Responsible investment is an important part of our investment decision-making (including our management of ESG and other risks) for all of our investment options, to the extent it impacts the financial value of an investment. It plays a role in delivering long-term sustainable returns on your super, having regard to the framework and principles set out in our *ESG Policy* available at **spiritsuper.com.au/investments/ESG**.

We believe proactive management and engagement with ESG-related risks and opportunities improves the robustness of our decision making and helps us to achieve our long-term investment objectives.

We believe we have a role to play in adapting to the increasing financial risks associated with climate change and other ESG issues that may affect our members' retirement savings. Supporting the transition to a low carbon economy is one of our key priorities, as inaction on climate change has the potential to lead to an erosion of long-term investment returns. More details about our approach to climate risk management is outlined within our *Climate change position statement* which is available at **spiritsuper.com.au/investments/ESG**.

Responsible investment is an integral element to achieving long-term investment objectives, managing risks and helping members grow their retirement savings. However, that doesn't mean we consider all ESG issues for each of our investments or that all our investments are free of ESG-related risks. We seek to address material ESG risks associated with our investments and based on our ESG approach which is summarised opposite.

Our approach to ESG

We seek to address ESG issues (including material risks, impacts and opportunities) in two ways: **integration and impact**.

Learn more about our approach to ESG at spiritsuper.com.au/investments/ESG.

Our ESG approach, including our targets and priorities, is subject to change. We may provide updated information about our ESG approach, including relevant ESG issues, on our website.

ESG integration

We integrate a range of ESG factors, including considering risks, impacts and opportunities relating to the environment, social issues and corporate governance in our investment processes around how we select, retain, manage, and realise investments. Our approach includes:

- assessing ESG factors when selecting new investments and managers across all asset classes, where possible
- ongoing review of ESG risks across the portfolio
- periodic review of our investment managers' ESG policies and practices
- engaging with our investment managers and asset operators with the aim of improving their ESG credentials and outcomes where possible
- voting on listed company resolutions where we're entitled to vote (for our Australian and global shares portfolio across all investment options)
- excluding listed securities or other investments, and/or instructing external managers to divest assets, that we believe have intolerable ESG risks, including where efforts at direct engagement with the underlying business's management have failed.

Which ESG issues we consider and how we consider them varies depending on the nature of the investment, the asset class, the materiality of the ESG-related risks and other matters. For example, labour standards are considered on a case-by-case basis where the relevant labour rights are deemed material to the investment case. Examples of the ESG factors that may be considered on a case-by-case basis include, but aren't limited to, climate change, emissions, modern slavery, human rights and executive remuneration. More examples are provided on our website.

We seek to enhance our investments' value and long-term viability by engaging with listed companies that form part of our Australian and global shares portfolios (relevant to all investment options with allocations to those asset classes) on material ESG issues. We may do this through various mechanisms including organisations we participate in, such as the Australian Council of Superannuation Investors (ACSI). Material ESG issues include climate change, human and labour rights, indigenous relations and board or executive remuneration. There may be other issues that are taken into account during our engagement with listed companies, as we determine appropriate from time to time.

Where possible, we also directly engage with unlisted companies associated with unlisted assets held as part of our private market portfolios, on ESG issues we determine appropriate from time to time.

ESG impact

We seek compelling investment opportunities that address specific positive and measurable social and environmental outcomes when selecting investments. This is generally more relevant for our private market portfolios.

Our ESG impact strategy focuses on our ESG priorities. This includes investing in:

- companies that support the transition to a low carbon economy, and
- small and medium-sized businesses at the forefront of innovation and emerging technologies, and supporting employment generation in our local and regional communities.

These investments must still present a compelling reward for risk and satisfy our strict due diligence processes.

Our ESG targets

We have set three ESG targets as part of our ESG strategy.

Target 1: Allocate more than 15% of our total investment portfolio to impact investments by 2030.

We define impact investments as those that provide positive social and environmental outcomes while also generating compelling financial returns. To be classified as an impact investment, each opportunity must meet specific criteria set out by our Investment team, from time to time.

Target 2: Reduce our total investment portfolio's attributable carbon footprint by 2030.

We aim to reduce our total investment portfolio's attributable carbon footprint by 50% by 2030, compared to a baseline as at 30 June 2022. This means a:

a. 50% reduction in our attributable CO_2 emissions and

b. 50% reduction in our attributable fossil fuel reserves.

Target 3: Invest $1.5 billion or more in Australian small and medium-sized businesses by 2030.

For investment purposes, we define small and medium-sized businesses as having an enterprise valued at less than A$700 million.

Strong emphasis will be given to originating opportunities in regional Australia and/or that support the creation of new jobs, training and employment opportunities for vulnerable people.

While we aim to achieve positive ESG impacts using measurable ESG targets within certain time frames, this isn't guaranteed.

Risks and opportunities in climate change

We believe climate change is real and that we have a responsibility to allocate capital and resources toward the transition to a low carbon economy. For more details on our approach to managing risks associated with climate change, see our *Climate change position statement* at **spiritsuper.com.au/investments/ESG**.

We offer a Sustainable investment option

Our Sustainable investment option puts additional emphasis on environmental, social and governance considerations (to the approaches that generally apply to all our investment options) when making investment decisions and setting target asset allocations. This is achieved by measures such as investing in investment managers that we consider strongly integrate ESG into their security selection and investment processes, and managers that are expected to deliver lower carbon emissions exposure than their relevant benchmark (these generally relate to the option's Australian and global shares asset classes).

The Sustainable option also excludes directly held, unlisted assets in the infrastructure asset class that are primarily involved in the production, combustion or transmission of fossil fuels.

More details about our ESG focus for this option is available in *Our Sustainable investment option* fact sheet at **spiritsuper.com.au/forms/factsheets**.

Investment risks

All investments, including super, carry some risk. To make an informed choice about your super, you need to understand the risks involved.

Different investment options or strategies have different levels of risk, depending on the assets which make up the strategy. Assets with the highest level of investment returns over the long term will usually also have the highest risk of loss over the short term.

It's important to understand that:

- the value of your investments will vary, the level of returns will vary, and future returns may differ from past returns
- returns aren't guaranteed, and you may lose some of your money
- super laws may change in the future. Other laws may also change, for example tax and social security laws
- your super savings may not be enough to provide adequately for your retirement.

The level of risk for each person will vary depending on a range of factors including your age, your investment time frame, how your other assets are invested and how much risk you're comfortable taking on.

Investing too conservatively also has risks. The main risk is that your money will grow too slowly, and may not keep pace with inflation or your income needs in retirement.

As a Spirit Super member, you have access to our Superannuation Advisers who can help you understand investment risk and help you design an investment strategy that's right for you within Spirit Super.

All our investment options have differing degrees or exposure to a range of potential risks you should consider, including the following significant risks:

Market risk

Economic, technological, political and legal conditions and market sentiment, can (and do) change. Changes in the value of investment markets affect the value of investments in your pension.

All options include some level of market risk. Options with higher exposure to listed shares generally have a greater level of market risk then other options. We aim to reduce market risk through diversification across asset classes, countries and investment managers.

Liquidity risk[13]

There's a risk that assets, especially unlisted assets, may not be able to be sold in a relatively short period without affecting the price of the asset. All options, particularly our pre-mixed options, will typically have some exposure to illiquid assets. We actively monitor liquidity risk and have a policy for managing it.

[13]Our investment portfolio contains exposure to illiquid assets. However, we're generally able to satisfy portability requirements from cash reserves. For more details about our portfolio, visit **spiritsuper.com.au/investments** or call **1800 005 166**.

Counterparty risk

There's a risk that a party we've had an investment/s or contract/s with may fail to meet its legal or contractual obligations. It can occur if we use arrangements such as derivative contracts and brokerage agreements, as well as repurchase and foreign exchange contracts. We consider this risk when evaluating contracts.

Credit risk

There's a risk of loss arising from a borrower defaulting on debt and/or a decline in the perception of credit quality within the market. This can occur in investments including derivatives, fixed interest and mortgage securities. Credit risk is typically greater in options with higher allocations to fixed interest securities, including corporate bonds. We manage this risk by conducting due diligence on prospective investments and ongoing performance monitoring and reporting.

Currency risk

We invest in other countries, and if their currencies change in value relative to the Australian dollar, the value of the investment changes. Currency risk is relevant for all options that may invest in foreign currency denominated assets. External currency managers are employed with the objective of reducing the impact of adverse movements in the Australian dollar.

Derivatives risk

A derivative is a contract between two or more parties whose value is based on an agreed-upon underlying financial asset (like a security) or set of assets (like an index).

Derivatives are used to reduce risk or gain exposure to assets or asset classes. There are risks associated with derivatives, including potential illiquidity, its value failing to move in line with the value of the underlying assets, the trustee being unable to meet payment obligations and counterparty risk.

We aim to keep this risk to a minimum by monitoring our exposure to derivative contracts and entering into derivative contracts with reputable counterparties. We don't use derivatives to leverage investment exposure.

ESG-related risk

There's a risk that a company we invest in doesn't manage its ESG-related risks properly, or that external factors may cause ESG outcomes to be different to expected. This can lead to an asset underperforming expectations. To help address this risk, we seek to incorporate ESG considerations into our investment decision making. For more details about the ESG considerations and associated risks we have regard to, go to **spiritsuper.com.au/investments/ESG**.

Our service providers help us manage investments in accordance with our ESG principles and expectations. There's a risk that relevant service providers don't perform their required duties effectively or for underlying investments to diverge from our expectations. If such a risk was to materialise, adherence to our principles may be compromised and this may mean a fund asset must be sold.

Fund risk

There's a risk that disruption to our operations may occur because of a breakdown in technological systems or material changes to staffing arrangements. We aim to keep fund risk to a minimum by maintaining a risk management and compliance framework in accordance with legislative requirements. Changes to super laws and/or taxation legislation can also affect your investment.

Inflation risk

If inflation is greater than the return on your investment, the 'real' value of your investment falls. We aim to reduce this risk by investing a portion of the pre-mixed options in assets that are expected to generate returns in excess of inflation in the medium term.

Interest rate risk

Changes in interest rates can have a positive or a negative effect directly or indirectly on investment value or returns. Interest rate risk tends to be higher for fixed interest securities and other so-called 'long duration' assets. We seek to manage interest rate risk through our asset allocation and portfolio construction, however, significant upward interest rate movements may still give rise to negative returns over the shorter-term across most investment options.

Asset-specific risk

Specific risk refers to the non-market risk exposure of assets. Individual assets can (and do) fall in value for many reasons such as changes in the internal operations or management of a fund or company, or its business environment. We aim to reduce this risk by holding a diversified portfolio of investments within each asset class. This aims to ensure the portfolio has an affordable level of risk.

Assessing investment risks

Our investment options have been assessed using the industry's standard risk measure to make it easier for you to choose the most suitable investment option/s for you. This measure allows you to compare the expected risk across investment options and is based on the number of negative annual returns that are expected over any 20-year period.

Standard risk measure

The standard risk measure disclosed for each of our investment options is calculated using the strategic asset allocation for that investment option current at the date of this guide. It represents our assessment of the standard risk measure for that option over a 20-year period. However, over shorter periods, the risk associated with an investment option may differ from the standard risk measure for that option. This can occur, for example, during transitional periods when changes are being made to the underlying assets of an option or when market movements mean that the day-to-day asset allocation of an investment option differs from the option's strategic asset allocation.

The standard risk measure isn't a complete assessment of all forms of investment risk. It doesn't detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. Further, it doesn't consider the impact of administration fees and costs and tax on the likelihood of a negative return.

You shouldn't rely exclusively on the standard risk measure. However, you should ensure you're comfortable with the risks and potential losses associated with your chosen investment option/s.

Risk band	Risk label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

We can help you understand investment risk and can provide personal advice on which options is right.

How your account balance is calculated

We use unit pricing to apply investment returns and calculate member account balances (depending on the investment option/s you're invested in).

How does it work?

Your investment with us is recorded as a number of units. Your account balance is determined as the number of units you hold in each investment option multiplied by the unit price of that option. When you invest in an investment option (eg open your pension account), you buy units. Each time you reduce your investment in an option (eg receive pension payments), you sell units.

You buy units when you:

- open your pension account
- invest or transfer money into an investment option.

You sell units when you:

- receive pension payments
- pay fees and costs that are deducted directly from your account
- withdraw or transfer money out of an investment option.

How is the unit price determined?

Unit prices are calculated by dividing the value of the assets in the option[14] by the number of units issued. As the value of these assets and liabilities can go up or down, the unit prices for the different investment options can also go up or down.

A new unit price will be set, typically each business day[15] for each investment option, reflecting the changing value of the underlying assets in the investment option/s and applicable fees and costs. Normally, unit prices will be determined for each business day and be posted to **spiritsuper.com.au/investments/investment-options**.

We may defer or delay the determination of unit prices whenever we consider this to be in the best interests of members.

For historical performance information and the latest unit prices, visit **spiritsuper.com.au/investments/investment-options**. Past performance isn't a reliable indicator of future performance.

[14]That's after allowing for fees and costs (including fees paid to investment managers) and taxes that are taken into account when determining unit prices. | [15]A business day is generally considered to be Monday through Friday and excludes weekends and national public holidays.

What happens to your investments when you pass away?

When we're advised you've passed away, we switch your account balance to the Cash investment option to protect your money against potential negative returns while we're assessing payment of your benefit. If you've nominated a reversionary beneficiary we won't switch your account to Cash, it will remain in the investment options applicable to your account when you passed away.

For more details, see our *Making a death claim* fact sheet available at **spiritsuper.com.au/forms/factsheets**.

4. FEES AND COSTS

Did you know?

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

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

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

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.[16]

To find out more

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

[16]Spirit Super fees aren't negotiable.

This document shows fees and other costs you may be charged. These fees and other costs may be deducted from your account, from the returns on your investment or from the assets of Spirit Super as a whole.

Other fees, such as activity fees and personal advice fees may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees can't be charged.

Taxes and other costs relating to super are set out in another part of this guide.

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

Fees and costs summary

Spirit Super's Term Allocated Pension account

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs[17]		
Administration fees and costs[18]	$67.60 each year **plus** 0.10% of your account balance each year (the percentage fee is capped at $450 each year)	Calculated daily and deducted at the end of each month from your account, or when your account is closed.
	plus estimated[19] 0.127% of net assets each year.	If required, this additional amount is deducted from fund assets held in general reserves to meet administration expenses that exceed the administration fees and costs deducted from member accounts in a year. This isn't deducted from your account.
Investment fees and costs[18,20]	**Estimated[21] (% of assets each year)** Growth – 0.56% Sustainable – 0.35% Balanced – 0.45% Moderate – 0.40% Conservative – 0.37% Australian shares – 0.45% International shares – 0.40% Diversified fixed interest – 0.19% Cash – 0.08%	Deducted from investment returns before they're allocated to your account through the daily determination of unit prices.
Transaction costs[18]	**Estimated[21] (% of assets each year)** Growth – 0.08% Sustainable – 0.09% Balanced – 0.07% Moderate – 0.06% Conservative – 0.05% Australian shares – 0.08% International shares – 0.05% Diversified fixed interest – 0.02% Cash – 0.00%	Deducted from investment returns before they're allocated to your account through the daily determination of unit prices.
Member activity related fees and costs		
Buy-sell spread	0%	Not applicable.
Switching fee	$0	Not applicable.
Other fees and costs[18]	Other fees and costs, such as activity fees and personal advice fees may be charged, but these will depend on the nature of the activity or advice.	Activity fees are deducted from your account, when applicable. Personal advice fees are deducted from your account when you consent to the deduction and other conditions are met.

[17]If your account balance for a product offered by us is less than $6,000 at 30 June each year or when you close your Spirit Super account, certain fees and costs charged to you in relation to administration and investments are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded. If you hold more than one account, we'll assess these separately. | [18]See *Additional explanation of fees and costs* starting on page 24 for more information. | [19]Based on information available to us at the date of preparation of this guide about Spirit Super's experience for the financial year ending 30 June 2024. The percentage will vary from year to year. | [20]Investment fees and costs include an estimated amount of 0.00% – 0.17% for performance-related fees, depending on the investment option. The calculation basis for these amounts of performance fees is set out under the *Additional explanation of fees and costs* on page 24. | [21]Based on Spirit Super's experience for the financial year ending 30 June 2024. The percentage will vary from year to year.

Example of annual fees and costs

This table gives an example of how the ongoing fees and costs in the Balanced investment option for this product can affect your pension investment over a one-year period. You should use this table to compare this product with other pension products.

Example – Balanced investment option		Balance of $50,000
Administration fees and costs	$67.60 plus 0.10% of your account balance plus 0.127% deducted from reserves.	For every $50,000 you have in the pension product, you'll be charged or have deducted from your investment **$113.50**[22] in administration fees and costs, plus **$67.60**, regardless of your balance.
PLUS investment fees and costs	0.45%	**And**, you'll be charged or have deducted from your investment **$225.00** in investment fees and costs.
PLUS transaction costs	0.07%	**And**, you'll be charged or have deducted from your investment **$35.00** in transaction costs.
EQUALS cost of product	**$441.10**	If your balance was $50,000 at the beginning of the year, then for that year you'll be charged fees and costs of **$441.10**[23] for the pension product.

[22]This amount includes an estimated $63.50 deducted from reserves and not from your account. | [23]Additional fees may apply.

Cost of product for one year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your term allocated pension investment over a 1-year period for all pension products and investment options in Spirit Super. It's calculated in the manner shown in the *Example of annual fees and costs* above.

The cost of product information assumes a balance of $50,000 at the beginning of the year. Additional fees such as buy-sell spread may apply. Read the *Fees and costs summary* on page 23 for the relevant investment option.

You should use this figure to help compare super products and investment options.

Investment option	Cost of product[24]
Growth	$501.10
Sustainable	$401.10
Balanced	$441.10
Moderate	$411.10
Conservative	$391.10
Australian shares	$446.10
International shares	$406.10
Diversified fixed interest	$286.10
Cash	$221.10

[24]Additional fees and costs may apply. The cost of product shown above includes an estimated $63.50 deducted from reserves (not from your account). See the *Additional explanation of fees and costs* opposite for more information.

Additional explanation of fees and costs

How fees and costs are charged to your account

The cost to manage Spirit Super's investments and transaction costs are paid from investment earnings before they're allocated to your account through unit pricing. Fees and costs relating to the administration of the fund are deducted directly from your account and, may be deducted from reserves if the administration fees and costs deducted from member accounts aren't sufficient to meet administration expenses in a financial year.

Fees and costs deducted directly from your account are shown in the transaction listing in your *Member statement*, or you can check your transactions in **Member Online**. Any administration fees and costs deducted from reserves are shown in the *Fees and costs summary* of your *Member statement*, or if you leave the fund, your *Final statement*.

Administration fees and costs

We charge administration fees and costs of $67.60 plus 0.10% of your account balance each year, which is deducted directly from your account. The percentage fee deducted from your account is capped at $450 each year.

An additional percentage cost may apply, which is deducted from the fund's reserves, where necessary, to meet administration expenses that are additional to the administration fees and costs deducted directly from member accounts. The additional percentage cost is estimated to be 0.127% of net assets, based on information available to us at the date of preparation of this guide about Spirit Super's experience for the financial year ending 30 June 2024. The actual excess costs (if any) deducted from reserves for the year ending 30 June 2024 won't be known until September 2024 and will be published on our website when available, if not materially adverse. The additional percentage fee (if charged) varies from year to year. Past deductions from reserves for additional (excess) administration expenses aren't a reliable indicator of future deductions from reserves for excess administration expenses.

Our administration fees and costs cover the day-to-day management of member accounts and operation of the fund. This includes items such as compliance costs, licence fees, office rent, audits, provision of member statements and processing transactions. It also includes remuneration paid from the fund's assets to the Trustee.

The cost of providing access to general information, education and personal (intra-fund) advice on your Spirit Super account is included in the administration fees and costs we charge. For further details, see *Advice fees* on page 26.

Investment fees and costs

The total investment fees and costs for each of our investment options is made up of:

- base investment fees and costs and
- performance-related fees.

The estimated base investment fees and costs and performance-related fees are set out in the table below. The base estimated fees and costs reflect Spirit Super's experience for the year ending 30 June 2024. The performance-related fees are calculated based on averages over a longer period up to 30 June 2024 (see below). These investment fees and costs can change from year to year.

Investment option	Estimated base investment fees and costs (% of assets each year)	Estimated performance-related fees (% of assets each year)	Total estimated investment fees and costs (% of assets each year)
Growth	0.45	0.11	0.56
Sustainable	0.31	0.04	0.35
Balanced	0.36	0.09	0.45
Moderate	0.35	0.05	0.40
Conservative	0.30	0.07	0.37
Australian shares	0.28	0.17	0.45
International shares	0.36	0.04	0.40
Diversified fixed interest	0.19	0.00	0.19
Cash	0.08	0.00	0.08

Base investment costs

These are the estimated base fees and costs of managing our investments. These costs include:

- amounts paid to investment managers (whether directly or indirectly) excluding performance-related fees and other fund operating costs
- custody costs
- investment consulting expenses
- investment staff costs and
- other miscellaneous investment-related costs such as legal, accounting, tax and other administrative costs incurred in managing investments.

Performance-related fees

We pay performance-related fees to some investment managers when the relevant manager produces investment returns that exceed agreed targets over a specified period (usually yearly). In the financial year ending 30 June 2024, performance fees ranged from 0.00% - 0.17% of assets, depending on the investment option.

Any estimated performance-related fees are included in the estimated investment fees and shown in the *Fees and costs summary* on page 23 have been calculated based on accrued performance-related fees **averaged** over the previous five financial years (2019-20 to 2023-24), except for Moderate, Sustainable and the Diversified fixed interest options where the performance-related fees are based on accrued performance-related fees from 1 April 2021, being the date these options commenced in the fund.

Performance-related fees will vary from year to year depending on the returns that investment managers achieve and the extent to which investments that are subject to performance-related fees form part of a particular investment strategy.

Past performance-related fees for an individual year, or averaged over a number of years, aren't a reliable indicator of future performance-related fees. If future performance-related fees are payable in relation to the performance of an investment option over a financial year, the amount payable will be taken into account when determining the investment option's unit price and will be in addition to the base investment fees and costs for that year. Performance-related fees don't affect the administration fees and costs you pay.

Transaction costs

Each investment option incurs transaction costs (directly or indirectly). These typically include items such as:

- brokerage
- buy-sell spreads charged by underlying fund managers
- settlement and clearing costs and
- selling costs or stamp duty on asset transactions including the sale or purchase of property, infrastructure investments and/or private equity investments.

The transaction costs shown for each investment option in the *Fees and costs summary* on page 23 are an additional cost to investors which is recovered by the trustee by being taken into account in the determination of daily unit prices.

Transaction costs are estimated based on Spirit Super's experience for the year ending 30 June 2024 and can vary from year to year particularly with the sale or purchase of large property, infrastructure and/or private equity investments, or with the transition of assets between asset managers.

Past transaction costs aren't a reliable indicator of future transaction costs.

Advice fees

We provide access to general information, education, and personal (intra-fund) advice on your Spirit Super account at no extra cost. Go to **spiritsuper.com.au/get-advice** for more details.

If you receive personal financial advice from a registered financial adviser, you may be charged a fee (which may be negotiable with your chosen adviser). This may be paid from your Spirit Super account if you consent and the advice relates to your Spirit Super account. Any fees would be

> **Additional fees may be paid to a financial adviser if a financial adviser is consulted.**

outlined in a *Statement of advice*. Other conditions apply. For more details see our *Paying advice fees from your Spirit Super account* fact sheet at **spiritsuper.com.au/forms**.

Trustee fee

The Trustee can charge a trustee fee of up to 0.105% of the value of Spirit Super's net assets as at the end of the previous financial year, for its role in acting as trustee of Spirit Super. For the financial year from 1 July 2024, any trustee fee will be taken from the fund's general reserve and there'll be no additional fee charged directly to your account or through unit prices because of the trustee fee.

The trustee fees that we receive will be held in a Trustee capital reserve which can only be used to pay penalties (including penalties that can't be paid out of Spirit Super's assets) and other trustee costs, such as director fees and insurance.

The trustee fee is capped. When the Trustee's capital reserve reaches 0.30% of the value of net assets of the fund, or another maximum amount set by law or a regulator, the trustee fee will no longer be charged. This allows the Trustee to accumulate sufficient funds outside the fund to protect against financial risks, while ensuring members are protected by limiting the Trustee's access to Spirit Super's assets.

The annual trustee fee limit and the trustee capital cap will be reviewed every three years to ensure these amounts remain fair and reasonable.

If we change how the trustee fee is charged in the future, we'll let you know beforehand.

Information about the fund's reserves, the Trustee company's capital reserve and trustee fee maybe provided in our *Annual Reports* for each financial year, available at **spiritsuper.com.au**.

Tax

Fees and costs shown in this guide are inclusive of GST (net of reduced input tax credits) and stamp duty, if applicable.

For details about the taxation of term allocation pensions, read *Tax and your pension* on page 29.

The benefit of any tax deductions received by us in relation to fees, costs or expenses aren't passed on to members in the form of reduced fees and costs. Tax deduction benefits that aren't passed on to member's accounts are credited to our general reserve.

Why are the fees and costs all different?

Each of our investment options have a different investment strategy and varying levels of risk and expected return. Investment fees and costs and transaction costs will vary between each option (and from year to year), reflecting the blend of investment managers used, the asset allocation structure and any performance-related fees paid.

Changes to fees and costs

We have the right to change the fee amounts without your consent. You'll be given at least 30 days' notice before any increase in fees and charges, except increases in estimated investment fees and costs and estimated transaction costs. Estimated fees and costs may vary from year to year depending on the expenses or costs incurred by the fund. Updated information about fees and costs may be published on our website at **spiritsuper.com.au/retirement/fees-and-costs**.

Defined fees

Fee definition (the definitions are prescribed by law)	Information about Spirit Super's fees and costs
Activity fees A fee is an **activity fee** if: **a.** the fee relates to costs incurred by the trustee of a superannuation entity 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 administration fees and costs, investment fees and costs, transaction costs, a buy sell spread, a switching fee, an advice fee or an insurance fee.	We don't charge activity fees.
Administration fees and costs **Administration fees and costs** are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that: **a.** relate to the administration or operation of the entity and **b.** are not otherwise charged as investment fees and costs, a buy sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.	Administration fees and costs are deducted directly from your account. Some administration fees and costs may also be deducted from reserves. See *Additional explanation of fees and costs* on page 24 for more details.
Advice fees A fee is an **advice fee** if: **a.** the fee relates directly to costs incurred by the trustee of a superannuation entity because of the provision of financial product advice to a member by: **i.** a trustee of the entity or **ii.** another person acting as an employee of, or under an arrangement with, a trustee and **b.** those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.	We don't currently charge advice fees.
Buy-sell spreads A **buy-sell spread** is a fee to recover costs incurred by the trustee of a superannuation entity in relation to the sale and purchase of assets of the entity.	We don't charge buy-sell spreads. However, transaction costs apply. See page 26.
Exit fee An **exit fee** is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.	We don't charge exit fees. Exit fees are prohibited.

Fee definition (the definitions are prescribed by law)	Information about Spirit Super's fees and costs
Investment fees and costs **Investment fees and costs** are fees and costs that relate to the investment of the assets of a superannuation entity and include: **a.** fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees) and **b.** costs incurred by the trustee of the entity that: **i.** relate to the investment of assets of the entity and **ii.** are not otherwise charged as administration fees and costs, a buy sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.	Investment fees and costs are deducted from investment returns before they're credited to your account. See page 25 for more details.
Switching fees A **switching fee** for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one investment option or product in the entity to another.	There's no fee for switching investment options.
Transaction costs **Transaction costs** are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.	Transaction costs are deducted from investment returns of each investment option before they're allocated to your account through unit prices. See page 26 for more details.

5. TAX AND YOUR PENSION

Different tax rules apply depending on your age and the type of pension you have. Tax rules relating to super described below are based on laws as at 1 July 2024 and are subject to change. Limits or thresholds may be updated from year to year. Updated information is available from the ATO's website.

This is a summary only that doesn't take into account your individual circumstances.

For more detailed information on how this affects your individual situation, please seek the advice of a qualified professional.

Providing your tax file number (TFN)

When you invest with us, we'll ask you for your TFN. By providing us with your TFN, you may avoid paying more tax on your pension payments and withdrawals. When we have your TFN it's easier for you to keep track of your super over time.

We're required to properly safeguard your TFN, and are only authorised to collect, use or disclose it for approved super and tax purposes, including:

- matching contributions and rollovers to your account
- advising the ATO for tax purposes
- advising the ATO of your benefits should you become lost to the fund
- making it easier to find super accounts in your name
- consolidating super accounts within and across funds[25]
- helping the ATO determine whether you're eligible for government entitlements
- taxing super payments at concessional rates.

[25]We'll provide your TFN to the trustee of another super fund if your benefits are transferring to that fund unless you tell us in writing not to.

These approved purposes may change in the future. For more details about providing your TFN, call us on **1800 005 166**, contact the ATO on **13 10 20** or visit **ato.gov.au**.

Transfer balance cap

The transfer balance cap is a limit on how much super can be transferred into retirement phase income products (across all funds you participate in) like pensions or term allocated pensions.

The transfer balance cap is $1.9 million for 2024-25. It's indexed annually in line with the CPI, rounded down to the nearest $100,000. If you started a retirement phase income pension before 1 July 2023 your personal transfer balance cap may be between $1.6 million and $1.9 million.

This limit applies to the combined total of all tax-free retirement phase income products you hold, with both Spirit Super and other super funds. Transition Pensions don't count towards the cap, and investment earnings or losses incurred once in your retirement phase income products don't impact your cap assessment as these aren't transfers in.

Your personal transfer balance account is a record of all of the events that count towards your transfer balance cap. This is managed by the ATO. If you need to know about the status of your personal transfer balance account, you must speak with the ATO directly.

The transfer balance cap rules apply differently to capped defined benefit income streams (including your Term Allocated Pension) as you generally can't transfer out any excess transfer balance from these income streams.

If you exceed your transfer balance cap due to a combination of capped defined benefit income streams (including your Term Allocated Pension) and account-based income streams, then:

- tax consequences may apply to the pension payments from your Term Allocated Pension and
- you may be required to remove all or part of your account-based pension from the retirement phase and be liable for excess transfer balance tax on income generated while your balance was over the transfer balance cap.

Excess transfer balance tax is generally calculated on the earnings on your excess transfer balance for the period when you start to have an excess transfer balance to when your transfer balance account is no longer in excess.

The tax rate is 15% the first time you have an excess transfer balance and increases to 30% if you have an excess transfer balance again. The ATO will send you an excess transfer balance tax assessment if this tax applies to you.

The rules relating to the transfer balance cap are complex. We recommend that you keep track of transfers into your retirement income stream accounts and seek professional advice from your tax adviser about your individual tax situation if you have significant super savings.

Tax on investment earnings

There's no tax on investment earnings in your Term Allocated Pension account.

Tax on pension payments

60 or over?

Your pension payments are generally tax-free and don't need to be declared as assessable income when you lodge a tax return.

Tax may be payable if the total of payments received from your Term Allocated Pension and any other capped defined benefit income streams are greater than the defined benefit income cap ($118,750 for the 2024-25 financial year), and you're either:

- 60 or over or
- you're a death benefit dependant, and the deceased passed away when they were 60 years or older.

In these cases, you may be subject to tax, on the portion above the cap, at your marginal rate on 50% of your pension payments above the defined benefit income cap. We'll send you a PAYG *Payment Summary* each year even though no withholding will apply to your Term Allocated Pension.

Under age 60?

If you're under age 60, you may need to pay tax when your pension is paid.

The amount of tax depends on your age and the tax components of your account. See *Your tax components* on this page for more details.

Your age	Tax on the tax-free component	Tax on the taxable component[26]
Under 60	Nil	Your marginal tax rate[27]
60 and over	Nil	Nil

[26]This table shows the tax rates applied on pension payments with a taxed element. If your taxable component includes an untaxed element, additional tax may be applied to that element. | [27]Plus the Medicare levy.

We'll deduct any pay as you go (PAYG) tax (if applicable) from your pension payments and pay it to the ATO. The tax deducted from your payments is based on a number of factors, such as the tax-free component of your account, whether you'll claim the tax-free threshold and if you're eligible for the 10-15% tax offset.

Tax offset

You may be entitled to a 10-15% tax offset (subject to super offset cap) on the taxed, or taxable untaxed, element portion of your pension payments if:

- the pension became payable to you because of the death of another person, such as a death benefit paid as a pension or
- the pension became payable because of the permanent disablement of yourself or another person, such as a disability super benefit under tax law.

Your tax components

Super accounts are made up of a tax-free component and a taxable component. When you access super, the amount withdrawn is paid proportionately from both components (you can't choose which component your pension payment is paid from).

You can check your tax components for your balance in **Member Online** or by contacting us. These amounts are also shown in your annual *Member statement*.

The tax-free amount will generally be paid out to you or your beneficiaries without tax being applied or withheld.

The taxable component may have tax applied or withheld depending on your age and how the payment is made. Tax may also be applied or withheld if paid to certain beneficiaries.

If your benefit includes an untaxed element (such as insurance proceeds), a higher tax rate may apply.

Tax on death benefits

The tax payable on your death benefit will vary depending on whether you nominated a reversionary beneficiary or your beneficiaries are death benefit dependants for tax purposes.

If you have a reversionary beneficiary and you or your reversionary beneficiary are age 60 or older when you pass away, pension payments to your reversionary beneficiary may be subject to tax where the beneficiary has exceeded the defined benefit income cap ($118,750 for 2024-25) in respect of income from defined benefit income streams. In addition, a credit to your reversionary beneficiary's transfer balance account may arise unless they choose not to receive your Term Allocated Pension. If you nominated your spouse as your reversionary beneficiary and based the term of your Term Allocated Pension on your spouse's life expectancy, your spouse can't withdraw your pension as a lump sum when you pass away. Instead, your spouse will continue to receive pension payments until the expiry of the term you originally nominated.

If you don't have a reversionary beneficiary, your benefit will be paid as a lump sum. If your benefit passes to your dependant (who is defined as a dependant for tax purposes), the benefit will be received by the beneficiary tax-free. If the benefit passes to a non-dependant, the beneficiary will pay tax on the taxable component of the lump-sum death benefit they receive.

Dependants (for tax purposes)

No tax is payable on lump-sum death benefits paid to a person classed as a dependant for tax purposes, such as:

- your current or former spouse (including de facto partner)
- your child under age 18
- any person who's financially dependent on you at the time of your death or
- any person in an interdependency relationship with you.

Children aged 18 years or more must be financially dependent on your at the time of your death to be considered a dependant for tax purposes. Adult children who aren't financially dependent on your can still receive your super death benefits. However, they'll be assessed as non-dependants for tax purposes.

Death benefit paid to a dependant as a lump-sum payment

Age of deceased	Age of recipient	Tax treatment of taxable component
Any age	Any age	0%

Death benefit paid to a dependant as Term Allocated Pension payments

Age of deceased	Age of recipient	Tax treatment of taxable component
60 and above	Any age	Generally 0%[28].
Under 60	60 and above	Generally 0%[28].
Under 60	Under 60	Marginal tax rate[29] less 15% tax offset.

[28]If your annual pension payments exceed the defined benefit income cap ($118,750 for 2024-25), 50% of your pension payments will be taxed at your marginal tax rate plus the Medicare levy. | [29]Including the Medicare levy.

Pensions can continue to be paid as an income stream to a dependent child, although when the child turns 25 years of age, the remaining account balance will have to be paid as a tax-free lump sum unless the child is permanently disabled.

Non-dependants

If someone isn't a dependant for tax purposes, they're a non-dependant. The amount of tax paid by non-dependants will depend on the taxable and tax-free components of the account. The taxable component of a death benefit payment to a non-dependant may be subject to tax as follows:

Lump-sum payments

Age of deceased	Age of recipient	Tax treatment of taxable component[30]
Any age	Any age	**Taxed element** - taxed at the recipient's marginal tax rate or 17%, whichever is lower. **Untaxed element** – taxed at the recipient's marginal tax rate or 32%, whichever is lower.

[30]Tax rates shown Include the Medicare levy.

Death benefits can't be paid to a non-dependant as a pension, these may only be paid as a lump sum.

Higher tax rates may apply to your payments if your TFN or the recipient's TFN haven't been provided to us.

6. NOMINATING BENEFICIARIES

A beneficiary is the person or persons you nominate to receive all or part of your account when you pass away. This payment is called your 'death benefit'.

Two options are available when deciding what happens when you pass away:

Option 1 Reversionary beneficiary nomination - your pension payments will continue to be paid to your nominated reversionary beneficiary when you pass away. You could only select this option when you started your Term Allocated Pension and you can't change your nomination.

Option 2 Lump sum beneficiary nomination – if you didn't nominate a reversionary beneficiary when your Term Allocated Pension account started, you may like to nominate a beneficiary or beneficiaries to receive the balance of your pension account as a lump sum when you die. This nomination could either be binding or non-binding on the trustee.

If you don't make a nomination

If you pass away without making a nomination, or your nomination isn't valid or effective when you pass away, we'll decide how to pay your benefit. Usually your benefit can only be paid to your dependant or dependants and/or legal personal representative.

Reversionary beneficiary nomination

If you nominated a reversionary beneficiary when you commenced your Term Allocated Pension, this person will automatically continue to receive your pension payments when you pass away if they're still a valid beneficiary.

A valid reversionary beneficiary is one of the following:

- your spouse
- your child who is under 18
- your child who is between 18 and 25 and financially dependent on you
- your disabled child (see section 8(1) of the *Disability Services Act*)
- any person you have an interdependency relationship with or
- anyone financially dependent on you.

Tax may apply to the payments, and the value of the pension may be added to your reversionary beneficiaries transfer balance account. See *Tax on death benefits* on page 30 for more details on tax.

If you nominated your spouse as your reversionary beneficiary, you may have based the term of your Term Allocated Pension on your spouse's life expectancy. If this is the case, your spouse can't withdraw your pension as a lump sum when you pass away. Instead, your spouse will continue to receive pension payments until the expiry of the term you originally nominated.

You can make a non-binding nomination for other beneficiaries to receive your remaining account balance if your reversionary beneficiary dies (see *Lump-sum beneficiary nominations* on this page for more details).

If your nominated beneficiary is no longer a valid reversionary beneficiary when you pass away, we'll pay your remaining account balance to your dependant/s and/or legal personal representative. This means we may use our discretion when determining who to pay your benefit to and in what proportions.

When deciding, we'll take into consideration any other nomination and any other legal requirements and governing rules.

Lump-sum beneficiary nominations

If you haven't nominated a reversionary beneficiary, you may like to nominate a beneficiary or beneficiaries to receive the balance of your pension account as a lump sum when you die.

Who can you nominate?

You can nominate your legal personal representative and/or your dependants.

Your legal personal representative is either:

- your estate's executor (if you have a Will)
- your estate's court-appointed administrator (if you don't have a Will).

If you nominate your legal personal representative to receive some or all of your death benefit, the benefit will form part of your estate and will be distributed according to your Will. If you don't have a Will, the laws on dying without a Will apply.

For super purposes, your dependants include:

- your spouse (including de facto partner)
- your children of any age (including natural, step and adopted children)
- a person you have an interdependent relationship with
- any other person who, when you passed away, was wholly or partly dependent on you.

You may have an interdependent relationship if all of these apply:

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

This may include a parent or sibling. You may also have an interdependent relationship if you have a close personal relationship but don't live together because either or both of you suffer from a physical, intellectual or psychiatric disability.

We can only pay your benefit to people who are alive and are your dependant/s or legal personal representative when you pass away.

How to make a lump-sum beneficiary nomination

There are two types of nominations you can make:

- non-binding and
- binding.

Which nomination you make will depend on your specific circumstances.

Non-binding and binding nominations can be made for all Spirit Super accounts you hold, including both accumulation and pension accounts. You can choose for a nomination to only apply to one account or all accounts you hold.

Non-binding nomination

With non-binding nominations, you nominate who you'd prefer to get your death benefit when you pass away.

Non-binding nominations aren't legally binding. While your wishes are considered, it's ultimately up to the trustee to decide who gets your death benefit and how much. This decision is made in line with all relevant super laws.

Non-binding nominations never expire and can be made, updated, or changed at any time:

- through **Member Online**
- by calling us on **1800 005 166** or
- by completing the *Choose your non-binding beneficiaries* form available at **spiritsuper.com.au/forms**.

Binding nomination

With binding nominations, the trustee is legally obliged to pay your death benefit to your nominated beneficiaries in the proportions you've chosen, as long as the nomination is valid and effective when you pass away (see below). This gives you more control over who gets your super and can be helpful when your circumstances are more complex. This includes if you've been married multiple times or have kids from previous relationships.

Binding nominations are valid for three years, unless cancelled earlier.

To make or change a binding nomination, fill out the *Make a binding death benefit nomination* form.

For your nomination to be valid, you must ensure:

- the form doesn't contain any amendments or corrections
- your form is signed and dated on the same day you sign by two witnesses who are over the age of 18 and who aren't nominated on the form.

The form must also be received and acknowledged by Spirit Super before you pass away for it to be valid.

For your nomination to effective, your nominated legal personal representative and/or dependant/s must be your representative and/or dependant/s when you pass away. If your binding nomination is identified as being invalid when you pass away, or isn't effective when you pass away, the trustee will decide who to pay your benefit to as though you had a non-binding nomination.

In some circumstances, for example a court order, the trustee may not be able to pay a benefit in accordance with an otherwise valid and effective binding nomination.

It's important to review your nomination whenever your circumstances change.

Changes to your spouse relationship may impact the validity of your binding nomination. For example:

- If you're no longer in a relationship with your nominated spouse at the time you pass away, they may not be eligible to receive your death benefits.
- Starting a new relationship with a spouse who you haven't nominated as a beneficiary may result in your nomination being invalid.

Renewing your binding nomination

If your beneficiaries haven't changed, you can renew your binding death benefit nomination before it expires in **Member Online** or by completing the *Renew your binding death benefit nomination* form. We'll contact you to let you know when you can do this.

Change or cancel your binding nomination

You can change your nomination at any time by completing another *Make a binding death benefit nomination* form.

You can cancel your nomination at any time by completing the *Cancel a binding death benefit nomination* form.

Investment change if you pass away

If you haven't nominated a reversionary beneficiary when you pass away, your account balance will be automatically invested in the Cash option until your beneficiaries are identified.

The aim is to protect your benefit from market fluctuations while we determine the beneficiaries of your benefit.

7. OTHER IMPORTANT INFORMATION

Social security benefits

Centrelink applies two tests when it assesses if you're eligible to receive the Age Pension: an assets test and an income test.

Your Term Allocated Pension may affect both the assets and income test. We recommend that you seek professional financial advice before making any changes to your Term Allocated Pension.

We've only provided a brief summary of social security laws in this section. For more details, contact Centrelink.

Making information available electronically

We may make certain information available to you electronically rather than sending it by post. If we have an email address for you, we'll either email you the information or send you an email notification that the information is available on our website or **Member Online**. We may also make this information available or send you a notification by SMS or through our app. The information we'll make available may include *significant event notifications*, your member statements, exit statements and other confirmations. If you don't want to receive this type of information electronically, it's easy to opt out or change your preference for future communications through **Member Online** or by calling us on **1800 005 166**.

Unclaimed money

If you're age 65 or over and/or we've been unable to contact you or pay your pension payments for a period of five years, your account balance will be considered to be lost or unclaimed money and may be sent to the ATO. We may also transfer your funds to the ATO if we believe this is in your best interests.

You can approach the ATO to claim any such money directly. There are other circumstances in which a pension account balance may be sent to the ATO. We must abide by laws relating to the payment of lost, unclaimed and other monies to the ATO.

Super and family law

Under family law, your account may be split between you and your ex-spouse. When this happens, the trustee must provide certain details about your account to your former spouse. Sometimes, this may be done without notification or consent. Individuals involved in family law proceedings may also request information about their former spouse through the Family courts.

Super can be split through a super agreement between you and your ex-spouse or as the Family Court decides. Once a super split has been implemented, the share of your account payable to your ex-spouse will be transferred into a super account in their name. If your ex-spouse doesn't have a Spirit Super account, we'll set up a new one for them. Alternatively, they can choose to transfer this money to another super fund.

There are some situations where super benefits can't be split, such as when your account balance is less than $5,000.

Contact your legal adviser or financial adviser for details about how a family law split may affect your benefits.

For more details about family law, read our *Super and family law* fact sheet.

Providing proof of identity

We need to verify your identity when you:

- withdraw super from your account
- transfer super to another super fund
- apply to open a new pension account.

This is to make sure we're giving your hard-earned money to the right person.

We also collect your personal details and other identification information while you're a member of Spirit Super. This is to meet our obligations under Australian anti-money laundering and counter-terrorism financing laws.

You can choose for us to verify your ID using either electronic verification or paper-based verification.

If you're transferring your super to another fund, we can generally prove your identity using your TFN.

Read our *Guide to providing proof of ID* fact sheet for more details.

Privacy collection statement

We collect, hold and use your personal information primarily to manage your super. This includes calculating, managing and paying your benefits, as well as informing and educating you about your super. Without your personal information, we may not be able to deliver these services.

Generally, we collect personal information from you directly but, from time to time, we collect information about you from other sources (eg your employer or our insurer). Sometimes we collect information about you because we are required or authorised by law to do so. For example, Commonwealth anti-money laundering laws require us to collect certain information to verify your identity before we can pay you a benefit.

From time to time it might be necessary for us to disclose your personal information to external organisations which, typically include our professional advisers, our insurers, certain government bodies (eg the ATO), external mail houses and other super funds. Disclosure of a member's personal information to an entity located outside Australia will only occur where it's necessary for the purposes of administering your membership in accordance with our *Privacy policy*.

For important information about how we collect, hold and use your personal information and exercising your rights in relation that information (including accessing or correcting it, or making a complaint) you should consider our *Privacy policy* available at **spiritsuper.com.au/privacy-policy** or by contacting us.

Complaints

We hope that you'll never have a reason to complain. But if you do, you can refer to our *Complaints handing policy*.

This is available at **spiritsuper.com.au/complaints-policy**.

If you have any problems or complaints, contact the Spirit Super Complaints Officer at:

Email **complaints@spiritsuper.com.au**

Post GPO Box 1547, Hobart TAS 7001

Phone **1800 005 166**

You'll need to include all the relevant details in your communication. We'll make every effort to deal with your concerns as quickly as possible. The trustee aims to resolve all complaints within 45 days of receipt. In certain circumstances we can take longer.

You may also contact the Australian Financial Complaints Authority (AFCA) although AFCA won't normally deal with a complaint until is has been through our internal complaints handling process. AFCA is an independent body established by the Australian Government to assist members or their beneficiaries to resolve certain types of complaints with fund trustees.

To find out whether the AFCA can handle your complaint, contact them at:

Email **info@afca.org.au**

Post GPO Box 3, Melbourne VIC 3001

Phone **1800 931 678**

More information

1800 005 166
+61 3 7042 2723 (if overseas)
info@spiritsuper.com.au
spiritsuper.com.au

GPO Box 1547
Hobart TAS 7001

MGNME03 08/2024

Spirit Super