Defined benefits fund guide

23 August 2024

Spirit Super

An Industry SuperFund

CONTENTS

The defined benefits fund is comprised of three funds, the Quadrant Defined Benefits Fund, the Hobart City Council (HCC) Defined Benefits Fund and the Launceston City Council (LCC) Defined Benefits Fund. All funds are closed to new applications.

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 *Defined benefits fund guide* (guide) tells you about the features, benefits, risks and significant terms and conditions of the Spirit Super defined benefits funds. It has information for members who have a defined benefits account 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 'defined benefits account', we mean a defined benefits plans in the Spirit Super fund. If we say 'Spirit Super account', we mean an accumulation account in Spirit Super. | **Obtaining up-to-date information** – Information in this guide is current at the issue date but 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**. | **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.

1. ABOUT US

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 accounts with various options including insurance, and advice options when you need them, to help you feel confident and achieve your best possible retirement.

About the defined benefits funds

This guide is for members of the Quadrant Defined Benefits Fund, the HCC Defined Benefits Fund and the LCC Defined Benefits Fund, all being plans of the overall Spirit Super fund.

All defined benefit funds are closed to new applications.

2. HOW YOUR DEFINED BENEFIT WORKS

As a member of a defined benefits fund, your super benefits are worked out according to a formula based on a range of factors which may include:

- your age
- your salary
- the number of years you've been a member
- your contributions and earnings on those contributions.

Using a formula means that the amount of your benefit can be defined in advance – that's why it's called a defined benefit.

The fund is reviewed and benefits are updated annually effective 30 June. You'll receive a *Member statement* effective at 30 June each year.

You can log in to **Member Online** to get an updated estimate of your benefits, however this isn't available in July-August each year, while the annual review is being completed.

Your accounts

Your defined benefits account is divided into the following sub-accounts:

- **member regular** is for compulsory member contributions
- **member voluntary** is for voluntary personal contributions, transfers from other super funds and government contributions
- **award** includes any employer award contributions
- **liability** records any withdrawals such as surcharge tax assessments from the Australian Taxation Office (ATO), family law splits, insurance fees (if applicable) and fees.

The amounts in your sub-accounts include any tax paid and any earnings or losses.

Your sub-accounts are shown separately on your *Member statement*.

Your contributions

Employer contributions

Your employer contributes to the relevant defined benefits fund. The level of contributions will vary depending on the financial position of the fund. Periods of good investment returns may reduce the level of contributions your employer needs to make.

The amount your employer contributes is calculated by the appointed actuary. Employer contributions are set at a level to ensure there are enough funds in the investment pool to pay the benefits owing to all members of the fund. These prescribed employer contributions aren't credited to your individual account.

Award contributions

Your industrial award may require your employer to pay additional contributions, and your employer can contribute above the prescribed contribution rate. These contributions are paid into your **award** account.

Compulsory member contributions

You're also required to contribute towards your retirement savings as a member of the fund.

You can make these contributions either as a salary sacrifice before-tax (concessional) basis or after-tax (non-concessional) basis. The contribution rates for all defined benefits funds are:

Compulsory contribution option	Contribution rate
After-tax	6.00%
Before-tax[1]	7.06%

[1]These are deemed member contributions made using salary sacrifice. Contributions tax applies to before-tax contributions, so you need to contribute more to end up with the same net amount in your account. Your employer is responsible for organising this for you, so you should let them know if you want to change how you make these compulsory contributions.

These contributions are paid into your **member regular** account.

Voluntary member contributions

You can also contribute extra money to help grow your retirement savings. These contributions are paid into your **member voluntary** account.

There are different types of contributions that may be available to you. These are outlined in our *Super contributions* fact sheet at **spiritsuper.com.au/forms**.

You can't claim a tax deduction for member contributions made into defined benefits accounts. Contact us for more details.

Leave without pay

When you're on a period of leave without pay, you and your employer aren't required to make contributions to your account.

The period of leave without pay isn't included in the calculation of your **retirement benefit multiple**.

Contribution caps

There are limits to how much you can contribute to your super each financial year. These are known as contribution caps. There are two caps to be aware of: a before-tax (concessional) cap and an after-tax (non-concessional) cap.

If you go over these caps, you'll generally pay extra tax

Type of contribution	Contributions cap 2024-25	Treatment of excess contributions
Before-tax (concessional) such as: • employer contributions (notional taxed contributions) • salary sacrifice contributions • award contributions • personal contributions you've claimed a tax deduction for.	$30,000	Excess contributions will be taxed at your personal marginal tax rate[3], less a 15% offset. You can choose to withdraw up to 85% of excess contributions, which won't count towards your after-tax contribution limit.
After-tax (non-concessional) such as: • personal contributions • spouse contributions (for the recipient).	$120,000[2]	Excess contributions will be taxed at 47%[3] within the fund unless you choose to withdraw these funds and 85% of earnings. If withdrawn, the earnings will be taxed at your personal tax rate[3], less a 15% offset.

[2]You can't make any after-tax contributions in 2024-25 without incurring extra tax, or porentially impacting access to tax offsets, if your total super balance (across all funds you participate in) was $1.9 million or more at 30 June 2024. | [3]Tax rate includes the Medicare levy.

Contribution caps apply to the total of all your super accounts (across all super funds you participate in). If you have more than one account, you need to add up the contributions you've made across all accounts to see if you've stayed under the caps. You should check with your other funds, even if they've been transferred to Spirit Super since the contributions were made.

Notional taxed contributions[4]

As employer contributions aren't allocated to individual member accounts, we calculate a notional taxed contribution based on a formula set in legislation. This includes your employer contributions and compulsory before-tax salary sacrifice contributions. This amount is reported to the ATO and counts towards your before-tax (concessional) cap for the relevant financial year.

You may be able to carry forward unused before-tax contributions into future financial years or bring forward after-tax contributions. These are outlined in our *Super contributions* fact sheet at **spiritsuper.com.au/forms**.

[4]Notional tax contributions aren't calculated for Launceston City Council Category F members.

3. HOW YOUR BENEFITS ARE CALCULATED

All three defined benefits funds have similar benefit designs with minor differences. The benefits provided for each fund are explained in this section.

You'll be provided with a benefit on one of the following events:

- resignation or retrenchment
- retirement, including early retirement
- death and total and permanent disablement (TPD).

The benefit available to you will depend on your age and circumstances.

Quadrant Defined Benefits Fund

Withdrawal benefit

If you're under 55 years of age

Your withdrawal benefit is:

your member regular account
+
your member voluntary account
+
your award account
–
your liability account
+
The greater of:
an additional vested % of your member regular account
OR
your notional super guarantee amount

If you're 55 years of age or over

Your withdrawal benefit is the greater of:

your accrued retirement benefit multiple
x
your final average salary
+
your member voluntary account
+
your award account
–
your liability account

OR

your member regular account
+
your member voluntary account
+
your award account
–
your liability account
+
The greater of:
an additional vested % of your member regular account
OR
your notional super guarantee amount

Normal retirement age

The normal retirement age for the Quadrant Defined Benefits Fund is 65 years.

Early retirement age

The early retirement age for the Quadrant Defined Benefits Fund is 55 years.

Your account after age 65

Once you reach age 65 you can no longer remain a member of the Quadrant Defined Benefits Fund. Your retirement benefit amount will be transferred to an account in Spirit Super unless you provide alternative instructions. You and your employer can continue to make contributions to your new Spirit Super account.

Leave without pay

When you're on a period of leave without pay, you and your employer aren't required to make contributions to your account. The period of leave without pay isn't included in the calculation of your retirement benefit multiple.

Part-time employment

If you work part-time, contributions and benefits will be adjusted to reflect your part-time employment status.

Definitions

Accrued retirement benefit multiple is used to calculate your withdrawal benefit from age 55 up to age 65. It's based on the period of actual **eligible service** multiplied by the accrual rate of 15%. The period of actual **eligible service** is the date you joined the fund until the end of the last completed month before you exit the fund. Your **eligible service** date is adjusted for any part-time work and leave without pay during this time.

Your **accrued retirement benefit multiple** is shown on your *Member statement* if you're over age 55, or your benefit quote if requested. The multiple increases by 15% for every complete year and month after the statement date.

Example: If you worked full time and your accrued retirement benefit multiple was 2.150 at 30 June 2024 and you wanted to calculate what it would be at 31 December 2026:

1. Work out how many completed years and months are in the period:

   = 2 years and 6 months

   = 2.5 years.

2. Increase the 30 June 2024 multiple to reflect the extra completed service:

   = 2.150 + (2.5 years x 15%)

   = 2.525.

Eligible service is the completed years and months of membership in the fund. This includes periods of membership in the 1972 Scheme, 1982 Scheme and 1985 Scheme.

Final average salary is used to calculate your withdrawal benefits and is the average of your full-time equivalent salary at the date of retirement plus the two financial years preceding retirement.

Notional super guarantee is used to ensure that you receive at least the minimum super guarantee benefit upon leaving the fund.

Retirement benefit multiple is used to calculate your withdrawal benefit at your normal retirement date of age 65. It's calculated in the same manner as your **accrued retirement benefit multiple**, however the period used is from the date you joined the fund to your 65th birthday. Your actual **eligible service** period will still be adjusted for any part-time work or leave without pay during this time.

The retirement benefit multiple is also used to calculate your death and total and permanent disablement benefit. Read the *Death and total and permanent disablement (TPD) benefits* section on page 29 for more details.

Salary is used to calculate contributions and insurance benefits inside the fund. It's based on your gross wages or salary excluding bonuses, overtime or ex gratia payments. This information is provided by your employer annually on review or upon your withdrawal.

Vested % is the amount of employer contributions allocated to you when you leave the fund. It's calculated as being 5% of your member regular account for each completed year of membership after five years, up to a maximum of 25 years.

Example: if you were a member for 15 years, your vesting rate would be 50%:

15 years membership - 5 year waiting period = 10 years.
10 x 5% = 50%.

HCC Defined Benefits Fund

Withdrawal benefit

If you're under 55[5] years of age

Your withdrawal benefit is:

your member regular account

+

your member voluntary account

+

your award account

-

your liability account

+

The greater of:

an additional vested % of your member regular account

+

service related vesting (only applies to members with more than 15 years continuous service)

OR

your notional super guarantee amount

If you're 55[5] years of age or over

Your withdrawal benefit is the greater of:

your accrued retirement benefit multiple

x

your final average salary

+

your member voluntary account

+

your award account

-

your liability account

OR

your member regular account

+

your member voluntary account

+

your award account

-

your liability account

+

the greater of:

an additional vested % of your member regular account

+

service related vesting (only applies to members with more than 15 years continuous service)

OR

your notional super guarantee amount

[5]This will be age 50 if you're a female who joined the Fund prior to 1 September 1991.

Normal retirement age

The normal retirement age for the HCC Defined Benefits Fund is 62 years.

Early retirement age

The early retirement age for the HCC Defined Benefits Fund is 55 years. If you're a female who joined the fund prior to 1 September 1991, your early retirement age is 50.

Your account after age 62

Once you reach age 62 you can no longer remain a member of the HCC Defined Benefits Fund. Your retirement benefit amount will be transferred to an account in Spirit Super unless you provide alternative instructions. You and your employer can continue to make contributions to your new Spirit Super account.

Leave without pay

When you're on a period of leave without pay, you and your employer aren't required to make contributions to your account. The period of leave without pay isn't included in the calculation of your retirement benefit multiple.

Part-time employment

If you work part-time contributions and benefits will be adjusted to reflect your part-time employment status.

Definitions

Accrued retirement benefit multiple is used to calculate your withdrawal benefit from early retirement up to age 62. It's based on the period of actual **eligible service** multiplied by the accrual rate of the relevant category.

Your accrued retirement benefit multiple is shown on your *Member statement* if you're over early retirement age, or your benefit quote if requested. This multiple increases by the relevant accrual rate as shown below, for every complete year and month after this date. Your actual service period will be adjusted for any leave without pay or part-time hours worked within this time frame.

Category of fund	Current accrual rate
Category A	17.5%
Category B	23.3%
Category C	35%
Category D	Proportion based on part-time hours.
Category E	17.5% Subject to minimum multiple as a member of the Hobart Corporation Employee Superannuation Fund.

Example: You work full-time and are a member of Category A and your accrued retirement benefit multiple was 2.150 at 30 June 2024. If you wanted to calculate what your accrued retirement multiple would be at 31 December 2026:

1. Work out how many completed years and months are in the period:

   = 2 years and 6 months

   = 2.5 years.

2. Increase the 30 June 2024 multiple to reflect the extra completed service:

   = 2.150 + (2.5 years x 17.5%)

   = 2.588.

Eligible service is calculated as complete years and months of continuous service where you receive a salary from Hobart City Council. This includes any period during which you were off work because of injury or illness and received workers compensation, sickness pay or other regular income from either Hobart City Council or any insurance scheme sponsored by them. Hobart City Council may also declare other periods of service to include.

Final average salary is used to calculate your withdrawal benefits and is the average of your full-time equivalent salary for the two financial years preceding retirement.

Notional super guarantee is used to ensure that you receive at least the minimum super guarantee benefit upon leaving the fund.

Retirement benefit multiple is used to calculate your withdrawal benefit at your normal retirement date of age 62. It's calculated in the same manner as your accrued retirement benefit multiple, however the period used is from the date you joined the fund to your 62nd birthday. Your actual eligible service period will still be adjusted for any part-time work or leave without pay during this time.

The retirement benefit multiple is also used to calculate your death and total and permanent disablement benefit. Read the *Death and total and permanent disablement (TPD) benefits* section on page 29 for more details.

Salary is used to calculate contributions and benefits from the fund. This is calculated as an annual amount and is your base wage or salary plus regular or recurring components of your remuneration. This information is provided by your payroll department annually on review or upon your withdrawal.

Vested % is the amount of employer contributions allocated to you when you leave the fund. It's calculated as being 10% of your member regular account for each completed year of membership (a minimum of 35% applies), up to a maximum of 100%.

Example: if you were a member for 9 years, your vesting rate would be 90%. 9 x 10% = 90%

Service related vesting applies if you have completed 15 years of continuous service with Hobart City Council as calculated below:

$$PE \times \{AB \times [1/(1 + i)]^n - (\text{member regular account} + \text{vested \%})\}$$

Where:

PE = percentage shown in the table below

i = 3%

n = years and complete months to normal retirement date

AB = accrued benefit (excluding accumulated credit).

Continuous period of service (PE)	Percentage
Less than 15 years	Nil
Equal to or over 15 but less than 18	10
Equal to or over 18 but less than 21	20
Equal to or over 21 but less than 24	40
Equal to or over 24 but less than 27	60
Equal to or over 27 but less than 30	80
Greater than or equal to 30 years	100

LCC Defined Benefits Fund

As a member of the LCC Defined Benefits Fund you may be entitled to a defined benefit (Category A–E) or an accumulation benefit (Category F).

Withdrawal benefit – category A–E

If you're under 55[6] years of age
Your withdrawal benefit is:

your member regular account
+
your member voluntary account
+
your award account
–
your liability account
+
The greater of:
an additional vested % of your member regular account
OR
your notional super guarantee amount

If you're 55[6] years of age or over
Your withdrawal benefit is:

your member regular account
+
your member voluntary account
+
your award account
–
your liability account
+
The greater of:
an additional vested % of your member regular account
OR
your notional super guarantee amount

OR

If you leave employment with the consent of your employer

Category C, D and E members

your accrued retirement benefit multiple
x
your final average salary
+
your member voluntary account
+
your award account
–
your liability account

[6]This will be age 50 if you're a female who joined the fund prior to 1 July 1989.

Normal retirement at age 65

Your normal retirement benefit is the greater of:

your retirement benefit multiple
x
your final average salary
+
your member voluntary account
+
your award account
-
your liability account

OR

your member regular account
+
your member voluntary account
+
your award account
-
your liability account
+
The greater of:
an additional vested % of your member regular account
OR
your notional super guarantee amount

Withdrawal benefit – Category F

Your withdrawal benefit is:

your member regular account
+
your member voluntary account
+
employer account
+
your award account
-
your liability account

Normal retirement age

The normal retirement age for the LCC Defined Benefits Fund is 65 years.

Early retirement age

The early retirement age for the LCC Defined Benefits Fund is 55 years. If you're a female who joined the fund prior to 1 July 1989, your early retirement age is 50.

Your account after age 65

Once you reach age 65 you can no longer remain a member of the LCC Defined Benefits Fund. Your normal retirement benefit amount will be transferred to an account in Spirit Super unless you provide alternative instructions. You and your employer can continue to make contributions to your new Spirit Super account.

Leave without pay

When you're on a period of leave without pay, you and your employer aren't required to make contributions to your account. The period of leave without pay isn't included in the calculation of your retirement benefit multiple.

Part-time employment

If you work part-time contributions and benefits will be adjusted to reflect your part-time employment status.

Definitions

Accrued retirement benefit multiple is used to calculate your withdrawal benefit from early retirement age up to age 65.

If you joined the fund prior to 8 October 1986, the calculation is based on the period of actual eligible service, in completed years and months in each category of the fund, multiplied by the accrual rate of the relevant category.

If you joined on or after 8 October 1986, the calculation is based on the period of membership in the fund, in completed years and months in each category, multiplied by the accrual rate of the relevant category.

Any service accrued before age 25 is disregarded for members in categories A and B.

Your accrued retirement benefit multiple is shown on your annual *Member statement* if you're over early retirement age, or benefit quote if requested. This multiple increases by the relevant accrual rate as shown in the following table, for every complete year and month after this date.

Your actual eligible service period or period of membership will be adjusted for any leave without pay or part-time hours worked within this time.

Category of fund	Accrual rate
Category A–D	15.5%
Category E	16.5%
Category F	Not applicable – accumulation benefit.

Example: If you work full-time and you're a member of category E, your accrued retirement benefit multiple was 2.150 at 30 June 2024. If you want to calculate what it would be at 31 December 2026:

1. Work out how many completed years and months are in the period:

   = 2 years and 6 months

   = 2.5 years.

2. Increase the 30 June 2024 multiple to reflect the extra completed service:

   = 2.150 + (2.5 years x 16.5%)

   = 2.563.

Notional super guarantee is used to ensure that you receive at least the minimum super guarantee benefit upon leaving the fund.

Retirement benefit multiple is used to calculate your withdrawal benefit at your normal retirement date of age 65. It's calculated in the same manner as your accrued retirement benefit multiple, however the period used is from the date you joined the fund to your 65th birthday. Your actual eligible service period will still be adjusted for any part-time work or leave without pay during this time.

The retirement benefit multiple is also used to calculate your death and total and permanent disablement benefit. Read the *Death and total and permanent disablement (TPD) benefits* section on page 29 for more details.

Final average salary is used to calculate your withdrawal benefits as detailed below:

Category of fund	Final average salary
Category A–D	Salary at date of retirement.
Category E	The average of salaries for the two years preceding retirement.
Category F	Not applicable – accumulation benefit.

Salary is used to calculate contributions and benefits from the fund. This is calculated as an annual amount and is your base wage or salary plus regular or recurring components of your remuneration. This information is provided by your payroll department annually on review or on your withdrawal.

Vested % is the amount of employer contributions allocated to you when you leave the fund. It's calculated as being 100% of your member regular account.

4. WHEN YOU CAN ACCESS YOUR SUPER

Your super is a long-term investment in your future, so there are rules about how and when you can access it.

You can access your super when you:

- turn 65 (even if you're still working)
- are aged between 60 and 65 and are permanently retired
- stop working for an employer (even if you're still working for another employer) on or after turning age 60
- are aged between 60 and 65 and choose to start a transition to retirement income stream while still working.

These are called 'conditions of release'.

While most people access their super when they retire, there are times when you can access it earlier. For more details, read our *Access your super* fact sheet.

The age you can access your super isn't the same age you can access the Age Pension.

Regardless of how and when you access your super, you should get professional advice first to confirm if a withdrawal will have tax or social security implications. If you're under 60, you may have to pay tax.

Leaving the fund

You'll need to leave the defined benefits fund if you:

- turn 65 years of age – Quadrant Defined Benefits Fund and LCC Defined Benefits Fund
- turn 62 years of age – HCC Defined Benefits Fund
- leave your employer or
- retire from the workforce.

If you leave one of the defined benefits funds you won't be able to join again as they're closed to new members.

Depending on your circumstances, you may be able to:

- access your super as a cash payment
- transfer your benefits to a Spirit Super account and invest it in one of our investment options — any insurance cover you have in your defined benefit will be converted to fixed cover and transferred to your new super account
- turn your benefits into an income stream with our retirement products
- transfer your benefits to another super fund.

Your options may be different depending on whether you're retiring permanently or starting a new job.

Call us on **1800 005 166** for more details.

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.

5. 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.

Key investment terms explained

Here we explain some key investment terms.

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 we invest in shares (also known as equities), we're buying a share of a company that can be traded on a stock exchange. We 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

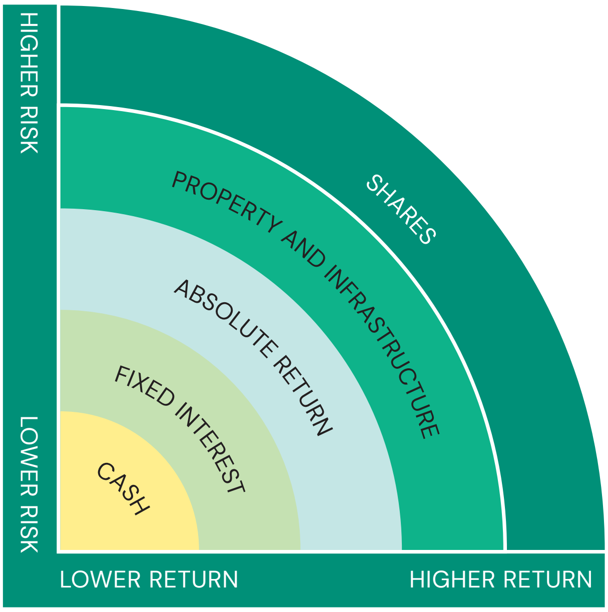
Cash is made up of bank deposits, including term deposits, and other short-term money market investments and cash instruments. Interest is generally received from a cash investment. An investment in cash generally offers the lowest returns over the long run of any asset class but also has the lowest 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 represent the interest rate on unsecured overnight loans between banks.

Risk versus return

Our investments have varying levels of risk and expected return.



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.

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 does not 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 below.

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 are 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 impact 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**.

Investment risks

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

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
- different strategies may carry different levels of risk, depending on the assets that make up the strategy
- 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 (including contributions and returns) 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.

Our investments have differing degrees of 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 held by Spirit Super. We aim to reduce market risk through diversification across asset classes, countries and investment managers.

Liquidity risk[7]

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. We actively monitor liquidity risk and have a policy for managing it.

[7]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. 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. 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 investments 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.

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 defined benefits funds have been assessed using the industry's standard risk measure. This 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 defined benefits fund is calculated using the strategic asset allocation for that fund current at the date of this guide. It represents our assessment of the standard risk measure for that fund's investments over a 20-year period. However, over shorter periods, the risk associated with the fund's investments may differ from the standard risk measure. This can occur, for example, during transitional periods when changes are being made to the underlying assets of a defined benefits fund or when market movements mean that the day-to-day asset allocation of a fund differs from the fund'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 still ensure you're comfortable with the risks and potential losses associated with your fund's investments.

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

Strategic asset allocation

The strategic asset allocation for each of the defined benefits funds are determined by the trustee. The strategic asset allocation for each fund as at 1 July 2024 is:

	Quadrant Defined Benefits Fund	HCC and LCC Defined Benefits Funds
Asset class	**Strategic asset allocation %**	
Cash	21	8
Australian fixed interest	8	5
Global fixed interest	15	9
Absolute return	0	0
Property	7	9
Infrastructure	8	10
Australian shares	15	23
International shares	22	31
Private equity	4	5
Total	**100**	**100**
Growth	52%	73%
CPI objective	CPI + 2% over next 10-year period	CPI + 3% over next 10-year period
Number of negative years in a 20-year period	2 to 3	3 to 4
Risk level[8]	Medium	Medium to high

[8]Read page 18 for more details about these risk measures.

We review the strategic asset allocation at least annually.

From time to time the actual asset allocations may differ from the strategic asset allocation 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 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 the defined benefits funds are managed within appropriate tolerance ranges. However in times of extreme market volatility, the actual and strategic asset allocations can differ significantly.

We regularly review our investments to check whether objectives are being met. We may, after careful consideration, implement changes to the investments. 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 investments without getting your consent.

Crediting rate

The return you receive on your defined benefits account is calculated by applying the fund's crediting rate to the balance of your account.

The crediting rate is determined by the trustee each year, based on the investment return on the fund's assets, adjusted for fees, costs and taxes in accordance with the crediting rate policy adopted by the trustee. The trustee may also take into account other factors from time to time to ensure the crediting rate adopted is equitable.

Interest based on the crediting rate is allocated to your sub-accounts once a year after the fund's annual review is completed.

The crediting rate for the fund may be positive or negative depending upon the returns from the underlying investments. Past performance isn't a guarantee of future performance.

Interim crediting rate

An interim crediting rate is used to calculate your benefit entitlements if you leave the fund, and also to calculate any benefit quotes or withdrawals throughout the year. This is generally set on a daily basis.

Late interest rate

The late interest rate is a payment made to cover interest accrued on your benefits from the benefit calculation date to the date of full withdrawal from the fund. The interest rate is based on the rate we receive on our operating account less expenses.

6. FEES AND COSTS

Did you know?

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

For example, total annual fees and costs of 2% of your 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.[9]

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.

[9]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, insurance fees and personal advice fees may also be charged, but these will depend on the nature of the activity, insurance or advice. Entry fees and exit fees can't be charged.

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 defined benefits funds

Type of fee or cost	Amount	How and when paid
Ongoing annual fees and costs		
Administration fees and costs[10]	**Estimated (% of assets each year)** 0.80%	The costs for administering the Quadrant Defined Benefits Fund and HCC Defined Benefits Fund are deducted from investment returns before they're allocated to your account through the daily determination of the crediting rate. The costs for administering the LCC Defined Benefits Fund are paid by Launceston City Council. No charge is deducted directly from your account.
	plus estimated 0.127% of net assets each year[12].	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 investment returns. It isn't deducted from your account.
Investment fees and costs[10, 11]	**Estimated[13] (% of assets each year)** Quadrant Defined Benefits Fund 0.36% HCC Defined Benefits Fund 0.43% LCC Defined Benefits Fund 0.43%	Deducted from investment returns before they're allocated to your account through the daily determination of the crediting rate.
Transaction costs[10]	**Estimated[13] (% of assets each year)** Quadrant Defined Benefits Fund 0.06% HCC Defined Benefits Fund 0.07% LCC Defined Benefits Fund 0.07%	Deducted from investment returns before they're allocated to your account through the daily determination of the crediting rate.
Member activity related fees and costs		
Buy-sell spread	0%	Not applicable
Switching fee	$0	Not applicable
Other fees and costs[10]	Other fees and costs, such as activity fees, personal advice fees and insurance fees, may be charged, but these will depend on the nature of the activity, advice or insurance.	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. For defined benefits fund death and TPD benefits, annual insurance fees are calculated annually and deducted from the assets of the fund, in advance. Insurance fees for additional cover are calculated and deducted annually from your account, in advance.

[10]Refer to *Additional explanation of fees and costs* on page 22 for more information. Personal advice fees may be negotiable, depending on the registered financial adviser you consult. | [11]Investment fees and costs include an estimated amount of 0.05% - 0.06% for performance-related fees, depending on the investment. The calculation basis for these amounts of performance fees is set out under the *Additional explanation of fees and costs* on page 22. The actual amount of investment fees and costs (including performance-related fees) varies from year to year. | [12]Based on information available to us at the date of prepartion of this guide about Spirit Super's experience for the financial year ending 30 June 2024. The percentage will vary from year to year. | [13]Based on Spirit Super's experience for the financial year ending 30 June 2024. The percentage will vary from year to year.

Additional explanation of fees and costs

How fees and costs are charged

The cost to manage Spirit Super's investments and transaction costs are paid from investment earnings before they're allocated to your account through the crediting rate. Fees and costs relating to the administration of the fund are allowed for in the defined benefits fund and aren't deducted directly from your account.

Fees and costs may also be deducted from reserves if the administration fees and costs deducted from investment earnings aren't sufficient to meet administration expenses in a financial year.

Fees and costs that have affected your account, including any administration fees and costs deducted from reserves are shown in the *Fees and costs* section of your *Member statement*, or if you leave the fund, your *Final statement*.

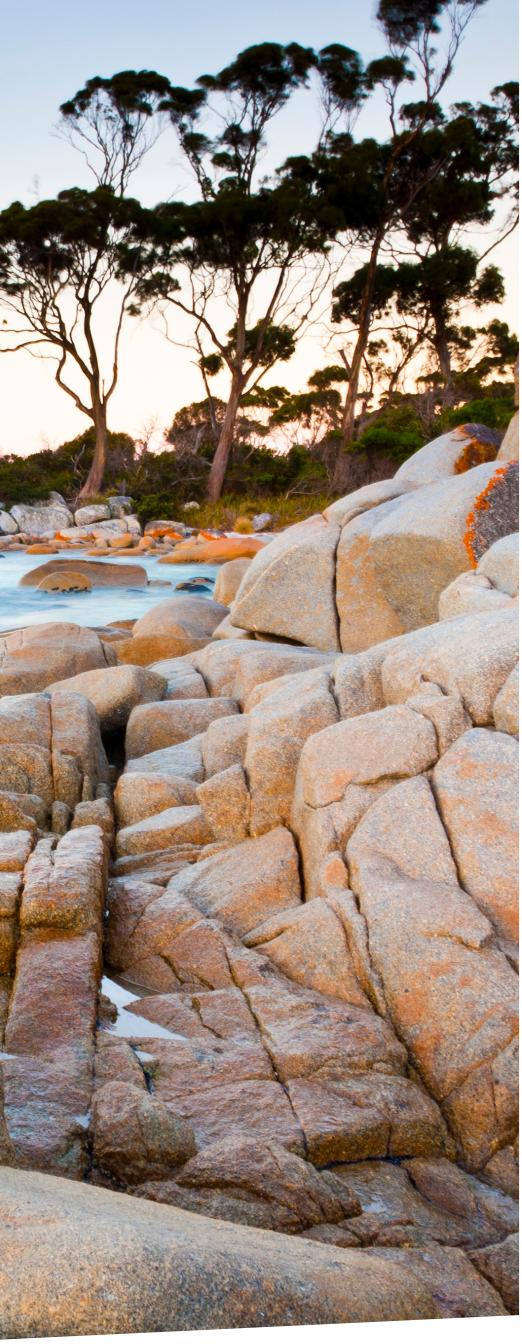
Administration fees and costs

We charge estimated administration fees and costs of 0.80% of assets each year. The costs for administering the Quadrant Defined Benefits Fund and HCC Defined Benefits Fund are deducted from investment returns before they're allocated to your account through the daily determination of the crediting rate. The costs for administering the LCC Defined Benefits Fund are paid by Launceston City Council. No charge is deducted directly from your account.

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 from investment returns. 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. 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 more details, see *Advice fees* on page 24.



Investment fees and costs

The total investment fees and costs for each of the defined benefits funds is made up of:

- base investment fees and costs
- 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.

Defined benefits fund	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)
Quadrant Defined Benefits Fund	0.31	0.05	0.36
HCC Defined Benefits Fund	0.37	0.06	0.43
LCC Defined Benefits Fund	0.37	0.06	0.43

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 0.05% - 0.06% of assets, depending on the defined benefits fund.

Any estimated performance-related fees are included in the estimated investment fees shown in the *Fees and costs summary* on page 21 have been calculated based on accrued performance related fees averaged over the previous five financial years (2019-20 to 2023-24).

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 a defined benefits fund over a financial year, the amount payable will be taken into account when determining the fund'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

The investments in the defined benefits funds incur transactional and operational costs. 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 defined benefits fund in the *Fees and costs summary* are an additional cost to investors which is recovered by the trustee by being taken into account in the determination of the daily crediting rate.

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.

Other fees and 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.

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

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 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 to you 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 may be provided in our future *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.

Taxes may apply to investment earnings, capital gains, and benefits, and these will be deducted or credited to/from your account balance or returns where applicable. For details about the taxation of super, read *How super is taxed* on page 26.

The benefit of any tax deductions received by us in relation to other 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.

Insurance fees

Insurance fees include premiums, stamp duty, and any applicable loadings charged by the insurer for additional cover. Insurance fees are deducted effective 1 July for that financial year.

Insurance fees for your defined benefits fund death and total and permanent disablement benefits are calculated annually and deducted from the assets of the defined benefits fund.

If you have additional cover, the insurance fees are calculated annually and deducted from your account. Your insurance fee for additional cover may include an adjustment amount, if you received additional cover, or changed or cancelled your additional cover during the previous financial year or closed your account.

The cost of additional cover depends on your age, the type of cover you hold, your occupation rating and whether any loadings have been applied by the insurer.

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 material increase in fees or 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.

Defined fees

Fee definitions

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.

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.

Advice fees

A fee is an **advice fee** if:

a. the fee relates directly to costs incurred by the trustee of the 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, the trustee of the entity and

those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.

Buy-sell spread

A **buy-sell spread** is a fee to recover costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

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.

Insurance fee

A fee is an **insurance fee** if:

a. the fee relates directly to either or both of the following:

  i. insurance premiums paid by the trustee of the superannuation entity in relation to a member or members of the entity

  ii. costs incurred by the trustee of the superannuation entity in relation to the provision of insurance for a member or members of the entity and

b. the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk and

c. the premiums and costs to which the fee relates are not otherwise charged as administration fees and costs, investment fees and costs, transaction costs, a switching fee, an activity fee or an advice fee.

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 includes:

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.

Switching fee

A **switching fee** for 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 class of beneficial interest in the entity to another.

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.

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.

7. HOW SUPER IS TAXED

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 and be eligible for government entitlements. When we have your TFN we can accept personal contributions to your account so you can top up your balance, and it makes it 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[14]
- helping the ATO determine whether you're eligible for the co-contribution or low income super tax offset
- taxing super payments at concessional rates.

[14]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.

Your employer is obliged to pass on your TFN to the fund receiving your employer-related super contributions.

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.

Extra tax payable when you don't provide your TFN

If you don't provide us with your TFN, you may incur an additional tax of 32% on top of the usual 15% contributions tax rate applicable to assessable contributions such as employer contributions (including salary sacrifice contributions). You may be able to claim the additional tax back if you provide us with your TFN within three years of the end of the income year in which the relevant contributions were made.

Tax and super

Super can be a tax-effective way to save for your retirement. Understanding how different taxes work may help maximise your benefits.

Your super may be taxed when:

- it's contributed to the fund
- it earns income in the fund
- it's withdrawn from the fund.

Tax rules relating to super are subject to change. Limits or thresholds may be updated from year to year. This is a summary only that doesn't take into account your individual circumstances. You should refer to **ato.gov.au/super** for further information and consult an appropriately qualified adviser about your personal situation.

Tax on contributions

Super contributions are generally either before-tax (concessional) contributions or after-tax (non-concessional) contributions. The main difference is when you can make them and how they're taxed. The tax paid on your super contributions depends on the amount and type of contribution. Tax is deducted after we receive the contribution.

Before-tax (concessional) contributions include:

- employer contributions, including super guarantee (SG) and other compulsory employer contributions
- salary sacrifice contributions (which are also employer contributions)
- personal contributions you've successfully claimed a tax deduction for.

Before-tax contributions are generally subject to a tax rate of 15%. This is called a 'contributions tax'.

However, if your combined income and before-tax contributions go over $250,000 a year, you may pay an extra 15% on some or all of your before-tax contributions, as advised by the ATO.

Contributions tax is deducted from your account when employer contributions and salary sacrifice contributions are received. It's also deducted when you claim a tax deduction for personal contributions you've made.

If you earn $37,000 or less you may be eligible to receive some or all of this tax back with the government's low income super tax offset, up to $500.

You can check how much contribution tax has been deducted from your account in **Member Online** and on your statements.

After-tax (non-concessional) contributions include:

- personal contributions you haven't claimed a tax deduction for
- spouse contributions.

Generally, you don't pay any tax on after-tax contributions (as you or your spouse already paid income tax on these amounts).

We must have your TFN to receive personal and spouse contributions for you, and your total super balance (across all funds you participate in) must be less than $1.9 million at 30 June 2024 for you to be able to make after-tax contributions without paying extra tax.

Contribution caps

There are limits to how much you can contribute to super each financial year. These are known as contribution caps. There are two caps to be aware of: a before-tax (concessional) cap and an after-tax (non-concessional) cap.

If you go over these caps, you'll generally pay extra tax.

Type of contribution	Contributions cap 2024-25
Before-tax (concessional)	$30,000[15]
After-tax (non-concessional)	$120,000[16]

[15]You may be able to increase your before-tax cap by carrying forward unused before-tax (concessional) cap amounts from 1 July 2019. Conditions apply. For more details read our *Super contributions* fact sheet. | [16]You can't make any after-tax contributions in 2024-25 without incurring extra tax if your total super balance (across all funds you participate in) was $1.9 million or more at 30 June 2024. If you're under 75 you may be able to contribute after-tax contributions of up to three times the annual limit in a single year (up to $360,000) without needing to pay extra tax, however your total super balance may also impact your ability to do this. For more details read our *Super contributions* fact sheet.

Contribution caps apply to the total of all your super accounts (across all super funds you participate in). If you have more than one account, you need to add up the contributions you've made across all accounts to see if you've stayed under the caps. You should check with your other funds, even if they've been transferred to Spirit Super since the contributions were made.

If your super contributions in a financial year exceed the applicable contributions caps, the ATO will let you know how much extra tax you need to pay and how to do this.

You should keep an eye on your super contributions to make sure you don't go over the contributions caps and have to pay more tax.

Tax on investment earnings

Investment earnings are taxed up to 15%. The actual rate of tax paid may be less due to the effect of various tax credits, deductions and offsets. This tax is deducted from the investments before the crediting rate is determined in accordance with the crediting rate policy adopted by the trustee.

Tax on withdrawals

If you're under 60, you may pay tax on super withdrawals. If you're 60 and over, super withdrawals are tax-free.

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 withdrawal is paid from). You can check your tax components for your balance in **Member Online** or by contacting us.

Taxes are generally deducted from your payment before you receive it.

Your age	Tax on the tax-free component	Tax on the taxable component[17]
Under 60	Nil	Your marginal tax rate or 22%, whichever is lower. We'll deduct 22% at the time of the payment. If your marginal tax rate is lower, you may get some of this tax back when you lodge your personal income tax return.
60 and over	Nil	Nil

[17]Tax rates shown include the Medicare levy. This table shows the tax rates applied to withdrawals with a taxed element. If your taxable component includes an untaxed element, additional tax may be applied to that element. Higher tax rates will apply if you access your super as a departing temporary resident.

Tax on death benefits

The tax applied to your death benefit depends on who receives your benefit, and whether it's paid as a lump sum or as a pension.

See *Nominating your beneficiaries* on page 41 for more details.

Lump-sum payment

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 was dependent upon you at the time of your death or
- any person in interdependency relationship with you.

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

The amount of tax paid by non-dependants will depend on the taxable and tax-free components of the account.

Dependency under tax law	Tax on the tax-free component	Tax on the taxable component[18]
Dependant	Nil	Nil
Non-dependant	Nil	**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.

[18]Tax rates shown include the Medicare levy.

Death benefit income streams

Certain dependant beneficiaries may be eligible to convert a super death benefit into an income stream. Read our *Pension guide* available at **spiritsuper.com.au/pds** for more details.

Tax on permanent disablement and terminal medical conditions

You may pay less tax if you access your super due to permanent disablement.

Lump-sum payments due to a terminal medical condition are tax-free.

For more details about tax contact the ATO on **13 10 20** or visit **ato.gov.au**.

8. DEATH AND TOTAL AND PERMANENT DISABLEMENT (TPD) BENEFITS

As a member of the defined benefits fund, your death and TPD benefits are calculated in accordance with the formula shown below. Part of your death and TPD benefits may be insured with our insurer.

Your benefit shown on any supporting documentation provided will be relevant at the specified date however the amount may change depending on your individual circumstances.

Insurance fees for the defined benefits component of your death and TPD benefits are paid by the fund and not deducted from your account.

You can apply for additional cover which will be paid in addition to your defined benefits if your claim is accepted.

Defined benefits death and TPD benefits

There are minor differences in the calculation of death and TPD benefits for each defined benefits fund.

Quadrant Defined Benefits Fund

Death benefit

Your death benefit is calculated as follows:

Retirement benefit multiple x your **superannuation salary** at the last review date

Plus

- your member voluntary account
- your award account
- any additional cover

Minus

- your liability account.

TPD benefit up to age 55

Your TPD benefit is calculated as follows:

Retirement benefit multiple x your **superannuation salary** at the last review date

Plus

- your member voluntary account
- your award account
- any additional cover

Minus

- your liability account.

TPD benefit between age 55-65

Your TPD benefit after age 55 is calculated using the following formula:

A + P (B-A) + E + any additional cover

Where:

A = your withdrawal benefit.

P = the appropriate % from the following table.

Age next birthday	Percentage
55 or less	100%
56	80%
57	60%
58	40%
59	20%
60 or more	0%

B = **retirement benefit multiple** x your **superannuation salary** at the last review date.

E = Any amount required to ensure the benefit payable between age 55-60 is not less than the TPD benefit calculated at the review date before the members 55th birthday.

After age 60 you receive your withdrawal benefit plus any additional insurance you may have.

HCC Defined Benefits Fund

Death and TPD benefit

Your death and TPD benefits are calculated as follows:

Retirement benefit multiple x your **superannuation salary** at the last review date

Plus

- your member voluntary account
- your award account
- any additional cover

Minus

- your liability account.

LCC Defined Benefits Fund

Death and TPD benefit

Your death and TPD benefits are calculated as follows:

Retirement benefit multiple x your **superannuation salary** at the last review date

Plus

- your member voluntary account
- your award account
- any additional cover

Minus

- your liability account.

9. ADDITIONAL INSURANCE COVER

You can apply for additional cover over and above your defined benefits death and TPD benefit.

Death
Provides a lump sum benefit for you, your dependants or your legal personal representative (executor of your estate) if you die or become terminally ill.

TPD
Provides you with a lump sum benefit if you become totally and permanently disabled and can no longer work.

Income protection
Provides monthly payments if you're unable to work temporarily due to illness or injury. The maximum benefit is 75% of your monthly income plus up to 10% super contributions cover, up to $30,000 each month.

You must satisfy the following conditions when applying for fixed cover:

- you must be a member of the defined benefits fund and
- aged 15 or over and under 65[19] for death only or death and TPD cover
- aged 15 or over and under age 65[19] for income protection cover.

[19]Age 62 for HCC Defined Benefits Fund.

Occupation categories

The defined benefits fund has two different occupation categories, reflecting the different levels of risk associated with the occupations. The cost of additional cover will be lower if you qualify for the Office category.

- **General** – available to all members regardless of their occupation.
- **Office** – available to members who undertake office-based duties such as lawyers, administration and managerial positions.

Quadrant Defined Benefits Fund and HCC Defined Benefits Fund

Additional death and TPD cover

You can apply for additional death and TPD cover at any time.

Your cover is subject to eligibility and acceptance by our insurer. You can tailor the amount of cover to suit your needs by applying for a fixed dollar amount of:

- death and TPD cover or
- death only cover.

Additional death and TPD cover is fixed cover. The amount of cover remains the same however the premium increases as you get older.

The maximum death cover is $5 million and maximum TPD cover is $2 million. You can apply for additional cover by completing the *Apply for cover* form available at **spiritsuper.com.au/forms**.

Subject to your personal circumstances and the amount of cover you're applying for, you may be asked to provide additional information to enable our insurer to complete their underwriting assessment.

When assessing your application, the insurer may:

1. **Accept cover**

   This means the insurance cost and terms and conditions detailed in the most recent version of this *Defined benefits fund guide* will apply to your cover

2. **Accept cover with conditions**

   This means our insurer may impose certain restrictions and limitations on your fixed cover. They may also apply a higher insurance cost, called a loading, in recognition of the increased risk they've taken by accepting your application for cover. The loading will apply in addition to the costs detailed in the most recent version of this *Defined benefits fund guide*.

3. **Refuse cover**

   This means you won't be eligible to receive the cover you've applied for.

Cost of additional death and TPD cover

The cost for additional death and TPD cover is calculated daily and deducted annually, in advance, from your liability account. The cost may reduce depending on your occupation rating.

General

Age next birthday	Annual cost per $1,000 of cover			
	Death only $		Death and TPD $	
	Male	Female	Male	Female
16	0.95	0.46	0.97	0.48
17	1.13	0.52	1.19	0.56
18	1.36	0.57	1.47	0.65
19	1.53	0.63	1.71	0.72
20	1.55	0.63	1.77	0.74
21	1.47	0.59	1.72	0.73
22	1.38	0.56	1.67	0.71
23	1.30	0.52	1.60	0.66
24	1.21	0.48	1.53	0.65
25	1.16	0.46	1.49	0.62
26	1.06	0.41	1.41	0.58
27	1.00	0.38	1.36	0.55
28	0.95	0.37	1.31	0.55
29	0.92	0.39	1.31	0.59
30	0.91	0.39	1.33	0.63
31	0.90	0.41	1.34	0.66
32	0.87	0.44	1.37	0.72
33	0.87	0.46	1.39	0.78
34	0.90	0.49	1.46	0.88
35	0.92	0.54	1.52	0.97
36	0.94	0.58	1.61	1.10
37	0.96	0.64	1.69	1.24
38	1.00	0.69	1.80	1.41
39	1.06	0.76	1.97	1.61
40	1.14	0.84	2.17	1.83
41	1.21	0.92	2.37	2.07

Age next birthday	Annual cost per $1,000 of cover			
	Death only $		Death and TPD $	
	Male	Female	Male	Female
42	1.30	0.99	2.63	2.33
43	1.40	1.06	2.90	2.58
44	1.51	1.10	3.24	2.79
45	1.65	1.13	3.61	3.00
46	1.78	1.16	4.03	3.23
47	1.93	1.21	4.49	3.48
48	2.08	1.27	5.00	3.83
49	2.27	1.37	5.59	4.29
50	2.45	1.46	6.23	4.80
51	2.65	1.64	6.96	5.50
52	2.87	1.80	7.73	6.22
53	3.08	1.98	8.62	6.97
54	3.32	2.17	9.54	7.74
55	3.57	2.36	10.61	8.41
56	3.84	2.56	11.58	9.13
57	4.13	2.78	12.68	9.93
58	4.47	3.01	13.97	10.74
59	4.86	3.25	15.44	11.57
60	5.30	3.49	17.14	12.45
61	5.77	3.76	19.01	13.40
62	6.26	4.07	21.06	14.50
63	6.78	4.45	23.25	15.87
64	7.31	4.93	25.61	17.60
65	7.86	5.49	28.16	19.58

Office

Age next birthday	Annual cost per $1,000 of cover: Death only $ Male	Death only $ Female	Death and TPD $ Male	Death and TPD $ Female
16	0.59	0.28	0.60	0.30
17	0.71	0.32	0.74	0.36
18	0.85	0.36	0.91	0.40
19	0.96	0.39	1.05	0.45
20	0.96	0.39	1.08	0.46
21	0.92	0.37	1.05	0.44
22	0.86	0.36	1.01	0.43
23	0.82	0.32	0.96	0.40
24	0.76	0.30	0.92	0.38
25	0.73	0.28	0.88	0.36
26	0.66	0.26	0.84	0.35
27	0.63	0.25	0.80	0.32
28	0.59	0.24	0.77	0.32
29	0.57	0.26	0.77	0.36
30	0.56	0.26	0.77	0.36
31	0.56	0.26	0.78	0.39
32	0.56	0.27	0.78	0.41
33	0.56	0.29	0.81	0.46
34	0.56	0.31	0.85	0.50
35	0.57	0.34	0.87	0.56
36	0.58	0.36	0.93	0.63
37	0.60	0.39	0.96	0.71
38	0.63	0.44	1.03	0.80
39	0.66	0.47	1.12	0.90
40	0.72	0.53	1.23	1.02
41	0.76	0.57	1.34	1.16

Age next birthday	Annual cost per $1,000 of cover: Death only $ Male	Death only $ Female	Death and TPD $ Male	Death and TPD $ Female
42	0.82	0.62	1.48	1.29
43	0.87	0.66	1.62	1.42
44	0.95	0.68	1.80	1.53
45	1.03	0.71	2.02	1.65
46	1.12	0.73	2.24	1.76
47	1.21	0.76	2.49	1.89
48	1.31	0.80	2.77	2.07
49	1.42	0.85	3.08	2.32
50	1.53	0.91	3.42	2.59
51	1.67	1.02	3.81	2.96
52	1.79	1.13	4.22	3.34
53	1.94	1.25	4.69	3.73
54	2.07	1.37	5.20	4.14
55	2.23	1.47	5.75	4.50
56	2.40	1.60	6.28	4.89
57	2.58	1.75	6.85	5.32
58	2.79	1.88	7.54	5.75
59	3.04	2.03	8.32	6.20
60	3.32	2.18	9.23	6.68
61	3.61	2.35	10.23	7.18
62	3.92	2.54	11.32	7.76
63	4.24	2.78	12.48	8.50
64	4.57	3.08	13.72	9.42
65	4.92	3.43	15.06	10.47

Interim accident cover

You're provided with interim accident cover while our insurer assesses your application for fixed death and/or TPD cover. This means that if you die or become totally and permanently disabled as a result of an accident before they've finalised their assessment of your application, the benefit you receive will include interim accident cover.

The amount of interim accident cover is limited to the lesser of:

- the amount of cover you're applying for or
- $1 million.

Cancelling or reducing your death and TPD cover

You can cancel or reduce your additional death and TPD cover at any time:

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

When you cancel your cover:

- you won't be able to claim for insurance benefits for events or conditions that arise after your cover has been cancelled
- we'll no longer deduct insurance fees from your account, once your final insurance fees have been deducted.

LCC Defined Benefits Fund

Additional death and TPD cover

You may apply for additional cover over and above your defined benefits, subject to acceptance by the insurer.

You can apply for additional death and TPD cover by completing the *Apply for cover* form available at **spiritsuper.com.au/forms**.

Subject to your personal circumstances and amount of cover you're applying for, you may be asked to provide additional information to enable our insurer to complete their underwriting assessment.

You can apply for up to a maximum of four units of death and TPD cover. The value of each unit is based on your age next birthday.

Age next birthday	Amount of cover each unit $	Age next birthday	Amount of cover each unit $
15–34	40,000	50	10,900
35	32,500	51	9,900
36	30,000	52	9,100
37	27,500	53	8,300
38	24,000	54	7,500
39	22,000	55	6,750
40	21,000	56	6,000
41	19,500	57	5,250
42	18,000	58	4,500
43	17,000	59	3,750
44	16,000	60	3,000
45	15,000	61	2,250
46	14,000	62	1,500
47	13,500	63	750
48	12,500	64	500
49	11,500	65	Nil

Cost of additional death and TPD cover

The cost of cover is $1.12 each week for each unit of cover and is deducted from your liability account annually, in advance.

Cancelling or reducing your death and TPD cover

You can cancel or reduce your additional death and TPD cover at any time:

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

When you cancel your cover:

- you won't be able to claim for insurance benefits for events or conditions that arise after your cover has been cancelled
- we'll no longer deduct insurance fees from your account, once your final insurance fees have been deducted.

Income protection cover – all defined benefits funds

Income protection cover provides for the payment of a monthly benefit in the event you're unable to work due to illness or injury that causes you to be totally or partially disabled.

The monthly benefit is payable after your waiting period ends. The maximum time it's payable for is your benefit period.

You need to decide:	Your options:
The amount of income you want to insure (number of units)	Income protection cover is unit based with each unit of cover providing a monthly benefit of $375. The maximum monthly benefit amount is $30,000. Regardless of the amount of cover you have at the time of claim, the benefit payable to you can't exceed 85% of your pre-disability income.
Your waiting period	• 90 days • 60 days • 30 days.
Your benefit period	• 2 years • to age 65.

Applying for income protection cover

You can apply for income protection cover at any time.

Your cover is subject to eligibility and acceptance by our insurer.

You can tailor your cover to suit your needs by applying for an amount of cover (number of units) and selecting your waiting period and benefit period.

Income protection cover is unit based with each unit of cover providing a monthly benefit of $375.

You can apply for income protection cover by completing the *Apply for cover* form available at **spiritsuper.com.au/forms**.

Subject to your personal circumstances and the amount of cover you're applying for, you may be asked to provide additional information to enable our insurer to complete their underwriting assessment.

When assessing your application, the insurer may:

1. Accept cover

This means the insurance cost and terms and conditions detailed in the most recent version of this *Defined benefits fund guide* will apply to your cover.

2. Accept cover with conditions

This means our insurer may impose certain restrictions and limitations on your fixed cover. They may also apply a higher insurance cost, called a loading, in recognition of the increased risk they've taken by accepting your application for cover. The loading will apply in addition to the costs detailed in the most recent version of this *Defined benefits fund guide*.

3. Refuse cover

This means you won't be eligible to receive the cover you've applied for.

In certain circumstances, your cover may be limited or exclusions may apply.

Cost of income protection cover

The cost of your income protection cover varies depending on a number of factors. These include your age, the number of units of cover, occupation category, waiting period and benefit period.

The cost for income protection is calculated annually, in advance, from your liability account.

For a two-year benefit payment period

General occupation category premium rates each unit each week

Age next birthday	Waiting period 30 days	60 days	90 days
16-40	$0.84	$0.59	$0.23
41-45	$1.12	$0.78	$0.38
46-50	$1.50	$1.06	$0.62
51-55	$2.15	$1.50	$0.99
56-60	$3.10	$2.49	$1.70
61-65	$4.03	$3.00	$1.78

Office occupation category premium rates each unit each week

Age next birthday	Waiting period 30 days	60 days	90 days
16-40	$0.44	$0.31	$0.12
41-45	$0.59	$0.41	$0.20
46-50	$0.79	$0.56	$0.33
51-55	$1.13	$0.79	$0.52
56-60	$1.63	$1.31	$0.89
61-65	$2.12	$1.58	$0.94

For a 'to age 65' benefit payment period

General occupation category premium rates each unit each week

Age next birthday	Waiting period 30 days	60 days	90 days
16-40	$2.41	$1.92	$0.94
41-45	$3.62	$2.90	$1.54
46-50	$5.25	$4.20	$2.68
51-55	$7.08	$5.65	$4.24
56-60	$8.84	$7.08	$5.74
61-65	$7.70	$6.18	$4.17

Office occupation category premium rates each unit each week

Age next birthday	Waiting period 30 days	60 days	90 days
16-40	$1.08	$0.86	$0.42
41-45	$1.62	$1.30	$0.69
46-50	$2.35	$1.88	$1.20
51-55	$3.17	$2.53	$1.90
56-60	$3.96	$3.17	$2.57
61-65	$3.45	$2.77	$1.87

When is your income protection benefit payable?

If you have a total or partial disability, your monthly income protection benefit will be payable after the end of the waiting period that applies to you.

Definition of total disability

You're suffering a total disability if we and our insurer are satisfied that, because of illness or injury, you've ceased to be gainfully employed and are:

- unable to perform at least one income-producing duty of your own occupation
- under the regular care of, and following the advice of, a medical practitioner and
- not working in any occupation, whether or not for reward.

Your monthly benefit – total disability

A monthly benefit is payable if you're unable to work because you have a total disability. The amount of your monthly benefit is the lesser of the following amounts:

The lesser of:

- your monthly cover
- $30,000 each month and
- 85% of your pre-disability income.

If you have fixed cover on the date of disablement, and your monthly benefit exceeds 75% of your pre-disability income, we'll pay the amount of monthly benefit that's in excess of 75% as a super contribution to your defined benefits account up to a maximum of 10%.

Your pre-disability income

Your monthly pre-disability income is used to calculate your monthly benefit payable in the event of a successful claim.

If you're not self-employed, your monthly benefit is calculated as follows:

The average monthly earnings received from your employer/s for personal exertion in the previous 12-month period. This includes salary sacrifice amounts, bonuses, overtime, shift allowances and any packaged elements but excludes mandated super contributions, profit distributions (or any income that doesn't cease on disablement), any other non-regular payments, and allowances to cover expenses.

If you're self-employed or own part or all of the business providing your income your monthly benefit is calculated as:

The average monthly share of earnings (being gross revenue generated by the business as a result of your personal exertion less business expenses) received by you in a month, calculated over the previous 12 months. Income excludes investment income, mandated super contributions and any component of your income that doesn't cease when you're unable to work.

Definition of partial disability or partially disabled

You're suffering a partial disability or you're partially disabled if we and our insurer are satisfied that you're not totally disabled but, because of illness or injury, you:

- were totally disabled for at least 14 days
- were unable to work in your own occupation at full capacity because of the illness or injury that caused your total disability
- are working in your own occupation in a reduced capacity or working in another occupation
- earn an amount that is less than your monthly pre-disability income and
- are under the regular care of, and following the advice of, a medical practitioner.

Your monthly benefit – partial disability

The partial disability monthly benefit is payable when you're no longer totally disabled but are still partially disabled and unable to work in your occupation in the capacity you were immediately before your total disability.

Your partial disability monthly benefit is your monthly benefit proportionally reduced by any income you've earned from employment during the month.

Reduction of your monthly benefit when you receive other income

We may reduce your monthly benefit if you're paid, or entitled to be paid, other income, including income received as a lump sum payment, such as a worker's compensation settlement. If your monthly benefit is reduced or becomes zero for one or more months, those months will still be counted as part of the benefit period.

When does my monthly benefit stop

Your total disability benefit starts the day after the waiting period has ended and will be paid until the earliest of the following:

- you're no longer totally disabled
- the end of the benefit period
- you reach age 65
- your death.

Your partial disability benefit starts the day after the waiting period has ended or the day after you're no longer totally disabled and will continue until the earliest of the following:

- you're no longer partially disabled
- the end of your benefit period
- you reach age 65
- your death.

The benefit period that applies to your income protection cover starts on the date that the waiting period has ended.

Transferring your insurance from another fund

You may be able to transfer your current death, TPD or income protection cover from another super fund to us without having to provide detailed health information. You can only transfer the cover associated with another super fund, not personal or retail life insurance.

Eligibility criteria

All transferred cover is subject to acceptance by the insurer, and the following conditions must be met:

- you're under age 60
- you're in active employment on the date you apply
- you complete the insurance transfer application to the insurer's satisfaction, including providing the appropriate evidence issued within the last six months by your previous fund
- you must transfer your total account balance from your previous super fund to us
- you haven't received, or you're not eligible for the payment of a disability benefit under any policy, including workers compensation
- the insurer must be satisfied that you're not suffering from a terminal illness that reduces your life expectancy to less than 24 months
- you must have sufficient money in your account to pay the cost of the cover transferred. Otherwise, the cover won't be considered to have started, your application won't be considered to have been proceeded with, and the insurer's acceptance will be void.

Death and TPD cover

Any death and/or TPD cover you transfer to us will be additional fixed cover. The amount of death and/or TPD cover transferred plus the amount of any existing cover can't total more than $2 million.

If you're a member of the LCC Defined Benefits Fund you can only transfer up to a maximum of four units of death and TPD cover. See page 33 for details of the amount for each unit of cover based on your age next birthday.

Any individual exclusions, restrictions or premium loadings that applied to the cover in your previous fund will continue to apply with us.

Income protection cover

Any income protection cover you transfer to us will be fixed cover and will replace any income protection cover you currently hold with us. The transferred cover can't exceed $20,000 of monthly benefit.

If the benefit period under your current income protection policy isn't available with us, you'll be provided with cover for the next shortest benefit period. For example, if your current policy has a three-year benefit period, the two-year benefit period will be applied to the transferred cover.

If the waiting period under your current policy isn't available with us, you'll be provided with the next longest waiting period. For example, if your current policy has a 14-day waiting period, a 30-day waiting period will be applied to the transferred cover.

Any individual exclusions, restrictions or premium loadings that applied to your cover in your previous fund will continue to apply with us.

What do I need to consider when transferring insurance held with another fund?

If you're applying to transfer in cover held with another fund:

- you shouldn't cancel the cover you have with the other super fund until your application is accepted
- any limitations, restrictions, loadings or exclusions that applied to your cover in the previous fund will continue to apply with us
- there are general risks associated with changing existing cover as insurance terms and conditions may be different. You should consider whether there will be any changes to insurance definitions, waiting periods, benefit periods or any other loss of benefits
- you should understand your duty to take reasonable care not to make a misrepresentation and the consequences of not complying with the duty on your application (even when unintentional). See page 38 for more details
- once your application is accepted, if you don't cancel all of your cover with your previous fund, any benefit payable from us will be reduced by the amount of cover you have kept with your previous fund.

How to transfer cover

You can apply to transfer cover by completing the *Transfer your insurance* form available at **spiritsuper.com.au/forms**.

You'll also need to provide an up-to-date *Member statement* or declaration from your other super fund that is less than six months old which includes details of:

- the amount and type/s of cover you hold
- any exclusions, special conditions or loadings that apply and
- the benefit and waiting periods applicable (income protection cover only). Your application to transfer cover is subject to acceptance by our insurer.

Transferred cover will start on the date your total account balance from your previous fund is received by us.

Insurance upon leaving the fund

Your insurance automatically ceases when you leave the defined benefits fund.

If you transfer your benefit to a Spirit Super account your insurance cover may continue, however your death and TPD cover will no longer be linked to your service in the defined benefits fund. Any cover you have, including the insured amount of your defined benefit, will be converted to equivalent fixed cover as applicable in the account, and costs will apply.

When does cover end in the defined benefits fund?

Your cover will end on the earliest of:

Cover type	Age cover ends
Additional death and/or TPD	65
Income protection	65

- the date you cease to be a member of defined benefits fund
- the date you transfer your benefit to a Spirit Super account
- for death and/or TPD cover, the date that a terminal illness or TPD benefit becomes payable to you under this policy
- the date you notify us that you wish to cancel your cover
- the date you join the armed forces, excluding the Australian Armed Forces Reserve
- the day you die
- the first day of the month that there are insufficient funds in your account to pay your annual insurance cost deduction for any additional cover or income protection cover.

Call us on **1800 005 166** for more details about insurance cover with us.

The duty to take reasonable care not to make a misrepresentation

When you apply for life insurance, we'll ask you a number of questions.

Our questions will be clear and specific. They'll be about things such as your health and medical history, occupation, income, lifestyle, pastimes and other insurance.

The answers given in response to our questions are very important. We use them to decide if we can provide cover to you and, if we can, the terms of the cover and the premium we'll charge.

The duty to take reasonable care

When applying for insurance, there's a duty to take reasonable care not to make a misrepresentation.

A misrepresentation could be made if an answer is given that is false, only partially true, or that does not fairly reflect the truth. This means when answering our questions, you should respond fully, honesty and accurately.

The duty to take reasonable care not to make a misrepresentation applies any time you answer our questions as part of an initial application for insurance, an application to extend or make changes to existing insurance, or an application to reinstate insurance.

You are responsible for all answers given, even if someone assists you with your application.

We may later investigate the answers given in your application, including at the time of a claim.

Consequences of not complying with the duty

If there's a failure to comply with the duty to take reasonable care not to make a misrepresentation, it can have serious consequences for your insurance, such as those explained below:

Potential consequences	Additional explanation	Impact on claims
Your cover being avoided	This means your cover will be treated as if it never existed.	Any claim that has been made won't be payable.
The amount of your cover being changed	Your cover level could be reduced.	If a claim has been made, a lower benefit may be payable.
The terms of your cover being changed	We could, for example, add an exclusion to your cover meaning claims for certain events won't be payable.	If a claim has been made for an event that is now excluded, it won't be payable.

If we believe there's been a breach of the duty to take reasonable care not to make a misrepresentation, we'll let you know our reasons and the information we rely on and give you an opportunity to provide an explanation.

In determining if there's been a breach of the duty, we'll consider all relevant circumstances.

The rights we have if there's been a failure to comply with the duty will depend on factors such as what we would have done had a misrepresentation not been made during your application process and whether or not the misrepresentation was fraudulently made.

If we decide to take some action on your cover, we'll advise you of our decision and the process to have this reviewed or make a complaint if you disagree with our decision.

Guidance for answering our questions

When answering our questions, please:

- Think carefully about each question before you answer. If you're unsure of the meaning of any question, please ask us before you respond.
- Answer every question that we ask you.
- Don't assume that we'll contact your doctor for any medical information.
- Answer truthfully, accurately and completely. If you're unsure about whether you should include information, please include it or check with us.
- Review your application carefully. If someone else helped prepare your application (for example, your adviser), please check every answer (and make corrections if needed) before the application is submitted.
- Before your cover starts, we may ask about any changes that mean you would now answer our questions differently. As any changes might require further assessment or investigation, it could save time if you let us know about any changes when they happen.
- If, after the cover starts, you think you may not have met your duty, please contact us immediately and we'll let you know whether it has any impact on the cover.

It's important that you understand this information and the questions we ask, so if you have any questions, call us on **1800 005 166**.

Key definitions

This section contains definitions for some of the terms used throughout this guide and in the insurance policies. Contact us if you need more details.

Active employment

You:

- are employed to carry out identifiable duties, are actually performing those duties, and in our insurer's opinion, are not restricted by sickness or injury from carrying out those duties on a full-time basis or the duties of your usual occupation on a full-time basis (even if you're not working full time).

A person who's not actively performing identifiable duties at the time cover commences or increases will be in active employment if in our insurer's opinion the person is not restricted by sickness or injury from carrying out those duties on a full-time basis or the duties of their usual occupation on a full-time basis (even if they're not working on a full-time basis).

Total and permanent disablement (TPD)/totally and permanently disabled

An insured member is totally and permanently disabled if one of the following applies:

PART A

The insured member suffers, as a result of illness or injury:

i. the total and permanent loss of the use of two limbs

ii. blindness in both eyes or

iii. the total and permanent loss of the use of one limb and blindness in one eye and

in the insurer's opinion, on the basis of medical and other evidence satisfactory to the insurer, the insured member is unlikely to be able to engage in any occupation whether or not for reward.

Where:

- limb means the whole hand below the wrist or whole foot below the ankle and
- blindness means the permanent loss of sight to the extent that visual acuity is 6/60 or less, or to the extent that the visual field is reduced to less than 20 degrees in diameter.

OR

PART B

The insured member is, as a result of illness or injury, totally unable to perform without the physical assistance of another person any two of the following activities of daily living:

- **Dressing** – the ability to put on and take off clothing
- **Toileting** – the ability to use the toilet, including getting on and off
- **Mobility** – the ability to get in and out of bed and a chair
- **Bathing** – the ability to wash or shower
- **Feeding** – the ability to get food from a plate into the mouth

and in the insurer's opinion the person is permanently and irreversibly unable to do so for life, and in the insurer's opinion, on the basis of medical and other evidence satisfactory to the insurer, the insured member is unlikely to be able to engage in any occupation for which they are reasonably qualified by education, training and experience.

OR

PART C

The insured member:

i. was, on the date of disablement, aged less than 65 years and

ii. as a result of illness or injury, has been absent from all work for three consecutive months from the date of disablement and the insurer considers, on the basis of medical and other evidence satisfactory to the insurer, the insured member is unlikely ever to be able to engage in any occupation, whether or not for reward.

Without limiting the definition of occupation used in this context, an occupation of the insured member will also include any reasonable alternative occupation the insured member engaged in for six months or more at any time.

Despite the above, an insured member will not be totally and permanently disabled under paragraph (c) if he or she was unemployed for a continuous period of 12 months or more before he or she suffered from the illness or injury that is the principal cause of his or her disablement.

OR

PART D

The insurer is satisfied that the insured member on the basis of medical and other evidence satisfactory to the insurer, is unlikely to be able to engage in any occupation whether or not for reward, and has become so disabled by bodily injury or illness that he or she will never be able to perform at least four of the following activities of daily work:

Bending:

The ability to bend, kneel or squat to pick something up from the floor and straighten up again.

Communicating:

The ability to:

- clearly hear with or without a hearing aid or alternative aid if required and
- comprehend and express oneself by spoken or written language with clarity to successfully function on a day to day basis and in a work environment.

Vision (reading):

The ability to read, with or without correction with suitable lenses, to the extent that an ophthalmologist can certify that:

- visual acuity is equal or better than 6/48 in both eyes or
- constriction is within or greater than 20 degrees of fixation in the eye with the better vision.

Walking:

The ability to walk more than 200m on a level surface without stopping due to breathlessness, angina or severe pain elsewhere in the body.

Lifting:

The ability to lift, carry or otherwise move objects weighing up to 5kg using either or both hands.

Manual dexterity:

The ability, with reasonable precision and success, to:

- use at least one hand, its thumb and fingers, including the ability to pick up and manipulate small objects and
- use a keyboard.

A claim that the insured member will never be able to perform four of these activities of daily work must be supported by evidence that the insured member has been prescribed and is undergoing appropriate treatment.

OR

PART E

All of the following paragraphs i, ii, iii and iv apply to the person:

i. the insured member was, on the date of disablement, aged less than 65 years

ii. the insured member is absent from all work as a result of suffering cardiomyopathy, primary pulmonary hypertension, major head trauma, motor neurone disease, multiple sclerosis, muscular dystrophy, paraplegia, quadriplegia, hemiplegia, diplegia, tetraplegia, dementia and Alzheimer's disease, Parkinson's disease, blindness, loss of speech, loss of hearing, chronic lung disease or severe rheumatoid arthritis (each as defined in the *Schedule of medical condition definitions* set out at the end of the insurance policy)

iii. the insurer considers, on the basis of medical and other evidence satisfactory to the insurer, the insured member is unlikely ever to be able to engage in any occupation, whether or not for reward and

iv. the insured member is likely to be so disabled for life.

Date of disablement

Means the later of:

a. the date on which a medical practitioner examines the person and certifies in writing that the person suffers from the illness or injury that is the principal cause of the total and permanent disablement for which a claim is made and

b. the date the person ceases all work.

However:

- **i.** if the claim is made under Part A of the total and permanent disablement definition, date of disablement means the date on which a medical practitioner examines the person and certifies in writing that the person suffers from one of the conditions set out in PART A i, ii or iii
- **ii.** if a person participates in a rehabilitation program and is incapable of returning to work within 12 months from the date the person commenced his or her absence from work, the date of disablement is the date that would have applied if the person hadn't participated in the rehabilitation program.

The date of disablement must occur while the person is insured for total and permanent disablement under this policy.

Medical practitioner

Means a medical practitioner who is legally qualified and properly registered and isn't:

a. an immediate family member of

b. a manager, employee or colleague of

c. a business partner or associate sharing vested business interests with

the relevant insured member.

For the purpose of this definition, a registered medical practitioner is a legally qualified medical practitioner whose credentials have been formally accepted by the medical authority of the Australian state or territory in which he or she practises as a medical practitioner and who is registered by that medical authority to carry out the duties of a medical practitioner according to the rules set by the medical authority. A medical authority is the registered authority, board, association or body which has the power to authorise or license a person to practise as a medical practitioner in the relevant Australian state or territory.

The insurer may accept a similarly qualified person who's registered and practising as a medical practitioner in another country, on the basis their credentials are recognised by the Australian Medical Board.

Immediate family member

An immediate family member includes a spouse, parent, parent-in-law, sibling and a child.

Limited cover

Means the insured member is only covered for claims arising from:

a. an illness which first became apparent or

b. an injury which first occurred on or after the date the cover last commenced, recommenced or increased for the member in Spirit Super.

Terminal illness/terminally ill

A terminal illness exists in relation to an insured member at a particular time if the following circumstances exist:

a. two medical practitioners have certified jointly or separately in writing, that the insured member suffers from an illness or has incurred an injury that is likely to result in the death of the person within a period (the 'certification period') that ends not more than 24 months after the date of the certification

b. at least one of the medical practitioners is a specialist practicing in an area related to the illness or injury suffered by the insured member

c. for each of the certificates the certification period has not ended and

d. the insurer is satisfied, on medical or other evidence, that despite reasonable medical treatment, the insured member's illness or injury is likely to result in the insured member's death within the certification period.

The illness or injury that the insured member suffers must occur, and the dates of the certifications must take place, while the insured member is insured under this cover.

10. NOMINATING YOUR BENEFICIARIES

A beneficiary is the person or persons you nominate to receive all or part of your super (including any insurance payout) when you pass away. This payment is called your 'death benefit'

Who can you nominate as a beneficiary?

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 a 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. You can see your nomination on your *Member statement* and in **Member Online**.

How to nominate a beneficiary

There are two types of beneficiary nominations: 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**
- by completing the *Choose your non-binding beneficiaries* form.

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 binding 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 as you 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 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 anytime 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.

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 death benefit. Usually your benefit can only be paid to your dependant or dependants and/or legal personal representative.

11. OTHER IMPORTANT INFORMATION

Easy and convenient online access

Keeping up to date with what's going on with your super is easy. Log in to **Member Online** with either your member number or registered email address for quick and secure access to your account.

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

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 in **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, your insurance 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**.

Helping you to sort your super

We love helping you understand and maximise your super. That's why 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.

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.

Feedback and complaints

We hope that you'll never have a reason to complain. However, if you do, you can refer to our *Complaints handling policy*. This is available at **spiritsuper.com.au/complaints-policy**.

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

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

Address GPO Box 1547, Hobart TAS 7001

Phone **1800 005 166**

You'll need to include all 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 it 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**

Address 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

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