

## WARNING ON THE USE OF THIS DOCUMENT

The core benefits described in this document are generally current. However, it is **not** being updated for changes to taxes, superannuation laws, fees, investments or asset allocations, nor for any changes to the Fund's insurance policies.

For information about how tax and superannuation law changes affect your benefits, you should seek advice from a licensed financial adviser. For the latest information about the Fund, call the Fund Administrator on **1800 127 953**.

The Fund's latest *Annual Report* includes information on the Fund's investment options. The Report is available from the website <http://heidaustsf.com> or by calling the Fund Administrator.

Superannuation can be complex. So before making any important decisions about your super, we recommend you first discuss your personal situation with a licensed financial adviser. You can find licensed advisers by contacting the Financial Planning Association of Australia on 1300 337 301 or visiting their website at [www.fpa.com.au](http://www.fpa.com.au). Information on seeking financial advice and tips on choosing a financial adviser are provided on the Australian Securities & Investments Commission's website at [www.moneysmart.gov.au](http://www.moneysmart.gov.au).

March 2020

# a super start



setting up for your future

## Guide to your super Product Disclosure Statement

7 October 2019

**HEIDELBERG**

HEIDELBERG AUSTRALIA SUPERANNUATION FUND

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### About this Product Disclosure Statement

This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). You should consider that information before making a decision about the product.

The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

Information in this document that is not materially adverse is subject to change from time to time and may be updated if it changes. Updated information can be obtained free of charge from <http://heidaustsf.com> or by contacting the Fund Administrator on **1800 127 953**.

### Who to contact

For more information about the Fund, its features and benefits, or the Trustee, please contact:

#### General Enquiries

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Heidelberg Australia  
Unit 4, 19-23 Geddes Street  
Mulgrave VIC 3170  
Tel: (03) 9548 6210  
Email: [con.xanthos@heidelberg.com](mailto:con.xanthos@heidelberg.com)

or –

#### Human Resources Department

Julie Sarro  
Heidelberg Australia  
Unit 4, 19-23 Geddes Street  
Mulgrave VIC 3170  
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Email: [julie.sarro@heidelberg.com](mailto:julie.sarro@heidelberg.com)

or –

#### The Fund Administrator

Heidelberg Australia  
Superannuation Fund  
PO Box 1442  
Parramatta NSW 2124  
Tel: 1800 127 953  
Fax: (02) 8571 6222  
Email:  
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Website:  
<http://heidaustsf.com>

Issued by Towers Watson Superannuation Pty Ltd (ABN 56 098 527 256, AFSL 236049), as Trustee of the Heidelberg Australia Superannuation Fund (ABN 75 071 229 817).

# 1 About the Heidelberg Australia Superannuation Fund

The Heidelberg Australia Superannuation Fund is a superannuation fund specifically designed for current and former Heidelberg employees.

The Heidelberg Australia Superannuation Fund provides you with flexibility to save for your retirement.

The Fund does not offer a MySuper product. To join the Fund, you must complete an application form and choose your preferred investment option.

This Product Disclosure Statement provides a summary of the benefits provided to members in the Accumulation section, including the Retained Benefits Division. On the Fund's website at <http://heidaustsf.com>, under 'Learn more', you can find information on the Fund, on the Trustee's remuneration and any other documents required to be disclosed under the superannuation legislation.

## 2 How super works

**Superannuation is a way to save for retirement that is, in part, compulsory. For many people, it is likely to be their main source of income in retirement.**

Generally, the Company contributes at least 9.5% of your Ordinary Time Earnings (OTE) to your super account – this is known as the Superannuation Guarantee (SG). You can also contribute money to help your superannuation grow.

The money in your super account is invested and earns investment returns over the years until you retire. The Government provides tax savings, so the money contributed to your super account is taxed less than the tax you pay on your salary. This allows your super to grow.

The Government has rules in place which mean you generally cannot access the money in your super account until you reach what is known as your preservation age – generally between age 55 and 60 – or you satisfy another condition of release.

### Additional Information

You should read the important information about how super works before making a decision. Further details are contained in the guide, *Additional Information* in the section *How super works*. Go to <http://heidaustsf.com> or contact the Human Resources Department. The material relating to how super works may change between the time when you read this Statement and the day when you acquire the product.

### Contributions

There are different types of contributions available to you:

- › **Company contributions** – the Company contributes money to your super fund on your behalf.
- › **Additional voluntary contributions** – to help your super grow, you have the option to contribute additional amounts to your super. You can generally make these contributions from your before-tax salary or from your earnings after you have paid tax.
- › **Government co-contributions** – if you make a contribution to your super from your after-tax earnings and your income is under the limit set by the Government, you may be eligible for an additional contribution from the Government. Conditions apply.

You can also transfer money you have in other super funds into the one account in this Fund.

The Government places limits on how much can be contributed to super before extra tax applies. See page 6 for more information.

### Choosing your super fund

Most working Australians can choose which super fund they belong to. When you join Heidelberg you must choose your super fund. As a Heidelberg employee, you can choose to join the Heidelberg Australia Superannuation Fund. However, you can also have your future contributions paid into another complying super fund and/or transfer your existing benefit to another fund.

# 3 Benefits of investing with the Heidelberg Australia Superannuation Fund

**There are a number of benefits of being a member of the Heidelberg Australia Superannuation Fund.**

- › Heidelberg Australia will contribute a **total of 9.5% of your OTE** into the Heidelberg Australia Superannuation Fund for you.
- › Heidelberg Australia **pays the cost of administering your account and your insurance fees**, leaving you more money for your retirement (for employee members only). Some fees do apply.
- › You can make **additional voluntary contributions** to your super from your before or after-tax earnings. You can also **keep your entire super in the one fund** by rolling your previous super into your account in the Fund.
- › You have a **choice of five investment options** to suit different investment styles and investment timeframes.
- › To help protect you and your family from the unexpected, the Fund **provides insurance cover** to eligible members if you should die or become totally and permanently disabled.
- › You can **continue to be a member** of the Heidelberg Australia Superannuation Fund when you stop working at the Company by transferring your benefit to the Fund's Retained Benefits Division. Provided you are under age 65 at the date you ceased employment with the Company, your insurance cover will continue automatically in the Fund's Retained Benefits Division.
- › The Trustee **communicates with you regularly**. Each year you will receive a *Benefit Statement* outlining the value of your super. Plus the Trustee issues regular newsletters, an *Annual Report* and other information to keep you up to date with your super.

To ensure the Trustee knows who you would like to receive your superannuation in the event of your death, you can make a beneficiary nomination. The Trustee will use your nomination as a guide when deciding who should receive your benefit. To nominate your preferred beneficiaries, please complete a *Nomination of Preferred Dependants form* available from the Human Resources Department and return it as directed.

## Additional Information

You should read the important information about the benefits of investing with the Heidelberg Australia Superannuation Fund before making a decision. Further details about your benefits are contained in the guide, *Additional Information*. Go to <http://heidaustsf.com> or contact the Human Resources Department for a copy. The material relating to your benefits may change between the time when you read this Statement and the day when you acquire the product.

# 4 Risks of super

**As with all investments, there are risks with investing with the Heidelberg Australia Superannuation Fund.**

## Investment risk

The Heidelberg Australia Superannuation Fund offers you a choice of five investment options, each with different strategies and different levels of risk and expected return. The level of risk depends on the option's assets.

Generally, the higher an investment's potential long-term return, the greater the risk associated with that investment. Historically, investment in shares has provided the highest average returns over the long term but has also demonstrated the greatest volatility in the short term. Over the longer term, lower risk investments, such as cash or fixed interest, generally provide lower returns, but are less volatile than shares.

The value of your account in the Fund will vary and may rise or fall, in line with the performance of the investment markets in which your money is invested. You should remember that past performance is not necessarily a reliable indicator of future performance.

Returns from the Heidelberg Australia Superannuation Fund may be positive or negative and are not guaranteed. When you leave the Fund, you may get less than the amount of contributions paid in by you and the Company because of taxes, fees and low or negative investment returns.

Your level of investment risk will vary depending on your age, investment timeframe, other investments and risk tolerance.

## Other risks

Being a member of the Heidelberg Australia Superannuation Fund does not automatically mean that you will have enough money to live on in your retirement. Your future super savings and investment earnings may not be sufficient to adequately provide for your retirement.

The Company may decide to cease or vary its contributions, the Fund's Trust Deed may be amended, or the Fund may close in the future. This may affect the value of your super account balance or payout.

A change in the laws that govern superannuation may impact on your ability to access your money in the future or affect the tax effectiveness of your super savings.

The Fund may also be exposed to other risks such as changes in the economic and political climate, fraud or other criminal activities (including identity theft). Not all of these risks can be controlled by the Trustee.

The Trustee will keep you informed about any material changes that may affect your super.

## Additional Information

You should read the important information about the risks of super before making a decision. Further details about risks are contained in the guide, *Additional Information* in the section *Risks of super*. Go to <http://heidaustsf.com> or contact the Human Resources Department for a copy. The material relating to risks of superannuation may change between the time when you read this Statement and the day when you acquire the product.



# 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 fund 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.

## To find out more

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

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Other fees, such as activity fees and insurance fees, may also be charged, but these will depend on the nature of the activity or insurance chosen by you. Entry fees and exit fees cannot be charged.

Refer to page 7 and to the *Insurance Guide* for the costs of insurance cover. Fees shown include GST and stamp duty if applicable.

ASIC's fee calculator at [www.moneysmart.gov.au](http://www.moneysmart.gov.au) can be used to check the effect of fees and costs on your account balance.

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

Heidelberg Australia Superannuation Fund		
Type of fee	Amount	How and when paid
<i>Investment fee<sup>1</sup></i>	<b>Diversified Shares option</b> – 0.48% p.a. to 0.58% p.a. (\$4.80 to \$5.80 per \$1,000) <b>Growth option</b> – 0.41% p.a. to 0.49% p.a. (\$4.10 to \$4.90 per \$1,000) <b>Balanced option</b> – 0.34% p.a. to 0.40% p.a. (\$3.40 to \$4.00 per \$1,000) <b>Capital Stable option</b> – 0.21% p.a. to 0.25% p.a. (\$2.10 to \$2.50 per \$1,000) <b>Cash option</b> – 0.09% p.a. to 0.11% p.a. (\$0.90 to \$1.10 per \$1,000)	This fee is deducted from investment returns before the returns are applied to your account in the Fund.
<i>Administration fee<sup>1</sup></i>	<b>Employee members</b> – Nil (administration fees are paid by the Company) <b>Retained Benefits Division members</b> – 0.40% p.a. (\$4.00 per \$1,000) of your account balance (subject to a minimum of \$36 p.a.)	Not applicable.  This fee is calculated and deducted from your account monthly (i.e. 1/12th of 0.40%).
<i>Buy-sell spread</i>	<b>Diversified Shares option</b> – 0.25% (\$2.50 per \$1,000) <b>Growth option</b> – 0.20% (\$2.00 per \$1,000) <b>Balanced option</b> – 0.15% (\$1.50 per \$1,000) <b>Capital Stable option</b> – 0.10% (\$1.00 per \$1,000) <b>Cash option</b> – 0.00% (\$0 per \$1,000)	This is deducted from your account balance when you change (switch) investment options and is based on the option you transfer into.
<i>Switching fee</i>	\$30 per switch	This fee is deducted from your account at the time of switching.
<i>Advice fees relating to all members investing in a particular investment option</i>	Nil	Not applicable.
<i>Other fees and costs<sup>2</sup></i>	Other fees may also apply	
<i>Indirect cost ratio<sup>1</sup></i>	Nil	Not applicable.

<sup>1</sup> If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

<sup>2</sup> Fees for certain activities you request may apply (see 'Additional Explanation of Fees and Costs' in the *Additional Information* guide).

## Example of annual fees and costs – Growth option

The table gives an example of how the fees and costs in the Growth option for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

### Employee members

Example – Growth option		Balance of \$50,000
Investment fees	0.49% p.a.	For every \$50,000 you have in the Growth option you will be charged \$245 each year*
<b>PLUS</b> Administration fees	Nil	<b>And</b> , for every \$50,000 you have in the Fund you will be charged nil in administration fees, regardless of your balance
<b>PLUS</b> Indirect costs for the Growth option	Nil	And, indirect costs of nil each year will be deducted from your investment
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$245</b> for the Growth option

\* The investment fee shown is the maximum fee applicable.

Note: Additional fees may apply.

### Buy/sell spread

This is a fee charged by the Fund to reflect any transaction costs charged by the investment managers when you change investment options. It is deducted from your account balance when you change investment options (based on the option you transfer into) and is therefore an additional cost to you.

The buy/sell fee applies to both Accumulation members and members in the Retained Benefits Division. The fee for each of the Fund's investment options is a percentage of your account balance. For example, the buy/sell fee for switching into the Fund's Growth option is 0.20% p.a or \$2.00 per \$1,000.

### Fee changes

All fees and charges are current as at the date of this PDS and may be revised by the Trustee from time to time without your consent. The Trustee may also introduce new fees. You will generally be given 30 days' notice of increases to fees.

The fees charged may depend on your employment status or category of membership. If you change your category of membership, you will be advised of any changes to the fees that apply to you.

### Additional Information

Further details about fees, including those applying to the Fund's other investment options and definitions of various fees, are contained in the guide, *Additional Information* in the section *Fees and other costs*. You should read the important information about fees before making a decision. Go to <http://heidaustsf.com> or contact the Human Resources Department for a copy. The material relating to fees may change between the time when you read this Statement and the day when you acquire the product.

For definitions of various fees, refer to the website at <http://heidaustsf.com>.

## 7 How super is taxed

All taxes deducted are paid to the Australian Taxation Office when required.

### Tax on contributions

Generally, 15% contributions tax is deducted from concessional contributions (such as the Company's and your salary sacrifice contributions) when received by the Fund. This tax does not apply to after-tax contributions.

There are limits on how much you can contribute to super before extra tax applies.

	Concessional contributions	Non-concessional contributions	
<b>What is the annual limit?</b>	\$25,000.	\$100,000, however, if your total super balance on 30 June 2019 was more than \$1.6 million any non-concessional contributions you make in the 2019/20 year will be excessive.	
<b>What tax applies if my contributions are within the cap?</b>	Generally 15% contributions tax.	Nil.	
<b>How much tax applies to the excess if I exceed the limit?</b>	Your marginal tax rate less 15% (reflecting tax already paid by the Fund), plus an interest charge.	<b>If you withdraw the excess from super:</b> Nil tax on contributions. Associated earnings taxed at your marginal tax rate.	<b>If you leave the excess in super:</b> 47%.

# If you are under age 65 and you want to make larger non-concessional contributions to your superannuation fund, you may be able to bring forward up to two years of caps, to make total contributions of up to \$300,000 over three years. The maximum you can contribute over three years is \$300,000 and further restrictions may apply if your total superannuation balance on 30 June 2019 was greater than \$1.4 million.

### Tax on investment earnings

A tax of up to 15% is deducted from the Fund's investment earnings before the earnings are applied to your account.

### Tax on withdrawals

Lump sum payments made from the Fund after age 60 are generally tax free. Tax may apply before age 60 and will be deducted before your benefit is paid to you.

**You should provide your Tax File Number (TFN) to the Fund. This may save you tax. Normally the Company will provide your TFN to the Fund when you start work. If you don't provide your TFN, higher tax can apply to certain payments and some types of contributions cannot be accepted.**

### Additional Information

Further details about tax are contained in the guide, *Additional Information* in the section *How super is taxed*. You should read the important information about tax before making a decision. Go to <http://heidaustsf.com> or contact the Human Resources Department for a copy. The material relating to tax may change between the time when you read this Statement and the day when you acquire the product.

# 8 Insurance in your super

To help protect you and your family from the unexpected, the Heidelberg Australia Superannuation Fund provides employee members free insurance cover for death and total and permanent disablement (TPD) which is paid in addition to your account balance. You cannot change or opt out of this cover.

You receive automatic cover if:

- › You join the Fund when you commence employment with Heidelberg Australia, and you are actively at work performing your normal duties on that date; and
- › Your level of insurance cover is below the limit set by the Fund's insurer.

Under the terms of the Fund's insurance policy, if you work part-time – that is, less than 15 hours per week – you are not entitled to TPD cover under the Fund. In this case, your benefit on TPD is equal to your account balance.

## How your insurance benefit is calculated

Your level of insurance cover is calculated as:

$15\% \times$  the number of years and months from the date of your death or disablement to age 65  
 $\times$  annual salary

In this case, 'annual salary' is defined as your ordinary salary, including commissions and bonuses, but excluding overtime or any other allowance or loading.

## Example

Here's an example. Say you are exactly 30 years of age and your annual salary is \$60,000. In this case, your insurance cover or insured benefit would be calculated as follows:

**Years to age 65: 35**

**Multiple:  $15\% \times 35 = 5.25$**

**Insurance amount:  $5.25 \times \$60,000 = \$315,000$**

As the example above shows, your level of insurance cover is expressed as a multiple of your annual salary. The following table illustrates this multiple at various ages.

Age at date of death or disablement	Multiple
25	6.00
30	5.25
35	4.50
40	3.75
45	3.00
50	2.25
55	1.50
60	0.75

## Continuing your cover when you leave the Company

When you leave the Company, your super will be transferred automatically into an account in your name in the Retained Benefits Division of the Fund providing your benefit is greater than \$2,000.

As a Retained Benefits member, your insurance cover if you die or are totally and permanently disabled (if any) will continue in the Fund. The amount of insurance cover you receive as a Retained Benefits member will equal the dollar amount of insurance cover you had on the day that you ceased employment with the Company. You can reduce or cancel this cover at any time. Contact the Fund Administrator for the required form. If you do not cancel your cover, the cost of the cover will be deducted from your account.

In the event that there are no contributions or rollovers into your account for 16 months, we must cancel your insurance cover unless you tell us you want to keep your cover or you arrange to make a contribution. We will warn you in advance if your account is classified as inactive and your insurance could stop.

If your insurance cover is stopped, we will notify you. If you would like to recommence your cover at a later date, you will be subject to underwriting i.e. required to provide evidence of good health and any other information requested by the insurer. The insurer may impose restrictions, special conditions or apply a loading to your insurance fees in certain circumstances, or even refuse your request. You will be informed if this applies to you.

## Insurance fees

For current employee members of the Fund, your insurance cover is provided at no cost to you. The cost of cover is the same for employees and Retained members, but Heidelberg Australia meets the cost of cover for employee members.

For Retained Benefits members of the Fund, the fees for your cover are deducted from your account and, because they depend on your age and amount of cover, they will change each year. Annual fees range from \$0.50 to \$21.75 for each \$1,000 of insurance cover, depending on your age and the type of cover.

## Additional Information

Further details about insurance including the amount of cover, important conditions, exclusions and risks are contained in the *Insurance Guide* and *Additional Information* guide. This information may affect your entitlement to insurance cover. You should read the important information about insurance before making a decision, including whether the insurance is appropriate. Go to <http://heidaustsf.com> or contact the Human Resources Department for copies. The material relating to insurance may change between the time when you read this Statement and the day when you acquire the product.

# 9 How to open an account

**Joining the Heidelberg Australia Superannuation Fund is easy!  
Just follow these simple steps.**

- 1.** Read this PDS carefully to learn about the options and features available to you.
- 2.** Consider your superannuation choices for:
  - › Your beneficiaries;
  - › Additional contributions;
  - › Rollovers; and
  - › Your investment choice.

Once you have made your choices, complete and return the forms at the back of this PDS. Your membership of the Fund cannot be established until you have made an investment choice and returned the *Application and Change Request form*.

## Enquiries and complaints

If you have any questions, would like to make a complaint, or would like more information about the Heidelberg Australia Superannuation Fund, please contact:

### **The Fund Administrator**

Heidelberg Australia Superannuation Fund  
PO Box 1442  
Parramatta NSW 2124  
Tel: 1800 127 953  
Fax: (02) 8571 6222  
Email: [heidelbergsuperadmin@linksuper.com](mailto:heidelbergsuperadmin@linksuper.com)  
Website: <http://heidaustsf.com>

## Protecting your personal information

The Trustee believes your privacy is important and so has developed a privacy policy to protect your personal information. The policy outlines how the Fund collects and manages your personal information. A copy of the policy is available by contacting the Fund Administrator on **1800 127 953**.

## Additional Information

You should read the important information about your account in the Heidelberg Australia Superannuation Fund before making a decision. Further details are contained in the guide, *Additional Information* in the section *How to open an account*. Go to <http://heidaustsf.com> or contact the Human Resources Department for a copy. The material relating to your account may change between the time when you read this Statement and the day when you acquire the product.



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HEIDELBERG AUSTRALIA SUPERANNUATION FUND

# Application and Change Request form

The Heidelberg Australia Superannuation Fund gives you a number of choices for your super. You can choose to make additional voluntary contributions and decide how you would like your super invested. For more information on these choices, please refer to the Fund's Product Disclosure Statement.

Use this form to make your choices when you join the Fund. You must make an investment choice when you join the Fund or your application cannot be processed. You can also use this form to vary your existing choices if you need to.

## Your personal details

Title: Mr/Mrs/Miss/Ms (please circle)

Surname: \_\_\_\_\_ First name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_ State: \_\_\_\_\_ Postcode: \_\_\_\_\_

Date of birth: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Member number (if an existing member): \_\_\_\_\_

Email: \_\_\_\_\_

### Providing your email address

The Trustee may decide to provide information about the Fund or your benefits electronically in the future. This might include Product Disclosure Statements, Benefit Statements, Exit Statements, Annual Reports, newsletters or information on material changes to your super or significant events. If you'd like to receive information electronically, where available, please provide your email address

## Your contribution choice

Tick one of the options below to tell us if you would like to make additional voluntary contributions to your super, or to change the amount of your existing additional voluntary contributions.

I wish to *make* additional voluntary contributions to the Fund.

I wish to *change* the amount of additional voluntary contributions I currently make to the Fund.

Now please tell us how much you wish to contribute and whether you wish your contributions to be deducted from your before-tax or after-tax salary.

I wish to contribute \_\_\_\_\_% of my salary as additional voluntary contributions.

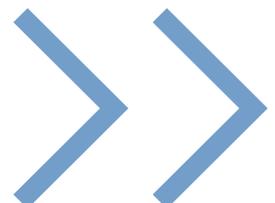
I wish to make my contributions from my (please tick your choice):

Before-tax salary\* (i.e. by salary sacrifice)

After-tax salary

\* Making additional voluntary contributions by salary sacrifice is subject to Company approval. For more information, refer to the Fund's Product Disclosure Statement.

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## Your investment choice

**Please invest the current balance of my super account with the Fund, together with any future contributions and rollovers, in the following investment option (please tick ONE option only):**

Cash     Capital Stable     Balanced     Growth     Diversified Shares

If you are a current member of the Fund and you are using this form to switch your investment option, you should note that the Trustee permits switching once every month with your new option applying with effect from the first day of the month. You must return your form five business days prior to the end of the month. Refer to the Fund's Product Disclosure Statement for more information on switching options.

## Your approval

I hereby declare that:

- I have received and understood the Product Disclosure Statement (PDS) for the Heidelberg Australia Superannuation Fund.
- I agree to be bound by the terms and conditions of the Fund's trust deed and insurance policy.
- All of my super (for Accumulation members) or my accumulation accounts (for Defined Benefit members) will be invested in the investment option of my choice. I understand that investment returns may be positive or negative and are not guaranteed.
- I elect that the Fund (being a choice product) should receive all of the Company's future Superannuation Guarantee contributions until the Trustee (via the Fund Administrator) receives a new instruction from me.
- I direct the Trustee that my future contributions are to be invested in accordance with the investment option that I have selected on this form until the Trustee (via the Fund Administrator) receives a new instruction from me.
- My insurance cover under the Fund is subject to any health requirements being met.
- The choices I have made on this form supersede any previous choices that may have been made by me.
- If I am making changes to my existing membership details, I have completed the applicable sections of the form. Any section of the form that is not completed signifies that I wish to maintain my existing arrangement.
- If I have provided my email address on page 1, I agree that the Trustee may use that email address to send me information as set out on page 1 electronically.
- I have received, read and understood the summary of the *Privacy Policy* for the Fund as set out in the PDS. I agree to the use and disclosure of my personal information as disclosed therein.
- The information on this form is true to the best of my knowledge and belief.

Signature: \_\_\_\_\_ Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

**Please return your completed form to the Human Resources Department.**  
If you have any questions, please contact the Fund Administrator on 1800 127 953.

# a super start



setting up for your future

**Additional Information**  
**7 October 2019**

**HEIDELBERG**  
HEIDELBERG AUSTRALIA SUPERANNUATION FUND

**The information in this document forms part of the Heidelberg Australia Superannuation Fund Product Disclosure Statement.**

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# Important information

The information in this document forms part of the Product Disclosure Statement *Guide to your super* (dated 7 October 2019) for the Heidelberg Australia Superannuation Fund.

This information should be read in conjunction with the other documents that form part of the Product Disclosure Statement (PDS). You should consider this information before making a decision about the product.

The information provided is general information only and does not take into account your particular objectives, financial circumstances or needs. It is not personal or tax advice. Any examples included are for illustration only and are not intended to be recommendations or preferred courses of action. You should consider obtaining professional advice about your particular circumstances before making any financial or investment decisions based on the information contained in this document.

Neither the Trustee nor Heidelberg Australia will provide you with financial advice. The Trustee will only provide factual information or general superannuation advice.

Investment returns can be positive or negative and are not guaranteed by the Trustee or Heidelberg Australia. Information on tax and superannuation legislation is current as at 1 July 2019. The Trustee reserves the right to correct any errors or omissions.

Information contained in this document that is not materially adverse is subject to change from time to time and may be updated if it changes. Updated information can be obtained free of charge from <http://heidaustsf.com> or by contacting Julie Sarro in the Human Resources Department or the Fund Administrator (contact details below).

## For further information, contact the Heidelberg Australia Superannuation Fund:

### General Enquiries

Con Xanthos  
Heidelberg Australia  
Unit 4, 19-23 Geddes Street  
Mulgrave VIC 3170  
Tel: (03) 9548 6210  
Email: [con.xanthos@heidelberg.com](mailto:con.xanthos@heidelberg.com)

or –

### Human Resources Department

Julie Sarro  
Heidelberg Australia  
Unit 4, 19-23 Geddes Street  
Mulgrave VIC 3170  
Tel: (03) 9548 6216  
Email: [julie.sarro@heidelberg.com](mailto:julie.sarro@heidelberg.com)

or –

### The Fund Administrator

Heidelberg Australia Superannuation Fund  
PO Box 1442  
Parramatta NSW 2124  
Tel: 1800 127 953  
Fax: (02) 8571 6222  
Email: [heidelbergsuperadmin@linksuper.com](mailto:heidelbergsuperadmin@linksuper.com)  
Website: <http://heidaustsf.com>



# How super works

Superannuation is an important part of financial planning for your working life and your retirement. Membership of the Fund is a joint commitment to your future, made between you and the Company.

This booklet provides additional information on how the Heidelberg Australia Superannuation Fund and your super work.

This section explains:

- › Contributions to your superannuation;
- › Preservation rules; and
- › Choice of Fund and portability.

## Contributions to your superannuation

Contributions to your super account can come from a number of sources.

## Superannuation Guarantee contributions

By law, your employer must contribute a certain amount of your salary to super. This compulsory contribution is known as the Superannuation Guarantee (SG) contribution. The SG is 9.5% of your Ordinary Time Earnings. Ordinary Time Earnings is generally your salary or pay for ordinary hours worked, excluding overtime. It includes payments such as commissions/bonuses and some allowances. The Company will pay these contributions into your account in the Fund each month.

If you wish, you can choose to direct your future SG contributions to a fund other than the Heidelberg Fund by completing a *Standard Choice form* available from the Human Resources Department and returning it as directed. See page 4 on “Choice of Fund and portability” for more information.

## Additional voluntary contributions

If you wish, you can make additional voluntary contributions, which may include incentive payments, to your account.

If you do decide to make additional voluntary contributions to the Fund, you can choose to make them from your before-tax salary – that is, by salary sacrifice – or after-tax salary. Again, whether you have your additional voluntary contributions deducted from your before-tax or after-tax salary is entirely your decision. However, it is worth taking the time to investigate which option is likely to be the most tax-effective for you. Company approval is required if you wish to make your contributions by salary sacrifice, so contact the Human Resources Department (see page 2 for contact details). After-tax contributions can only be accepted if the Fund has your Tax File Number. You cannot make deductible personal contributions to this Fund.

How much you contribute is up to you, however the total concessional contributions that the Company can make (i.e. SG contributions plus any salary sacrifice contributions) at concessional tax rates is subject to a maximum annual cap as set by the Government. The amount of non-concessional contributions you can make before extra tax applies is also subject to a cap. For information on the contribution caps, see page 14.

As everyone’s situation is different, you should also consider seeking financial advice. You should note that once contributions are made to the Fund, they generally cannot be returned to you until you reach your preservation age and retire.

You may increase, reduce or cease making additional voluntary contributions by completing the *Application and Change Request form* available from the Human Resources Department and returning it as directed.

## Government co-contributions

In 2019/20, if you make superannuation contributions from your after-tax salary and earn less than \$53,564 a year, the Government will pay an extra contribution called a “co-contribution” of up to \$0.50 to your superannuation fund for every \$1 that you contribute. The maximum co-contribution payment is \$500 for members whose total income is less than \$38,564 per year who make contributions of \$1,000 or more.

The maximum co-contribution payment of \$500 reduces by 3.33 cents for every dollar of a member’s income above \$38,564 and phases out completely for those with a total annual income of \$53,564 or more. You cannot receive the co-contribution for contributions for which you claim a tax deduction. Other eligibility conditions also apply.

The Australian Taxation Office (ATO) automatically determines your eligibility for the co-contribution after the end of each financial year once you have lodged your personal income tax return. If you are eligible, the ATO makes the relevant co-contribution payment to the Fund on your behalf.

## Rollovers

You can roll over any amounts that you may have invested with other super funds into this Fund. Having your entire super invested with one super fund makes it easier to keep track of.

If you wish to roll over amounts into the Fund, you should complete a *Super Rollover form* and return it to your previous super fund. Alternatively, you can directly request your previous super fund(s) to transfer your benefit to this Fund. Should you require any details on the Fund, please contact the Fund Administrator on **1800 127 953**. There are no fees charged for rolling your super into the Fund. However, you should check whether you will lose other important benefits in that fund, such as insurance, should you leave.

You will receive confirmation from the Fund Administrator once the transfer of your benefit into the Fund has been finalised.

## Preservation rules

According to the Government's preservation rules, you cannot generally take your super benefit as cash until you have "retired" after reaching your preservation age. Your preservation age depends on when you were born.

Date of birth	Preservation age
Before 1/7/1960	55
1/7/1960 to 30/6/1961	56
1/7/1961 to 30/6/1962	57
1/7/1962 to 30/6/1963	58
1/7/1963 to 30/6/1964	59
1/7/1964 or later	60

For the purposes of the preservation rules, "retired" means that you must have ceased gainful employment and one of the following must apply to you:

- › If you have reached your preservation age but are less than age 60, the Trustee must be satisfied that you intend never again to be gainfully employed more than 10 hours per week.
- › If you are over age 60, either:
  - You must have ceased gainful employment after reaching age 60; or
  - The Trustee must be satisfied that you intend never again to be gainfully employed more than 10 hours per week.

You can receive your benefit in cash after you have reached age 65 regardless of whether you are working or have ever worked.

You may be able to take part of your super in cash before your preservation age; for example, if it relates to employment before 1 July 1999. Your annual **Benefit Statement** will show you if this applies to you. You may also be able to take part of your benefit in cash in other limited circumstances. This includes permanent incapacity, if you suffer from a terminal medical condition or you meet the conditions in the law to receive your benefit on compassionate or financial hardship grounds.

## Temporary residents

If you are not an Australian or New Zealand citizen or resident and you accumulated super while in Australia on a temporary resident visa, you may be able to claim your super when you return home. Applicable taxes will be deducted (these may be different to the taxes paid by other Fund members on their super). If you do not claim your super within six months of permanently departing Australia, the Trustee may be required to pay your super to the ATO without your consent. You may then claim your super from the ATO, but it may not earn any interest while with the ATO.

## Choice of Fund and portability

Choice of Fund legislation allows most working Australians to choose which superannuation fund they wish to belong to. As an employee of Heidelberg Australia, you have the opportunity to participate in Choice of Fund.

Choice of Fund means that you have the opportunity to choose a complying super fund other than the Heidelberg Australia Superannuation Fund for the SG contributions the Company makes to super on your behalf. Currently, this is 9.5% of your Ordinary Time Earnings (OTE). It's important to keep in mind that Choice of Fund is optional.

You can only change your choice of fund once every 12 months. If you wish to choose another super fund, you will need to complete a *Standard Choice Form* available from the Human Resources Department.

If you are considering choosing another super fund, it's important that you first consider the implications on your super. Some of these implications are explained below:

- › **Your super benefit:** If Heidelberg ceases its contributions to the Fund and commences paying its contributions to the fund of your choice, your benefit will be transferred to the Fund's Retained Benefits Division where it will continue in the investment option of your choice until you leave the Fund and close your account.
- › **Your insurance cover:** In the Retained Benefits Division the fees for your insurance cover will be deducted from your account. Your insurance cover for death and total and permanent disablement will continue until you leave the Fund and close your account, reach age 65, have an insurance claim paid for you, until there is insufficient money in your account to pay your insurance fees, or until cover is cancelled because your account has been inactive for 16 months (see the *Insurance Guide*), whichever occurs first. If this happens, your insurance cover will cease.
- › **Fees:** You should check the fees of any fund you are considering.
- › **Returning to the Heidelberg Australia Superannuation Fund:** As an employee, you can rejoin the Fund at any time. You should keep in mind that if your insurance cover in the Fund ceased, you will not automatically be provided with insurance cover and will have to provide evidence of good health and be assessed and accepted by the insurer before any cover commences.

If you wish to make a partial benefit transfer to another fund, you must retain a minimum balance of \$5,000 in the Fund. To transfer your existing balance you will need to complete a *Transfer Form*. This is available from the Fund Administrator.

Transferring part of your account balance to another super fund (as opposed to redirecting your whole account balance to another fund) does not affect your membership or insurance entitlements under the Fund provided there is enough money in your account to pay the insurance fee.

For more information about Choice of Fund and portability, call the Fund Administrator on **1800 127 953**.

## Transfer of low balance inactive accounts to the ATO

The Government requires that inactive accounts that are less than \$6,000 must be paid to the ATO. The ATO will consolidate the account with your active super account. You will be considered inactive if, in the last 16 months, you have not:

- › received a contribution or rollover;
- › changed your investment choice,
- › changed your insurance, or
- › notified the ATO you do not wish to be treated as a low balance inactive account.

Note the definition for inactivity to cancel your insurance as outlined in the *Insurance Guide* is narrower than that used by the ATO for consolidation.

## SPECIAL RULES – SUPER AND HOUSING

### First Home Super Saver Scheme

This scheme allows first home buyers to make voluntary concessional or non-concessional contributions to superannuation and later access some of the funds towards the purchase of their first home. Voluntary contributions made after 1 July 2017 qualify and withdrawals can be made from 1 July 2018.

There are a number of eligibility and other conditions that apply to this scheme.

More information is available on the ATO website or you can contact the Fund Administrator on **1800 127 953**.

### Contributing money from home sale to super

Homeowners aged 65 and over are allowed to contribute some of the proceeds of the sale of their principal home into super. This is designed to encourage older people to downsize their homes.

If you have lived in the home for at least 10 years you can make a “downsizer” contribution of up to \$300,000 into your superannuation fund (including this Fund). Couples are able to transfer up to \$600,000 into super. The contract of sale must have been exchanged on or after 1 July 2018. Eligible downsizer contributions will not count towards your annual non-concessional contribution cap and can be made even if you do not meet the work test\*. However, they will count towards the \$1.6 million cap on the amount that can be held in pensions where earnings are exempt from tax.

If the ATO determines that you were ineligible to make downsizer contributions or you exceed the \$300,000 cap, your contributions will count as personal contributions, which may result in you exceeding your non-concessional contribution cap. The contributions also count towards your total superannuation balance, which may affect whether you can make non-concessional contributions in future years. Other conditions also apply.

The Fund will accept downsizer contributions from members. To make downsizer contributions you need to complete a *Downsizer contribution into superannuation form* available on the Fund’s website.

For more information on the super housing measures, contact the Fund Administrator on **1800 127 953** or refer to **[www.ato.gov.au/super](http://www.ato.gov.au/super)**.

\* For more information on **concessional** and **non-concessional** contributions and the work test, see page 14.

# Benefits of investing with the Heidelberg Australia Superannuation Fund

This section explains:

- › How your account works;
- › Your super benefits;
- › Family law and your super; and
- › Bankruptcy and your super.

## How your account works

The Fund provides you with accumulation-style benefits. This means that your benefits in the Fund accumulate over time with Company contributions and any voluntary contributions that you make to your super, together with investment earnings.

When you join the Fund, an account is established in your name. Contributions are paid into your account, which receives the net investment returns (which could be positive or negative) achieved by your chosen investment option. You also pay tax on concessional contributions, and certain activity fees (such as for switching investment options) may also be deducted from your account (see page 9 for details of the fees charged). Here's how it works.

<b>Opening balance</b>
+ Contributions and rollovers
– Contributions tax (15%)
+/- Investment earnings
– Any applicable fees
<b>= Closing balance</b>

With the exception of the investment switching fees and any other fees for specific activities you request, Heidelberg pays all fees and costs associated with operating the Fund for employees of Heidelberg. For members of the Fund's Retained Benefits Division, fees for administration and insurance are deducted from your account. Investment returns for all members are net of investment fees.

The Fund has five different investment options for you to choose how your super is invested. Read the *Investment Guide* for more information (available on the website or from the Fund Administrator – see page 2 for contact details).

Each year details of the investment earnings applied to your super account, as well as details of any deductions, are shown on your *Benefit Statement* and in the Fund's *Annual Report*.

## How the Fund is managed

The Heidelberg Australia Superannuation Fund is managed by a Trustee that is responsible for looking after the interests of members and ensuring that the Fund is operated in accordance with the Trust Deed – that is, the rules governing the operation of the Fund – and relevant superannuation legislation. A copy is available on the website or you can request a copy of the Fund's Trust Deed at any time (see page 2 for contact details for general enquiries).

This PDS is a summary of the benefits set out in the Trust Deed. If there are any differences between this PDS and the Trust Deed, the Trust Deed provisions will apply.

The Trustee of the Fund is  
Towers Watson Superannuation Pty Ltd  
(ABN 56 098 527 256, AFSL 236049).

The Trustee is responsible for:

- › Protecting your rights and interests as a member,
- › Operating the Fund in line with the Trust Deed and superannuation law,
- › Investing the Fund's assets prudently according to the Fund's investment objectives, and
- › Paying benefits when they are due.

To perform its tasks, the Trustee appoints specialist advisers to provide advice on a range of matters, including investment strategies and communication.

The latest *Annual Report* lists the Fund's current actuary, asset consultant, investment managers, administrator and insurance provider.

## Policy Committee

A Policy Committee is responsible for ensuring that the interests of members and the Company are represented in the management of the Fund. The Committee consists of an equal number of members who are appointed by Heidelberg and members who are elected periodically by members of the Fund.

See the latest *Annual Report* for details of the structure of the Policy Committee and the names of Policy Committee members.

## Providing proof of identity

The Trustee is required to comply with the Anti-Money Laundering and Counter-Terrorism Financing legislation (AML/CTF).

Under the legislation, the Trustee is required to verify a member's identity, and any other benefit recipients, before any benefit is withdrawn from the Fund. This verification process helps ensure that the Fund is not being used for money laundering, or funding terrorist or criminal activities.

Withdrawals cannot be processed until the required proof of identity is supplied to the Fund Administrator.

The Trustee may need to obtain additional identification information and verify your identity from time to time. It may have to disclose information about you to the regulator, the Australian Transaction Reports and Analysis Centre (AUSTRAC). If this happens, the Trustee is not permitted to inform you due to the sensitive nature of this information.

## Keeping you informed

When it comes to saving for your retirement, it is important that you get the most from your super during your working years. That's why it's important for you to know how the Fund works, about its features and benefits and how your super is performing. Only then can you make informed decisions about your super and maximise your benefits in retirement.

As a Fund member, you will receive:

- › A **Benefit Statement** showing the value of your super benefits. This Statement is sent to you each year and includes information on how your super has performed, the contributions – both SG and additional voluntary contributions – you have made to your super, your insured benefits, your nominated dependants and the amount of your super that is preserved.
- › An **Annual Report** which outlines the Fund's current investment strategy and tells you how the Fund's investment options have performed during the year. It also tells you about any changes to the Fund's features and benefits, and to the legislation and regulations governing super.
- › **Regular newsletters** which provide general information on the Fund's features and benefits, tell you how the Fund's performance is tracking and help you learn more about super and investing in general.

## Your super benefits

As a Fund member, you are entitled to a number of benefits. These benefits are payable to you or your family when you retire, leave employment with the Company, if you die or if you become totally and permanently disabled and can no longer work.

### Your leaving service benefit

If you leave the Fund for any reason other than death or total and permanent disablement, e.g. if you retire or leave employment with the Company, you will be entitled to a benefit that is equal to the balance of your account in the Fund. This benefit is known as your leaving service benefit.

How much of your leaving service benefit you can take in cash will depend on whether all or only part of your benefit is preserved (see "Preservation rules" on page 4 for more information). If you are under age 60, tax will apply to the taxable component of this amount (if any).

For partial payments, the tax components of the payment will be in proportion to your total benefit. You cannot choose, for example, to withdraw only your tax-free component.

Amounts paid by the Fund to members aged 60 and over are generally tax free. For more information on the tax payable on benefits, refer to "How super is taxed" on page 13.

### If you're at or nearing retirement

If you are retiring permanently from the workforce after your preservation age, you can choose to take your benefit as a lump sum or roll it over into an "income stream" product (e.g. a product that pays you a regular income, such as an Account-Based Pension) with another complying super fund or financial institution. The Fund does not offer any pension facilities.

If you have reached your preservation age (see the "Preservation age" table on page 4) but plan to continue working, you can also roll over your super into an income stream product called a "transition to retirement" pension. However, you cannot generally convert your balance into a lump sum prior to your retirement.

Members nearing retirement wishing to explore options for the investment or payment of their superannuation benefit are encouraged to seek the advice of a licensed financial adviser.

### Your death benefit

When you join the Fund, you may receive automatic insurance cover in the event that you die while you are a member of the Fund.

This means that should you die, your dependants would be entitled to receive a lump sum benefit that is equal to the total balance of your account in the Fund, plus an insured benefit. To see how your insured benefit is calculated, refer to the *Insurance Guide*. Your insurance cover is subject to the terms and conditions of the insurance policy held by the Trustee. Information about these conditions is set out in the *Insurance Guide* (available on the website or from the Fund Administrator – see page 2 for contact details).

Your death benefit can be paid to one or more of your dependants or to your estate. For the purposes of super, your dependants are defined as:

- › Your legal personal representative (your estate);
- › Your current spouse (including a de facto partner of either sex with whom you live on a genuine domestic basis);
- › Your children (including step children, adopted children, your spouse's children and unborn children);
- › Any person who is financially dependent on you; or
- › Any person with whom you have an "interdependency relationship".

Two people have an "interdependency relationship" if:

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

If two people have a close personal relationship but they do not satisfy the other conditions because either or both suffer from a physical, intellectual or psychiatric disability, then they still have an interdependency relationship.

The law includes details of various matters that the Trustee must consider in deciding whether two people have an interdependency relationship.

Should you die, the Trustee is obliged by law to investigate your personal circumstances when deciding who should receive your death benefit.

However, you can guide the Trustee in making its decision by nominating your preferred dependants and updating your nomination regularly, particularly when your personal circumstances change. To nominate your preferred dependants, complete a *Nomination of Preferred Dependants form* available from <http://heidaustsf.com> or from the Fund Administrator and return it as directed.

## Your total and permanent disablement benefit

As a member of the Fund, you may also receive a benefit in the event that you become totally and permanently disabled. Known as your total and permanent disablement benefit, this lump sum benefit is calculated in the same way as your death benefit.

To qualify for a total and permanent disablement benefit, you must generally meet the Trustee's and insurer's definition of "total and permanent disablement". See the Fund's *Insurance Guide* for more information (available on the website or from the Human Resources Department).

If you are a Retained Benefits Division member and are unemployed or your average hours worked over the six months prior to your disablement were less than 15 hours per week, a different definition of total and permanent disablement will apply. Please contact the Fund Administrator on **1800 127 953** for further details.

Employee members working less than 15 hours per week are not eligible for total and permanent disablement cover. Their benefit in this case is equal to their account balance.

Fees apply for certain Family Law related activities you request. See page 11.

Medical evidence relating to your disability will be required in all cases.

## Family law and your super

Under superannuation law, divorcing or separating couples can split the superannuation of one or both of the partners as part of their property settlement. This can be done either by Court Order or by agreement between the separating couple after legal advice has been sought. If this applies to you, your super benefits will be reduced accordingly. Fees apply for certain Family Law related activities you request. See page 11.

If the Trustee makes a payment or transfer to your spouse based on a Family Law agreement or Court Order, then the Trustee will reduce your benefits in the Fund accordingly, including your death and disablement benefits.

## Bankruptcy and your super

Should you be declared bankrupt, contributions to super (excluding SG contributions) made by you, or on your behalf, may be recoverable by creditors. This applies to contributions (excluding SG contributions) made on or after 29 July 2006 if these contributions are demonstrated to have been made with the specific intention of defeating creditors. You will be advised if this affects you.

## Risks of super

There are certain risks associated with joining any superannuation fund, and the Heidelberg Australia Superannuation Fund is no different.

For example, there is the risk that the employer may cease making contributions to the Fund at some time in the future. If that were to happen, the Trust Deed determines how the Trustee must react.

There is also the risk that the Fund will lose its compliance status and therefore lose its tax concessions. The Trustee manages this risk by ensuring that the Fund is administered professionally, that it operates in accordance with the requirements of the Trust Deed and law and the Trustee uses the services of a professional consulting firm to keep up to date.

Changes are frequently made to superannuation law, which may affect your ability to access your superannuation benefits. Changes can also occur to the taxation of superannuation, which may affect the value of your superannuation benefits.

There are also other risks associated with superannuation. For more information, refer to the:

- › *Insurance Guide* for insurance risks; and
- › *the Investment Guide* for investment related risks.

# Fees and other 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 fund 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.

## To find out more

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

This section shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation fund as a whole. Other fees, such as activity fees and insurance fees may also be charged, but these will depend on the nature of the activity or insurance chosen by you. Entry fees and exit fees cannot be charged.

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

Please note that the Trustee has already negotiated (and will continue to monitor) the fees and costs of the Fund on your behalf. There is no scope to negotiate lower fees and costs on an individual basis.

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

Heidelberg Australia Superannuation Fund		
Type of fee	Amount	How and when paid
<i>Investment fee<sup>1</sup></i>	<b>Diversified Shares option</b> – 0.48% p.a. to 0.58% p.a. (\$4.80 to \$5.80 per \$1,000) <b>Growth option</b> – 0.41% p.a. to 0.49% p.a. (\$4.10 to \$4.90 per \$1,000) <b>Balanced option</b> – 0.34% p.a. to 0.40% p.a. (\$3.40 to \$4.00 per \$1,000) <b>Capital Stable option</b> – 0.21% p.a. to 0.25% p.a. (\$2.10 to \$2.50 per \$1,000) <b>Cash option</b> – 0.09% p.a. to 0.11% p.a. (\$0.90 to \$1.10 per \$1,000)	This fee is deducted from investment returns of each investment option before the returns are applied to your account in the Fund.
<i>Administration fee<sup>1</sup></i>	<b>Employee members</b> – Nil (administration fees and the majority of other Fund costs, including insurance fees for death and total & permanent disablement cover, are paid by the Company) <b>Retained Benefits Division members</b> – 0.40% p.a. (\$4.00 per \$1,000) of your account balance (subject to a minimum of \$36 p.a.)	Not applicable.  This fee is calculated and deducted from your account monthly (i.e. 1/12th of 0.40%).
<i>Buy-sell spread</i>	<b>Diversified Shares option</b> – 0.25% (\$2.50 per \$1,000) <b>Growth option</b> – 0.20% (\$2.00 per \$1,000) <b>Balanced option</b> – 0.15% (\$1.50 per \$1,000) <b>Capital Stable option</b> – 0.10% (\$1.00 per \$1,000) <b>Cash option</b> – 0.00% (\$0 per \$1,000)	This is deducted from your account balance when you change (switch) investment options and is based on the option you transfer into.
<i>Switching fee</i>	\$30 per switch	This fee is deducted from your account at the time of switching.
<i>Advice fees relating to all members investing in a particular investment option</i>	Nil	Not applicable.
<i>Other fees and costs<sup>2</sup></i>	Other fees may also apply	
<i>Indirect cost ratio<sup>1</sup></i>	Nil	Not applicable.

<sup>1</sup> If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

<sup>2</sup> Insurance fees for Retained Benefits Division members and fees for certain activities you request may apply (see 'Additional Explanation of Fees and Costs' on page 10).

## Example of annual fees and costs for the Growth option

The tables below give an example of how the fees and costs in the Growth option for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

### Employee members

EXAMPLE – Growth option		BALANCE OF \$50,000
Investment fees	0.49% p.a.	For every \$50,000 you have in the Growth option you will be charged \$245 each year*
<b>PLUS</b> Administration fees	Nil	<b>And</b> , for every \$50,000 you have in the fund you will be charged nil in administration fees, regardless of your balance
<b>PLUS</b> Indirect costs for the Growth option	Nil	And, indirect costs of nil each year will be deducted from your investment
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$245</b> for the Growth option

\* The investment fee shown is the maximum fee applicable.

Note: Additional fees may apply.

### Retained Benefits Division members

EXAMPLE – Growth option		BALANCE OF \$50,000
Investment fees	0.49% p.a.	For every \$50,000 you have in the Growth option you will be charged \$245 each year*
<b>PLUS</b> Administration fees	0.40% p.a.	<b>And</b> , for every \$50,000 you have in the fund you will be charged \$200 in administration fees
<b>PLUS</b> Indirect costs for the Growth option	Nil	And, indirect costs of nil each year will be deducted from your investment
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$445</b> for the Growth option

\* The investment fee shown is the maximum fee applicable.

Note: Additional fees may apply.

## Additional explanation of fees and costs

### 1. Buy-sell spread

A buy-sell spread may be charged by a fund to reflect costs incurred by the fund or charged by the investment managers when you change investment options. The buy-sell spreads shown in the table on page 9 are charged to recover costs incurred by the Fund's investment managers when you change investment options, including the difference between the acquisition and disposal prices paid by the managers for the Fund's investments.

Any buy-sell spread is in addition to the switching fee which applies when you change investment options.

### 2. Administration fees

These costs include administration, consulting, audit, legal and other fees incurred by the Fund. **With the exception of the switching fees and other fees for specific activities, Heidelberg pays all expenses associated with operating this Fund for current employees of Heidelberg.**

The fees shown in the table on page 9 are gross of tax.

### 3. Investment fees

The investment fee ranges that apply to the Fund's investment options are shown in the table on page 9.

### 4. Taxes and insurance fees

The following taxes and insurance fees are deducted from your account in the Fund:

- › If you are a member of the Fund's Retained Benefits Division, the fees for your insurance cover.
- › Contributions tax generally at the rate of 15% from Company contributions and any salary sacrifice contributions (collectively known as concessional contributions) to your account.
- › Excess contributions tax in certain circumstances.
- › Additional tax if your Tax File Number has not been provided to the Fund by the end of the Fund's financial year.

Insurance fees in this Fund for current employees of Heidelberg Australia are paid for by the Company.

### 5. Transactional and operational costs

These costs are incurred by the Fund and its investment managers, and may include brokerage, settlement and custody costs, clearing costs, costs associated with currency hedging and stamp duty on investment transactions. Part of these costs is recovered by the buy-sell spread charged when you switch investment options. The remaining transactional and operational costs are included in the investment fee (refer to the table on page 9), based on the amount of these costs incurred by the Fund or its investment managers during the financial year prior to the date of this PDS. These costs are deducted from the investment earnings of each investment option before those earnings are applied to your accounts. They therefore represent a cost to you. More information is provided in the table to the right.

### 6. Borrowing costs and direct property operational costs

In accordance with ASIC relief, these costs have been excluded from the investment fees and indirect costs disclosed in this PDS. Borrowing costs may be incurred by the Fund's investment managers and relate to the use of credit facilities that are not derivatives by the managers. Direct property operational costs include rates and utilities, maintenance costs and other property operations costs to the extent that the costs are not recovered from tenants.

These costs are calculated based on the amount of those costs incurred in the previous financial year, and represent an additional cost to you. See the table to the right for the amounts of these costs for each option. These amounts are estimates. These costs are deducted from the investment earnings of each investment option prior to determining the crediting rate for that option.

### Summary of fees and costs

The following is a summary of the fees and costs associated with each investment option.

ESTIMATED FEES AND COSTS DEDUCTED FROM INVESTMENT RETURNS				
Investment option	Expected investment fee	Total transactional and operational costs <sup>#</sup>	Borrowing costs	Direct property operational costs
Diversified Shares	0.53%	0.18%	0.00%	0.00%
Growth	0.45%	0.16%	0.00%	0.06%
Balanced	0.37%	0.13%	0.00%	0.06%
Capital Stable	0.23%	0.06%	0.00%	0.00%
Cash	0.10%	0.00%	0.00%	0.00%

Note: These fees and costs are indicative only, as they are based on the experience in the previous financial year. The actual amount charged in the year ahead will depend on the actual fees and costs incurred in respect of each investment option.

<sup>#</sup> Transactional and operational costs are included in the expected investment fee.

### 7. Operational risk financial requirement reserve

Super funds are required to set aside financial resources to address their operational risks. The Trustee has built up an operational risk financial requirement reserve in the Fund equal to 0.30% of the aggregate of members' vested benefits. The reserve is invested in the Growth option.

The Trustee periodically monitors the reserve to ensure that it remains close to its target level. Should the reserve fall below a predetermined shortfall limit, the Trustee will enact a plan for its replenishment. This may include deducting amounts from investment earnings. Members will also be advised if such deductions are required.

### 8. Activity fees

If you or your spouse require information on your benefit in relation to a Family Law matter, a fee of \$220 will be charged for each date at which information is required. You, or your spouse, are required to pay this fee at the time of any request for information – it is not deducted from your accounts.

In addition, if your super is split under a Family Law agreement or court order, fees will apply for the splitting of your super and the allocation of an amount to your former spouse. These fees are normally shared evenly between you and your former spouse, unless your agreement or court order provides otherwise. The fees may be paid by you and/or your spouse by cheque, or otherwise will be deducted from the applicable benefit. The fee for establishing an entitlement to your spouse is \$165.

All fees include GST where applicable.

## 9. Fee changes

Some of the fees are dependent on the fees charged by the Fund's service providers. The Trustee reserves the right to increase the fees without your consent if necessary in order to manage the Fund. We may also introduce new fees. You will generally be given at least 30 days' notice of any fee increases.

The fees shown are current at 7 October 2019, unless otherwise stated. Further details of the fees, costs and taxes paid by the Fund can be found in the Fund's Financial Statements. A summary is included in the Fund's *Annual Report*.

## Fee definitions

### Activity fees

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

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

### Administration fees

An **administration fee** is a fee that relates to the administration or operation of the superannuation fund and includes costs that relate to that administration or operation, other than:

- (a) borrowing costs; and
- (b) indirect costs that are not paid out of the superannuation fund that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the fund or in an interposed vehicle or derivative financial product; and
- (c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an 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 a superannuation fund because of the provision of financial product advice to a member by:
  - (i) a trustee of the fund; or
  - (ii) another person acting as an employee of, or under an arrangement with, a trustee of the fund; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

### Buy-sell spreads

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

### Exit fees

An **exit fee** is a fee, other than a buy-sell spread, that relates to the disposal of part or all of a member's interests in the superannuation fund.

### Indirect cost ratio

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

### Insurance fees

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

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

### Investment fees

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

- (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- (b) costs that relate to the investment of assets of the fund, other than:
  - (i) borrowing costs; and
  - (ii) indirect costs that are not paid out of the superannuation fund that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the fund or in an interposed vehicle or derivative financial product; and
  - (iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee;

but does not include property operating costs.

### Switching fees

A **switching fee** for superannuation products other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation fund from one investment option or product in the fund to another.

# How super is taxed

Your super is taxed in a number of ways and these are outlined below. Of course, the way your super is taxed may change from time to time in line with changes to legislation. The information that follows is current at the date of publication of this document, unless otherwise noted.

In this section, you will find information on:

- › Contributions tax;
- › Tax on investment returns;
- › Excess contributions tax;
- › Tax on your super benefits;
- › Contribution caps; and
- › Providing your Tax File Number.

## Contributions tax

This tax is generally payable at the rate of 15%. It is deducted from all concessional contributions – that is, employer contributions including any contributions you make from your before-tax salary (by salary sacrifice).

If you have not provided your Tax File Number to your super fund, the rate of tax that applies to concessional contributions increases substantially to 47% (see page 14).

## Tax on investment returns

The investment return achieved by each investment option is subject to tax at up to 15% less any applicable deductions that may be available to the investment managers of the Fund. This tax is deducted from the Fund's investment earnings before they are applied to your account.

## Excess contributions tax

This tax may apply if your contributions exceed certain caps set by the Government (refer to page 14 for more information on contribution caps).

## Tax on your super benefits

When you access your super benefit in cash, your benefit may be taxed. The amount of tax payable depends on a number of factors, including:

- › What type of benefit is paid (retirement, disability or death);
- › Whether you accrued your super while temporarily in Australia. For example, former holders of certain temporary resident visas may pay more tax on their benefits;
- › Who receives the benefit;
- › How you receive the benefit (e.g. lump sum amount or pension); and
- › **Your age when you receive the benefit. For example, if you are aged 60 or over, all lump sum payments and pensions paid to you from a taxed super fund (such as the Heidelberg Australia Superannuation Fund) will be tax free.** If you are less than age 60, any lump sum amounts paid to you will consist of two tax components – a tax-free component and a taxable component.

The rules governing superannuation are complex and they may affect each member's super benefits differently. That's why discussing your needs with a licensed financial adviser can help you ensure that the decisions you make for your super are the most tax-effective for you.

## Contribution Caps

The Government sets limits or “caps” that affect how superannuation contributions are taxed.

### What are the caps on contributions?

These are the caps on how much can be contributed to superannuation each year before extra tax applies.

	Concessional contributions	Non-concessional contributions#
<b>What is the annual limit?</b>	\$25,000.**	\$100,000, however, if your total super balance on 30 June 2019 was more than \$1.6 million any non-concessional contributions you make in the 2019/20 year will be excessive.
<b>What tax applies if my contributions are within the cap?</b>	Generally 15% contributions tax.*^	Nil.

# If you are **under age 65** and you want to make larger non-concessional contributions to your super fund, you may be able to bring forward up to two years of caps, to make total contributions of up to \$300,000 over three years. The maximum you can contribute over three years is \$300,000 and further restrictions may apply if your total super balance on 30 June 2019 was greater than \$1.4 million.

If you are **over age 65** there is usually a work test applied before you are able to make personal contributions to super. You need to be gainfully employed at least 40 hours in any period of 30 consecutive days in the financial year to which the contribution relates. From 1 July 2019, you may be able to make voluntary contributions to your super during the financial year following the year in which you ceased to meet the work test. Your total superannuation balance must be less than \$300,000 at the end of the financial year in which you ceased to meet the work test.

\*\* From 1 July 2019, you may be able to make extra concessional contributions above the cap, if you did not use all of your concessional cap in the 2018/19 year. This option is only available if your total superannuation balance on 30 June 2019 was less than \$500,000. Unused cap amounts can be carried forward for a maximum of five years.

\* If your relevant income is **over \$250,000 per year**, you may receive an additional tax assessment from the ATO.

^ If your relevant income is **less than \$37,000 per year** you may receive a refund of the 15% contributions tax deducted from your compulsory Company contributions through the low income super tax offset. The refund ranges from \$10 to \$500 a year. Each year the ATO will determine whether you are eligible, and if so, will pay the refund to your superannuation fund.

### What are concessional contributions?

Concessional contributions include Company contributions (including Company contributions towards the cost of insurance cover and administration fees if applicable) and personal salary sacrifice contributions. They also include personal contributions for which you claim a tax deduction (note that you cannot make deductible personal contributions to this Fund).

### What are non-concessional contributions?

Non-concessional contributions include:

- After-tax contributions for which you have not claimed a tax deduction;

- Excess concessional contributions not withdrawn from superannuation; and
- Certain other contributions from non-salary sources (e.g. contributions made for you by your spouse and certain overseas transfers).

They do not include rollovers or co-contributions.

### What happens if I exceed the caps?

This table shows the extra tax applicable if you exceed the caps:

	Concessional contributions	Non-concessional contributions
<b>How much tax applies to the excess if I exceed the limit?</b>	Your marginal tax rate less 15% (reflecting tax already paid by the Fund), plus an interest charge.	<b>If you withdraw the excess from superannuation:</b> Nil tax on contributions. Associated earnings taxed at your marginal tax rate.  <b>If you leave the excess in superannuation:</b> 47%.

**If you exceed the concessional contributions cap**, you can elect to release up to 85% of the excess contributions from the superannuation system. The amount will be paid by your superannuation fund to the ATO and used to meet any of your outstanding tax liabilities (including the tax on the excess contributions) with the remainder then paid back to you. Amounts that you withdraw will not count towards your non concessional contributions cap.

**If you exceed the non-concessional cap**, you can elect to release the excess contributions from superannuation, together with an amount of “associated earnings”. The amount of associated earnings is determined by the ATO and may not reflect what your superannuation contributions actually earned.

The ATO will send you a form to enable you to make your elections.

### Providing your Tax File Number

Providing your Tax File Number (TFN) to your superannuation fund is not compulsory. However, doing so ensures that you don't pay any more tax on your contributions than you need to.

Significant consequences apply to members of super funds who have not advised their super fund of their TFN. These include:

- Taxing their concessional (employer and before-tax) contributions at 47%; and
- Prohibiting super funds from accepting any non-concessional contributions from these members.

If you have not previously provided your TFN to your employer and you wish to do so, contact the Human Resources Department to obtain the appropriate form.

# Leaving employment

When you leave Heidelberg you can choose to either:

- › Leave your super invested in the Heidelberg Australia Superannuation Fund if you have more than \$2,000 in your account; or
- › Roll it over to another fund of your choice; or
- › Take it in cash (subject to the preservation rules).

## About the Fund's Retained Benefits Division

When you leave Heidelberg, and have more than \$2,000 in your super account, you will automatically become a member of the Fund's Retained Benefits Division (RBD). This is a section of the Fund for members who are no longer employed by Heidelberg Australia but would prefer to leave their super in the Fund rather than roll it over to another fund.

### How it works

Once your super is transferred to your new RBD account, it will continue to be invested in the investment option of your choice. Your super will accumulate with investment returns each year, which may be positive or negative. Fees and taxes that apply will be deducted from your account.

You can continue to make voluntary contributions from your after-tax salary by completing a *Personal Contribution form for Retained Benefits Division members* available from the Fund Administrator on **1800 127 953** and returning it as directed. You cannot make before-tax or deductible personal contributions to this account, or direct your new employer's contributions to it.

Each year you will receive an annual *Benefit Statement* showing your account balance and any transaction details, along with a copy of the Fund's *Annual Report*.

### Your investment choices

You will have the same investment choices and options as you did when you were employed by Heidelberg. You have the choice of five different investment options – **Cash, Capital Stable, Balanced, Growth** and **Diversified Shares** – refer to the *Investment Guide* for more information on the investment options.

You have the option to change your investment choice on a monthly basis by completing a *Change form for Retained Benefits Division members*, available from the Fund Administrator on **1800 127 953**. You must return your form five business days prior to the end of the month for your change to be effective from the first day of the following month. Fees may apply – see page 9.

### Your insurance cover

Your insurance cover for death and total and permanent disablement (if applicable) continues in the Retained Benefits Division of the Fund, and is equal to the dollar amount of your cover on the day you left employment with the Company. You can reduce or cancel this cover at any time – contact the Fund Administrator for the required form. If you do not cancel the cover, the cost of the insurance cover is deducted from your super account. Note that your cover may be cancelled if your account has been inactive for 16 months. See the *Insurance Guide* (available from the Human Resources Department or the website) for more information.

### Withdrawing your super

You can make partial or full withdrawals from your account at any time. Any withdrawals will be subject to the Government's preservation rules (see "Preservation rules" on page 4 for more information). You can roll over your benefit into another super fund or into an income stream product (i.e. a pension). The Fund does not offer any pension facilities.

If you withdraw an amount, the remaining balance in your account must be at least \$2,000. Otherwise you will be required to withdraw the full amount and your account will be closed.

When your account in the Fund is closed, your insurance cover will cease. You do not have the option of continuing your insurance cover under a personal policy with the Fund's insurer without providing evidence of good health.

### Rollovers into your RBD account

You can make lump sum rollovers into your account at any time at no cost.

### Fees and taxes

When your super is transferred to the RBD, the following deductions may apply to your account:

- › **Administration fee** – each year you will be charged 0.40% of your account balance (subject to a minimum of \$36 p.a.) to cover the costs of administering your super account.
- › **Insurance fees** – these are based on your age and the amount of your insurance cover.
- › **Investment fees** – these are incurred by the Fund and are deducted from your investment returns before they are applied to your account.
- › **Switching fees** – each time you change your investment option, you will be charged a fee to cover administration costs. A "buy-sell spread" may also be incurred depending on the investment option you are changing to. This cost is incurred by the Fund managers. Please see "Fees and costs" on page 9 for the exact fee in your situation.
- › **Activity fees** for any activities you request – see page 11 for the activity fees that may apply.
- › **Taxes** – any taxes that apply.

There is no fee charged for withdrawing all or part of your benefit.

## If your benefit is less than \$2,000

If your super balance is less than \$2,000 when you leave Heidelberg, you will have 90 days to instruct the Fund Administrator how you would like your benefit to be paid. Your super will remain fully invested in your chosen investment option for the 90 day period or until you notify the Fund.

If you do not provide instructions or if your chosen fund is unable to accept your benefit, your super will be transferred to the Fund's Eligible Rollover Fund (ERF):

AMP Eligible Rollover Fund  
PO Box 300  
Parramatta NSW 2124  
Tel: 131 267  
Email: [askamp@amp.com.au](mailto:askamp@amp.com.au)  
Website: [www.amp.com.au/erf](http://www.amp.com.au/erf)  
Contact: The Administrator

Once your benefit is transferred to the ERF you will no longer be a member of the Fund. You can obtain a copy of the ERF's PDS by contacting the ERF. You should note that the investment and crediting rate policy of the ERF will be different to those that applied in the Fund. In addition, the ERF does not offer any insurance cover. You should seek professional advice as to whether the ERF is a suitable investment vehicle for your super.

Also, if your benefit is less than \$2,000 when you leave Heidelberg, all insurance cover you had under the Fund will cease immediately. There is no extended cover period and you do not have any option to continue your insurance cover with the Fund's insurer under a personal policy without the provision of evidence of good health.

If your account balance falls below \$6,000 and meets the definition of 'inactive', your account will have to be paid to the ATO (see page 5 for details).

## What else you should know

When you become a member of the Fund's RBD you should keep the following in mind:

- › **Voting rights** – you cannot be nominated as a member of the Fund's Policy Committee, nor can you vote in Policy Committee elections.
- › **If you die or become totally and permanently disabled** – while you are a member of the RBD, the balance in your account and any insurance amount will be paid from the Fund. Please refer to pages 7 and 8 for more information on the payment of your death or total and permanent disablement benefit.

# How to open an account

Joining the Heidelberg Australia Superannuation Fund is easy! Just follow these simple steps.

1. Read this PDS carefully to learn about the options and features available to you.
2. Consider your superannuation choices for:
  - › Your beneficiaries;
  - › Additional contributions;
  - › Rollovers; and
  - › Your investment choice.

Complete and return the *Application and Change Request form*. Remember that your membership in the Fund cannot be established until you have made an investment choice and returned this form. There are also separate forms for the nomination of your beneficiaries and to roll over your super into the Fund, should you wish to do so.

## Enquiries and complaints

When you first have an enquiry or complaint, including privacy-related enquiries, you should contact the Fund Administrator (see page 2 for contact details). In most cases, your enquiry will be resolved over the phone. If not, you may be asked to write to the Fund.

The matter will be referred to the Trustee and you should receive a reply within 90 days. You can request the Trustee's reasons for its decision on your complaint if reasons have not already been provided. A copy of the Trustee's *Enquiries and Complaints Policy* is available on the Fund's website at <http://heidaustsf.com> or by contacting the Fund Administrator.

If you are not satisfied with the Trustee's response, you may contact the Australian Financial Complaints Authority (AFCA), except in relation to privacy-related matters. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

There are some complaints that AFCA cannot consider, such as complaints relating to the management of the Fund as a whole. In addition, time limits may apply. Please contact the Fund Administrator or refer to AFCA's website at [www.afca.org.au](http://www.afca.org.au) as soon as possible for further information.

You can contact AFCA at:

Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Tel: 1800 931 678

For privacy-related matters, the Office of the Australian Information Commissioner (OAIC) may review your complaint. You can contact the OAIC on **1300 363 992** or [enquiries@oaic.gov.au](mailto:enquiries@oaic.gov.au).

## Protecting your personal information

In order to manage your super and ensure that you receive all of the benefits to which you are entitled, the Fund gathers and retains personal information about you. This personal information includes your contact details, date of birth, Tax File Number and information about your salary and super contributions.

Your privacy is important so the Trustee has developed a privacy policy that outlines how the Fund collects and manages your personal information. A copy of the policy is available from the website at <http://heidaustsf.com> or by contacting the Fund Administrator (see page 2 for contact details).

By law, you have the right to know what information the Fund holds about you. If you believe that this information is inaccurate or incomplete, you are entitled to request that the Fund amend your information. The privacy legislation also requires the Fund to obtain your consent before collecting personal information and disclosing it to third parties, such as the Fund's consultants, advisers or insurers.

If you would like to access or update your personal information, please contact the Fund Administrator on **1800 127 953**.

# a super start



setting up for your future

## Investment Guide

7 October 2019

**HEIDELBERG**

HEIDELBERG AUSTRALIA SUPERANNUATION FUND

**The information in this document forms part of the Heidelberg Australia Superannuation Fund Product Disclosure Statement.**

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# Important information

The information in this document forms part of the **Product Disclosure Statement *Guide to your super*** (dated 7 October 2019) for the Heidelberg Australia Superannuation Fund.

This information should be read in conjunction with the other documents that form part of the Product Disclosure Statement (PDS). You should consider this information before making a decision about the product.

The information provided is general information only and does not take into account your particular objectives, financial circumstances or needs. It is not personal or tax advice. Any examples included are for illustration only and are not intended to be recommendations or preferred courses of action. You should consider obtaining professional advice about your particular circumstances before making any financial or investment decisions based on the information contained in this document.

The investment managers and their products may be changed from time to time without prior notice to, or consent from, members. Members will be advised if this occurs.

Neither the Trustee nor Heidelberg Australia will provide you with financial advice. The Trustee will only provide factual information or general superannuation advice.

Investment returns can be positive or negative and are not guaranteed by the Trustee or the Company. Information on tax and superannuation legislation is current as at 1 July 2019. The Trustee reserves the right to correct any errors or omissions.

Information contained in this document that is not materially adverse is subject to change from time to time and may be updated if it changes. Updated information can be obtained free of charge from <http://heidaustsf.com> or by contacting Julie Sarro in the Human Resources Department or the Fund Administrator (contact details below).

## For further information, contact the Heidelberg Australia Superannuation Fund:

### General Enquiries

Con Xanthos  
Heidelberg Australia  
Unit 4, 19-23 Geddes Street  
Mulgrave VIC 3170  
Tel: (03) 9548 6210  
Email: [con.xanthos@heidelberg.com](mailto:con.xanthos@heidelberg.com)

or –

### Human Resources Department

Julie Sarro  
Heidelberg Australia  
Unit 4, 19-23 Geddes Street  
Mulgrave VIC 3170  
Tel: (03) 9548 6216  
Email: [julie.sarro@heidelberg.com](mailto:julie.sarro@heidelberg.com)

or –

### The Fund Administrator

Heidelberg Australia Superannuation Fund  
PO Box 1442  
Parramatta NSW 2124  
Tel: 1800 127 953  
Fax: (02) 8571 6222  
Email: [heidelbergsuperadmin@linksuper.com](mailto:heidelbergsuperadmin@linksuper.com)  
Website: <http://heidaustsf.com>



# What is Member Investment Choice?

Member Investment Choice (MIC) is a feature of the Heidelberg Australia Superannuation Fund that lets you have a say in how your super is invested.

Everyone is different, with different personal circumstances, financial needs and goals. That's why when it comes to investing for your retirement, it makes sense that you should be able to choose an investment strategy that best suits your own particular needs.

MIC is available to all members of the Fund and gives you the choice of five investment options for your super. You select the option that best suits your personal circumstances and needs. Should your needs change, you have the flexibility to change your investment option with your changing circumstances.

This guide tells you what your options are and compares the features of each investment option. It also raises some issues that you may wish to consider when choosing your preferred investment option and provides the answers to some commonly asked questions about MIC. Please read the guide carefully and if you need help in making your decision, the Trustee recommends that you speak to a licensed financial adviser.

## Choosing an investment option

The Heidelberg Australia Superannuation Fund offers you five different investment options for you to choose how your super is invested. These are:

- › Diversified Shares;
- › Growth;
- › Balanced;
- › Capital Stable; and
- › Cash.

You must choose an investment option when you join the Fund or your application for membership cannot be processed. The option that is best for you will depend on your personal financial needs and goals, as well as other factors like your attitude to risk, how close you are to retirement and so on.

Each option invests a different proportion of its funds in various asset classes – cash, fixed interest, property and shares. Each asset class carries a different level of investment risk and provides potential returns that can vary significantly over both the short and long term. The key is to achieve the balance between risk and return that is most appropriate for you. This is explained further on page 5.

To make or change your choice, simply complete an *Application and Change Request form* available from the Human Resources Department and return it as directed. For Retained Benefits Division members, complete a *Change form for Retained Benefits Division members* available from the Fund Administrator on **1800 127 953**.

## What rate of return do I receive?

Your accounts receive the actual investment return for your chosen option after allowing for tax, investment fees and, if required, an allowance to maintain the Fund's Operational Risk Financial Requirement reserve (see the *Annual Report* for more information).

## Interim rate

Investment returns are calculated each month. If your super needs to be paid out or transferred to another super fund before investment earnings have been applied, and whenever you make an investment switch, an interim earning rate will be used. This will cover the period until the date your benefit is paid from the Fund or your investment switch is processed.

The monthly interim rate is based on an estimate of your chosen option's net investment return for the month.

Investment earnings and interim earning rates will fluctuate month to month and may be negative.

## Derivatives

The Trustee does not invest directly in derivatives. The Fund's investment managers may use derivatives for risk control purposes or to more efficiently change asset allocations. Derivatives are not used in a speculative manner. Investment managers are required to have risk management processes in place in relation to the use of derivatives and the purposes for which they can be used. Each year, the Trustee obtains confirmation from the managers that they have complied with their processes.

## Socially responsible investments

The Trustee does not take into account social, ethical or environmental considerations, or labour standards when selecting, retaining or realising the Fund's investments. When the Fund's investment managers were selected, the Trustee did not consider whether the managers took these factors into account.

# Things to consider

Choosing an investment option can be a complex decision. If you're relatively new to investing, begin by taking some time to read and carefully consider some potential issues. If you need help making the decision that's right for you, talk to a licensed financial adviser. To get you started, think about the following questions.

## How much super will I need to retire?

Generally, most people can look forward to spending 20 to 25 years in retirement.

With this in mind, think about how much money you may need to live on and importantly, maintain your chosen lifestyle in retirement. This not only includes your day to day living expenses, but also enough money to enable you to pursue other interests and activities, such as travelling, taking up a new sport or hobby, or starting a new business. After all, that's what retirement is all about.

Also, it is important to remember that things will cost more in the future than they do today, so be sure to take inflation into account.

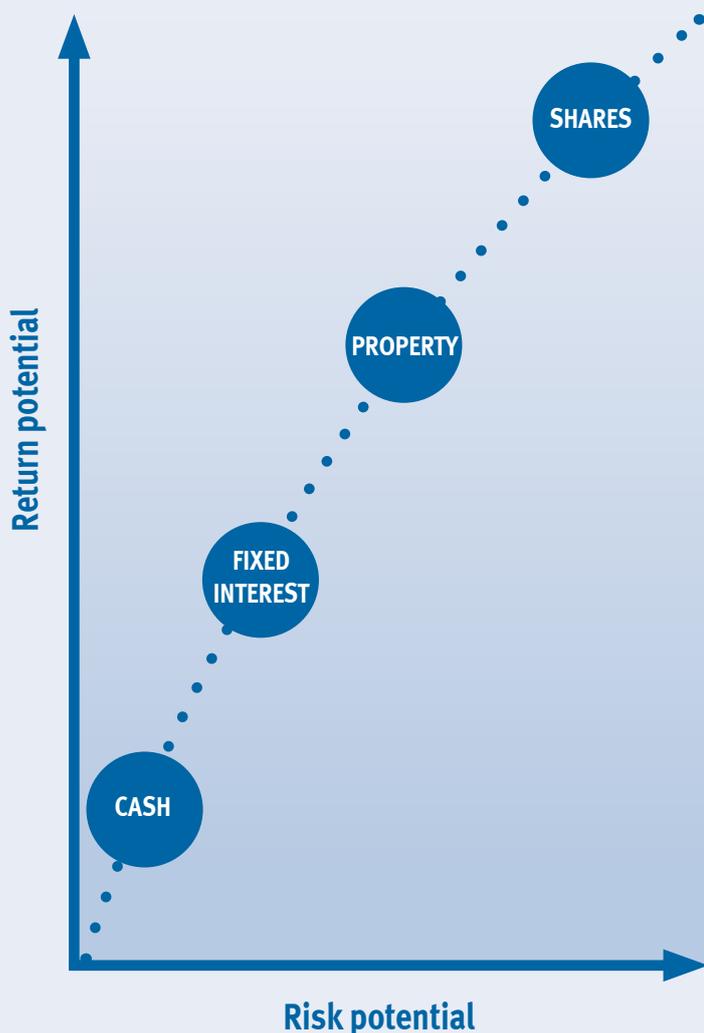
### Achieving a balance between risk and return

Each of the five options offered by the Fund invests in at least one of four basic asset classes – shares, property, fixed interest and cash.

Shares and property are **growth assets** in that they provide an opportunity to earn income – through dividends or rent – and potentially increase in value over time. Historically, these assets have provided higher investment returns over the long term than many other types of assets. However, their returns have tended to fluctuate considerably in the short term and may be significantly negative from time to time.

In contrast, fixed interest investments and cash are **income assets**. Like growth assets, they also earn income, however returns on these assets are more stable. In the long term however, history shows that returns from income assets have tended to be lower than those of growth assets.

Generally, the greater the potential for higher returns means the greater the level of risk and vice versa. The graph below shows the relationship between risk and return for each of the four asset classes.



**Shares** are a unit of ownership in a company. Shares provide income through dividends and capital gains if the share price rises. Shares offer the highest potential returns in the long term, but involve a higher risk in the short term. This means that their value will fluctuate considerably and returns can be low or even negative in any given year.

**Property** investments include commercial, industrial and residential real estate. Property provides income through rent payments and also capital gains through increases in the value of the property. Property is considered a moderate to high-risk investment and property values are subject to change in the property market.

**Fixed interest** investments are where the investor lends money to the government, semi-government bodies and corporations, who pay interest at an agreed rate that is fixed for the life of the loan (usually between two and 10 years). Fixed interest is considered a relatively low-risk investment that historically has provided returns over the longer term that are higher than inflation and cash.

**Cash** investments invest in the bank and in short-term money markets. Returns are earned in the form of interest that is paid on the investment, so it would be rare for a cash investment to ever have a negative return. However, cash returns may not always keep pace with inflation. So, while cash is generally a secure investment, the historical returns have been relatively low.

## How do I feel about risk?

Some people are prepared to take a higher risk than others when it comes to investing their super. So, what does the term “risk” mean when it comes to investing?

In general, risk refers to the probability that the actual return achieved by an investment option will be different to its expected return. Specifically, this means the degree to which the returns of a particular option can fluctuate (i.e. go up and down in value) and the potential for a negative return over time.

Each option has a different level of risk. Some options are more likely to experience a greater fluctuation in returns than others. Such options are regarded as being a higher-risk investment. However, historical performance has shown that these higher-risk options tend to produce higher returns over the long term.

When considering your attitude to risk, remember:

- **Risk and return go together.** Generally, the higher the risk associated with an investment option, the greater its potential for a higher return. The key is achieving a balance that you are comfortable with.
- **The long and short term.** Generally, the higher the return that is expected from an investment in the longer term, the more likely that its returns will fluctuate – that is, go up and down in value – in the short term, and vice versa.

## How long do I have to save?

The length of time you have before you will need to access your super will also impact on your decision as this may determine how much risk you are prepared to take.

Choosing an investment option is a very personal decision, so it is important to think these issues through carefully. You should consult with a licensed financial adviser should you need help making an investment decision.

## Investment related risks

**As with all investments, there are risks associated with a decision to invest in superannuation and also in choosing a particular investment option. Different asset classes perform differently at different times.**

**Since each investment option has a different investment mix, the risks of investing in each option are different. The main investment risks that exist are described below.**

### Inflation risk

The rate of inflation may exceed the rate of return achieved on your investment and hence your investment would not retain its purchasing power. This risk can be considered as moderate for the Cash option if investing over long periods.

### Individual investment risk

Individual investments can (and do) fall in value. This risk affects mainly investments in shares and property, although it can also affect investments in fixed interest. As a result, it can be considered a significant risk for the Balanced, Growth and Diversified Shares options.

### Market risk

Changes in the investment markets resulting from changes in economic, political and legal conditions or market sentiment can affect the value of investments. This risk affects investments in shares, property and fixed interest. As a result, it can be considered a significant risk for all investment options except the Cash option.

### Interest rate risk

Changes in interest rates can have a positive or a negative impact directly or indirectly on investment values or returns. This risk affects all investments and can therefore be considered a significant risk for all options.

### Currency risk

Investments are made in other countries. If their currencies change in value relative to the Australian dollar, the values of the investments can change. This risk affects only investments overseas so can be considered a significant risk for options where a significant proportion of the assets are invested overseas i.e. the Growth and Diversified Shares options.

### Derivatives risk

There are a number of risks associated with investing in derivatives contracts which include: the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the Fund may not be able to meet payment obligations as they arise, and counterparty risk (this is where the counterparty to the derivatives contract cannot meet its obligations under the contract). This risk may affect all of the Fund’s options with the exception of the Cash option.

### Liquidity risk

Liquid assets are assets that can be readily converted to cash. Liquidity risk is the risk that some assets may not be able to be converted to cash when needed to pay benefits or process investment switches. This risk may be considered a moderate risk for the Growth, Balanced and Capital Stable investment options.

When deciding how comfortable you are with investment risk, consider these three important points:

**Risk and return go hand-in-hand.** You cannot consider return without risk. Generally, the higher the investment risk the higher the potential for a greater return over the long term.

**The long term versus the short term.** Generally, the higher the expected long-term return from an investment, the more likely it is that investment returns will fluctuate in the short term.

**The risk and return trade-off.** Everyone has a different attitude towards investment risk. You must make a trade-off between the level of returns that you wish to achieve and the level of risk you are prepared to take.

# Your investment options

**The Fund offers you five different investment options for your super. The tables on the following pages outline the objectives, strategy, benchmark asset allocation and ranges for each option, along with information on each option's volatility level and expected investment returns.**

The options comprise a number of investment products managed by professional investment managers appointed by the Trustee. The Trustee establishes the objectives and strategy for each option.

Details of the actual asset allocation of each option and how each option has performed are shown in the Fund's *Annual Report*. The investment managers are subject to regular monitoring by the Trustee. You should remember that past investment performance is not necessarily a guide to the future, and the Trustee cannot guarantee that the investment objectives will be met at all times. Returns can go up and down significantly or even be negative from time to time.

The Fund's investment options all have different investment objectives, volatility and return expectations. The options that are expected to produce higher returns in the long term will generally have increased volatility in the short term.

When selecting an investment option, you need to understand the volatility and return characteristics of the investment option and align them with your personal investment objectives. Your own objectives will be formed by considering such questions as:

- › How tolerant are you of investment volatility?
- › What is your time horizon for investing?
- › What would a large negative return do to your retirement plans?
- › If you are close to retirement, will you need to start spending your super straight away?

Establishing your own personal investment objectives should make the task of selecting an investment option much easier.

As always, you are encouraged to get your own independent financial advice when you are making important decisions about your super.











# Changing your investment option

Once you have made your choice, your super will continue to be invested in that option until you decide to change it.

**MIC gives you the flexibility to change your investment option each month – effective on the first day of the next month.** This means that, as your needs change, so can the investment option for your super. However, before you decide to change your investment option, there are a few things you may wish to consider.

## Why would I wish to change my investment option?

If you are considering changing your investment option, you need to be reasonably sure that you are doing it for the right reasons. As a general principle, people generally change options only when their personal circumstances – such as their financial goals, career or family situation – have changed. If you are unsure, you may wish to discuss your situation with a licensed financial adviser.

You should also keep in mind that switching options frequently may work against you, as it can be costly and may adversely affect your investment goals. You should carefully choose the option that is right for you and suits your investment needs during the time until you retire.

## Switching fees and charges

If you do decide to change your investment option, you will be charged a processing fee called a switching fee.

A “buy-sell” spread will also apply to each change request. The buy-sell spread covers a range of fees, such as investment manager brokerage fees and costs. When you decide to change your investment option, the Trustee purchases units for your new investment option through the Fund’s investment managers. The price of each unit purchased is known as the “buy price”.

At the same time, the Trustee sells units in your former investment option at the “sell price”. The sell price is generally less than the buy price, and the difference is known as the “buy-sell” spread. The exception is the Cash option, for which no buy-sell spread applies.

Both the switching fee and the buy-sell spread will be deducted from your account in the Fund. For more information on the current fees that apply to changing investment options, refer to the “Fees and costs” section in the guide, *Additional Information*.

To make or change your choice, simply complete an *Application and Change Request form* available from the Human Resources Department and return it as directed. For Retained Benefits Division members, complete a *Change form for Retained Benefits Division members* available from the Fund Administrator on **1800 127 953**.

To allow sufficient time for your change request to be processed, your completed form must be returned **at least five business days prior to the end of the month**. If your completed form is not received within this timeframe, your request will be effective on the next month’s switch date. This means it could be processed a month later than you intended.

## Frequently asked questions

### How will I know how my investment option is performing?

The Trustee issues regular newsletters outlining recent performance of the Fund’s five investment options.

Around October of each year, you will receive your personalised *Benefit Statement* together with the Fund’s *Annual Report*, giving you detailed information on how your chosen option has performed during the financial year and showing how that performance has impacted on your super.

### Will my investment decision affect my entire super with the Fund?

When you choose an investment option, the entire balance in your super account will be invested in that option. This includes Company and voluntary contributions as well as any amounts that you may have rolled over into the Fund from other super funds. Any future contributions and rollovers will also be invested in that option.

## Getting financial advice

It is important to seek the opinion of a licensed financial adviser before taking any action. This way, you will receive specific advice from qualified professionals, who understand your personal circumstances and can consider the whole of your financial affairs when providing advice.

Towers Watson Australia Pty Ltd has arrangements in place to help you with your financial planning: contact Susan Rio on (03) 9655 5222.

The Financial Planning Association (FPA) can also help you find a licensed financial adviser by referring you to one in your area. Call them on **1300 337 301** or visit the FPA’s website at **www.fpa.com.au**.

# a super start



setting up for your future

## Insurance Guide

7 October 2019

**HEIDELBERG**

HEIDELBERG AUSTRALIA SUPERANNUATION FUND

**The information in this document forms part of the Heidelberg Australia Superannuation Fund Product Disclosure Statement.**

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# Important information

**The information in this document forms part of the Product Disclosure Statement *Guide to your super* (dated 7 October 2019) for the Heidelberg Australia Superannuation Fund.**

This information should be read in conjunction with the other documents that form part of the Product Disclosure Statement (PDS). You should consider this information before making a decision about the product.

The information provided is general information only and does not take into account your particular objectives, financial circumstances or needs. It is not personal or tax advice. Any examples included are for illustration only and are not intended to be recommendations or preferred courses of action. You should consider obtaining professional advice about your particular circumstances before making any financial or investment decisions based on the information contained in this document.

Neither the Trustee nor Heidelberg Australia will provide you with financial advice. The Trustee will only provide factual information or general superannuation advice.

Information on tax and superannuation legislation is current as at 1 July 2019. The Trustee reserves the right to correct any errors or omissions.

Information contained in this document that is not materially adverse is subject to change from time to time and may be updated if it changes. Updated information can be obtained free of charge from <http://heidaustsf.com> or by contacting Julie Sarro in the Human Resources Department or the Fund Administrator (contact details below).

## For further information, contact the Heidelberg Australia Superannuation Fund:

### General Enquiries

Con Xanthos  
Heidelberg Australia  
Unit 4, 19-23 Geddes Street  
Mulgrave VIC 3170  
Tel: (03) 9548 6210  
Email: [con.xanthos@heidelberg.com](mailto:con.xanthos@heidelberg.com)

or –

### Human Resources Department

Julie Sarro  
Heidelberg Australia  
Unit 4, 19-23 Geddes Street  
Mulgrave VIC 3170  
Tel: (03) 9548 6216  
Email: [julie.sarro@heidelberg.com](mailto:julie.sarro@heidelberg.com)

or –

### The Fund Administrator

Heidelberg Australia Superannuation Fund  
PO Box 1442  
Parramatta NSW 2124  
Tel: 1800 127 953  
Fax: (02) 8571 6222  
Email: [heidelbergsuperadmin@linksuper.com](mailto:heidelbergsuperadmin@linksuper.com)  
Website: <http://heidaustsf.com>



# About your insurance

The Heidelberg Australia Superannuation Fund offers you cover for death and total and permanent disablement (TPD) which is paid in addition to your account balance. It is provided under an insurance policy owned by the Trustee. You cannot change or opt out of this cover while you are an employee of the Company.

Under this policy, you receive automatic cover if:

- You join the Fund when you commence employment with Heidelberg Australia, and you are actively at work performing your normal duties on that date; and
- Your level of insurance cover is below the limit set by the Fund's insurer.

If you join the Fund at any time other than when first invited to join, or if your insured benefit exceeds the limit set by the Fund's insurer, you may be required to provide evidence of good health before cover will be granted. This may include undertaking a medical examination. You will be advised if you are required to do this. Based on the information obtained, the insurer may restrict your cover or apply a loading to the fee. It may also decline your application for cover. You will be advised of the outcome of your application.

Under the terms of the Fund's insurance policy, if you work part-time – that is, less than 15 hours per week – you are not entitled to TPD insurance cover under the Fund. Your TPD benefit in this case would be equal to your account balance.

**While you are an employee of Heidelberg Australia, all insurance fees in this Fund are paid for by Heidelberg.** If you are a Retained Benefits member of the Fund, your insurance fees will be deducted from your account.

To request a copy of the Fund's insurance policy, contact the Fund Administrator (see page 2).

# Calculating your insurance benefit

For current employee members of the Fund, your level of insurance cover is calculated as:

$$15\% \times \text{the number of years and months from the date of your death or disablement to age 65} \times \text{annual salary}$$

In this case, 'annual salary' is defined as your ordinary salary, including commissions and bonuses, but excluding overtime or any other allowance or loading.

## Example

Here's an example. Say you are exactly 30 years of age and your annual salary is \$60,000. In this case, your insurance cover or insured benefit would be calculated as follows:

**Years to age 65: 35**

**Multiple:  $15\% \times 35 = 5.25$**

**Insurance cover:  $5.25 \times \$60,000 = \$315,000$**

As the example above shows, your level of insurance cover can be expressed as a multiple of your annual salary. The following table illustrates this multiple at various ages.

Age at date of death or disablement	Multiple
25	6.00
30	5.25
35	4.50
40	3.75
45	3.00
50	2.25
55	1.50
60	0.75

On your cessation of employment with Heidelberg Australia, the amount of your insurance will be calculated. On your automatic transfer to the Fund's Retained Benefits Division, this will be the amount of your insurance cover. This amount will be fixed, although you can reduce or cancel your cover in the Retained Benefits Division at any time.

## Calculating your insurance fee (for Retained Benefits members only)

**The Fund offers Retained Benefits members insurance fees that may be lower than the fees that apply to personal insurance policies. This is because the insurance is purchased at group rates and there are no sales commissions.**

Like most life insurance policies, the fees charged depend on your age and how much cover you wish to purchase. To calculate your fee, follow these steps:

1. Confirm the amount of insurance cover you have as a Retained Benefits member.
2. Go to the table on page 4 and find the fee for your age.
3. Calculate your fee as follows: **Fee x amount of insurance cover ÷ \$1,000.**
4. If the insurer has applied a loading to your insurance cover, then you need to apply that loading to the fee in Step 3.

### Here's an example

Jessica who is 40 years old has \$180,000 of death and TPD insurance cover.

This is how Jessica would calculate the fee:

$$\$1.30 \text{ (fee for age 40)} \times \$180,000 \div \$1,000$$

$$= \$1.30 \times 180$$

$$= \mathbf{\$234 \text{ per year}} \text{ (or around } \$4.50 \text{ per week)}$$

In one year's time, Jessica's insurance fee will change to:

$$\$1.44 \times 180 = \mathbf{\$259 \text{ per year}}$$

## Annual fee for every \$1,000 of insurance cover (for Retained Benefits members only)

Age	Death insurance (\$)	Death and TPD insurance (\$)	Age	Death insurance (\$)	Death and TPD insurance (\$)
14	0.39	0.50	40	0.86	1.30
15	0.48	0.56	41	0.92	1.44
16	0.58	0.65	42	0.99	1.57
17	0.71	0.76	43	1.06	1.75
18	0.82	0.85	44	1.17	1.94
19	0.83	0.87	45	1.27	2.18
20	0.80	0.84	46	1.36	2.42
21	0.77	0.81	47	1.47	2.69
22	0.73	0.78	48	1.60	3.01
23	0.70	0.75	49	1.74	3.34
24	0.66	0.72	50	1.90	3.74
25	0.63	0.69	51	2.06	4.12
26	0.60	0.68	52	2.25	4.59
27	0.57	0.66	53	2.44	5.09
28	0.57	0.67	54	2.64	5.66
29	0.57	0.68	55	2.87	6.40
30	0.57	0.70	56	3.12	7.23
31	0.57	0.70	57	3.40	8.21
32	0.57	0.72	58	3.73	9.37
33	0.58	0.78	59	4.10	10.72
34	0.61	0.81	60	4.75	12.46
35	0.63	0.86	61	5.48	14.43
36	0.66	0.92	62	6.27	16.62
37	0.69	0.97	63	7.12	19.05
38	0.74	1.06	64	8.05	21.75
39	0.80	1.19			

Note: The above insurance fees are current at 1 July 2019 but are subject to change. For further information, contact the Fund Administrator on **1800 127 953**.

## When will a benefit be payable?

A benefit is payable on your death, or on meeting the insurer's definition of "total and permanent disablement".

Subject to the terms of the Fund's Trust Deed and insurance policy, in certain limited circumstances a benefit may also be payable if you become terminally ill prior to age 65 while you are a member of the Fund.

"Total and permanent disablement" is defined in the Fund's insurance policy and, therefore, the definition may vary over time. In summary, "total and permanent disablement" (TPD) means that, in the opinion of the insurer and the Trustee, you have become incapacitated by illness or injury to such an extent that you are unable ever to work in any business, occupation or regular duties, whether paid or unpaid, for which you are reasonably qualified by education, training or experience, and one of the following apply:

- The injury or illness stopped you working in any business, occupation or regular duties, whether paid or unpaid, for at least six consecutive months;
- You have suffered the permanent loss of use of two limbs, or the sight of both eyes, or the loss or use of one limb and the sight of one eye (where a "limb" is the whole hand or foot);
- As a result of your illness or injury you are permanently unable to perform at least two basic activities of daily living such as feeding, bathing or dressing.

This is just a summary, and you should refer to the Fund's Trust Deed and insurance policy for the full definition.

A different definition may apply if you held TPD cover in the Fund on 30 June 2014. In all cases, for the insured benefit to be paid you must have ceased to be employed by your employer as a result of your injury or illness and the insurer and Trustee must approve your claim.

Once you have ceased employment with Heidelberg Australia, your insurance cover for death and TPD will be provided through the Fund's Retained Benefits Division. While a Retained Benefits member, if you are unemployed or your average hours worked over the six months prior to your disablement were 15 hours per week or less, a different definition of TPD may apply. Contact the Fund Administrator on **1800 127 953** for more details.

In all circumstances, a benefit for "total and permanent disablement" will only be paid upon the approval of your claim by the insurer and the Trustee.

## When does cover cease?

As an employee, your cover ceases when you reach age 65, if you leave your employer and do not stay a member of the Retained Benefits Division, or if you transfer all of your benefit out of the Fund under the “portability” legislation and close your account. If you take approved unpaid leave, your cover may be extended for a period of up to 24 months from the date of your leave. However, in some cases your insurance cover may stop due to account inactivity (see below).

In the Retained Benefits Division, your cover ceases at age 65, you elect to cancel your cover, or if there is not enough money in your account to pay the fees. In addition, if your account is inactive we may need to cancel your cover (see below).

In all cases, it ceases if an insured benefit is paid to you.

### What if my account is inactive?

The Government has new rules that mean we may need to cancel your insurance cover if your account is “inactive” for 16 months. For insurance purposes, inactive accounts are those where neither a contribution nor rollover has been made within the previous 16 months. In these circumstances, we must cancel your insurance cover unless you tell us you want to continue your insurance cover or you arrange to make a contribution. We will warn you in advance if your account is classified as inactive and your insurance could stop.

Should we have to cancel your insurance due to inactivity, we will confirm that this has happened and outline steps you can take to apply for your insurance to be reinstated. You will need to be fully assessed by the insurer before your insurance cover will be reinstated. Reinstated cover will only be effective from the date notified to you by the insurer. The terms of cover will be as advised to you by the insurer and will not necessarily be the same as those that applied before your cover was cancelled. The insurer may apply a loading to your fee, or exclusion to the cover granted. It may even refuse your request for reinstatement of your cover.

While your application is being assessed, you will be covered against accidental death only (not accidental TPD). This interim cover will commence from the date of the application for insurance and will cease on the earlier of:

- › the conclusion of underwriting (i.e. the date the insurer accepts, limits or rejects the application);
- › the application is withdrawn; or
- › 60 days from the date of your application.

## Risks of insurance

The Trustee uses an insurance policy to meet part of the benefit payable in the event of your death or total and permanent disablement. If the insurance company imposes restrictions, special conditions or refuses to pay a claim, the Trustee has the power under the Trust Deed to adjust your benefit accordingly.

As a result there are a number of risks associated with restrictions and special conditions that may be imposed by the insurance company.

These include the risk that:

- › You may suffer an injury or illness such that you cannot work but do not satisfy the insurer’s and/or the Fund’s definition of disablement, in which case no insurance benefit will be paid to you.
- › Even if your claim is accepted, it may take some time for payment to be made. For example, it can take some time to obtain all the required information to assess the claim.
- › You may not be covered if you work less hours per week than the minimum required under the policy. For example, casuals, part-time employees or employees on extended leave without pay may not be covered.
- › The maximum amount of cover allowable under the policy may be lower than the benefit calculated in accordance with the formula or may be insufficient to meet your needs.
- › The insurance company may decline (or defer) your cover, which may also affect your ability to obtain insurance cover in the future.
- › The insurance company may not provide cover if you are required to work overseas for more than 3 years.

