

# Product Disclosure Statement

10 May 2017



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This Product Disclosure Statement (PDS) summarises significant information about investing in Combined Super. It includes references to other important information that is taken to form part of this PDS. This important information is indicated throughout this PDS with an **i**. The information in this PDS should be considered before making a decision to invest in Combined Super. The other important information is available from the Fund on **1800 200 801**.

This PDS contains general information only and does not take into account any person's individual objectives, personal financial situation or needs. You should obtain financial advice tailored to your own personal circumstances before deciding to invest in Combined Super.

Information in this PDS may change from time to time. Changes that are not materially adverse are available on the Fund's website [www.combinedsuper.com.au](http://www.combinedsuper.com.au) or on request, free of charge at any time. To request a copy of this PDS or any of the other important information referred to in this PDS call the Fund on **1800 200 801**.

# 1. ABOUT COMBINED SUPER

## Welcome to Combined Super and this Product Disclosure Statement (PDS)

Combined Super is an industry super fund for the education and related sectors, run only to profit members.

Combined Super was established in 1959 and today has approximately **9,000** member accounts spread over more than **150** employers and assets of over **\$820 million**. Our mission is to provide benefits to members and their beneficiaries that will enhance their long-term financial position, well-being and security and which are industry best practice.

A major provider of superannuation and pension products to the private education sector, charities, non-profit groups and associations, Combined Super is an authorised 'MySuper'

product provider. MySuper is a Government legislated default superannuation arrangement that must meet minimum standards in relation to benefits, investment strategy and fees.

If you do not make a choice from the Fund's range of investment options, your super will be invested in our MySuper option – the Balanced (default) option. A summary of the MySuper option, including a MySuper Product Dashboard, is available at **www.combinedsuper.com.au**. Other important information including Trustee and executive remuneration and documents prescribed by superannuation law are available on the website in the About Us/Governance section.

# 2. HOW SUPER WORKS

Super is money you save and invest for your retirement which is, in part, compulsory. The building blocks of super are:

## Contributions

- Employer contributions
- Voluntary contributions
- Government co-contributions (if eligible)
- Rollover amounts

+

## Net investment returns (if positive)

—

## Amounts deducted

- Fees and charges
- Insurance premiums
- Government taxes
- Net investment returns (if negative)

=

## Balance

- Your super account balance

## Contributing to Super

### Employer contributions

In general, Superannuation Guarantee law requires employers to contribute **9.5%** (for 2016/17) of an employee's ordinary time earnings to super. If you join Combined Super these contributions are credited to your account.

### Contributions made by you

You can choose to contribute to your account yourself, on top of any contributions made by your employer. Making voluntary contributions yourself is an effective way of boosting your super.

Voluntary contributions can be made from your after-tax salary or from your before-tax salary (this is called salary sacrifice). Salary sacrifice contributions can reduce the amount of personal income tax you pay.

There are limits on how much you can contribute to super.

### Government co-contribution

For each **\$1** an eligible person contributes from after-tax pay the Government will pay a co-contribution of up to **50%** to a maximum of **\$500 p.a.** To be eligible for the full co-contribution you need to earn **\$36,021 p.a.** or less.

You can still get some of the co-contribution from the Government if you earn up to **\$51,021 p.a.**

### Transfers in

If you have super in other funds, you can transfer it in and consolidate them together in your Combined Super account. That way you'll have all your super together and may pay less in fees. We can help you with this. Before closing your other super account, you should consider whether any exit fees or taxes apply and whether you may lose other valuable benefits such as extra employer contributions or insurance.

## Where you put your money is almost always your choice

Most people have the right to choose the Fund their employer pays their superannuation guarantee contributions into. To find out if you are eligible for **Choice of Fund** contact the Fund. For more information visit **www.ato.gov.au/super**.

## Super is there for your retirement and attracts generous tax savings

Because the Government wants to encourage everyone to save for retirement, it provides tax savings for money invested in super. Since the purpose of super is to help you build up retirement savings, you generally cannot withdraw your money from super until you retire permanently from the workforce after you have reached your preservation age. Your preservation age depends on when you were born. If you were born before 1 July 1960, your preservation age is 55. For all members, once you are 60 and retired, your money can be taken out of super tax free as a pension or lump sum. For more about taxation see [page 6](#).



You should read the important information about contributing to super, the rules on withdrawing money from super and other general information before making a decision. Ask the Fund for a copy of 'More About Combined Super' by calling **1800 200 801** or visiting **www.combinedsuper.com.au** or go to the 'How Super Works' section of the Australian Securities and Investments Commission (ASIC) website **www.moneysmart.gov.au**. The material relating to contributing to super, the rules on withdrawing money from super and other general information may change between the time when you read this Statement and the day when you acquire the product.

## 3. BENEFITS OF INVESTING WITH COMBINED SUPER

Most working Australians rely on their super savings in retirement. Other than the Government age pension, it's likely to be your main source of income when you stop work. So you want to make sure your super is in the right hands. Combined Super gives you a simple, flexible and low-cost fund for your super. It is an accumulation fund. Benefits are equal to the contributions made by your employer (and you) plus investment earnings less fees and costs. You may also be entitled to an insured benefit.

### The benefits of investing with Combined Super include:

- ✓ Free consolidation service if you transfer in your super.
- ✓ Access to a general super advisory service.
- ✓ A range of member communications options including our toll free phone line, online Member Access and regular updates.
- ✓ No entry fee.
- ✓ Flexible contribution options.
- ✓ A choice of four sector investment options and four diversified investment options or any mix of these.
- ✓ Death and Total Permanent Disablement cover is provided automatically to members on joining, without the need to provide medical evidence (conditions apply).
- ✓ A Salary Continuance Benefit of **85%** of your salary (**75%** to you and **10%** as a contribution to your Fund account) may be payable should you be unable to work due to sickness or injury.
- ✓ Optional additional insurance cover may be available with low-cost premiums based on group insurance rates. *For more about insurance see page 7.*
- ✓ The benefit paid by Combined Super on your death is the balance of your member account. In addition, an insurance benefit may be payable.

## 4. RISKS OF SUPER

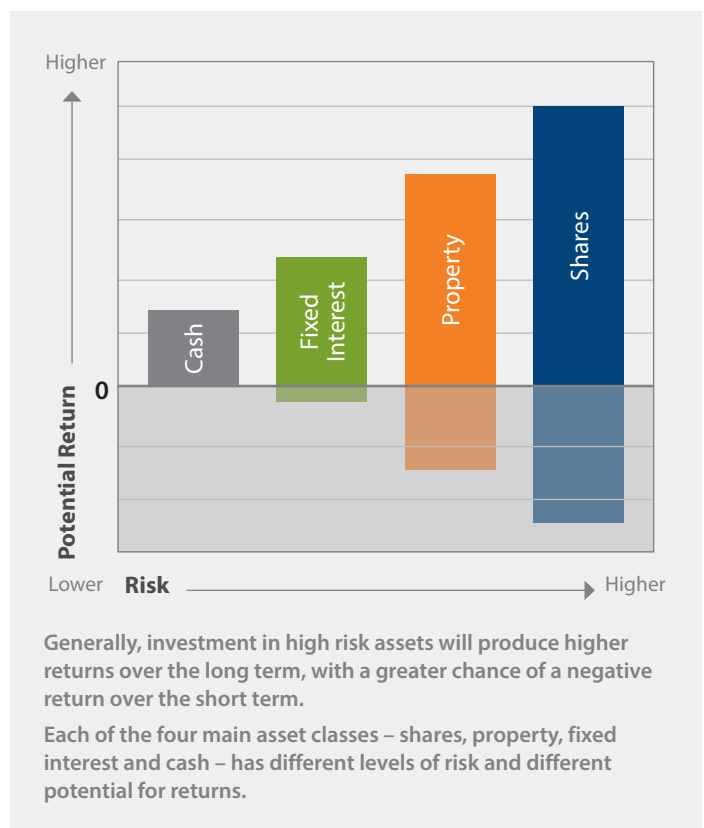
All investments carry risk. There are a number of risks associated with investing in super that you should consider.

### The link between risk and return

It is important to know the facts about risk and return before investing your super.

- The value of the investment option you choose may rise or fall.
- The Fund's investment performance is not guaranteed, which means you may lose some of your money.
- The level of return for each of the Fund's investment options will vary, and future returns may differ from past returns.
- Different investment strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. *See page 4 for more about Combined Super's investment options, how the default option is invested and the associated level of risk for that option.*
- Laws affecting super (such as super laws, taxation and social security) may change at any time.
- The amount of your future super savings (including contributions and returns) may not be enough to provide adequately for your retirement.

The level of risk suitable for each person will vary depending on a range of factors including your age, investment time frame, what other investments you have and your own personal risk tolerance. While you may have the time to ride out ups and downs in your return, you may not be comfortable with a higher risk option.



You should read the important information about investment risks before making a decision. Ask the Fund for a copy of 'Investing Your Super' by calling 1800 200 801 or visiting [www.combinedsuper.com.au](http://www.combinedsuper.com.au). The material relating to investment risks may change between the time when you read this PDS and when you acquire the product.

# 5. HOW WE INVEST YOUR MONEY

Combined Super offers you a choice of four sector investment options and four diversified investment options. You can choose to invest in one option or in any combination of the options for both your account balance and future contributions. If you do not make a choice, your money will be invested in the MySuper Balanced default option.

When making your investment choice you must consider the likely investment return, the level of risk and your own personal investment timeframe.

## MySuper Balanced (default option)

### Investor profile

Likely to suit members seeking medium to long-term growth of their super with medium risk.

### Investment objective

To provide an investment return which exceeds the changes in the Consumer Price Index (CPI) by **3% p.a** over rolling seven-year periods.

### Investment strategy

Invests in a cross-section of diversified assets with a large proportion in Australian and International shares, property and diversified fixed interest securities.

### Minimum investment timeframe

Medium to long term. If you choose this investment option be prepared to stay invested in it for more than seven years before it meets its objectives.

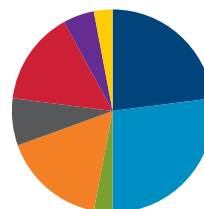
### Standard Risk Measure\*

Risk Band: **5**

Risk Label: **Medium to high.** Returns can fluctuate from year to year, either moderately or considerably.

Expected frequency of negative annual return over any 20-year period: **3.7**

### Strategic asset allocation



Benchmark	Asset Class	Investment Ranges (%)
<b>77%</b>	<b>Growth Assets</b>	
23%	Australian Shares	0-50%
27%	Overseas Shares	0-50%
3%	Listed Property & Infrastructure	0-15%
16.5%	Real Assets	0-30%
7.5%	Growth Alternatives	0-20%
<b>23%</b>	<b>Defensive Assets</b>	
15%	Defensive Alternatives	0-20%
5%	Diversified Interest Securities	0-20%
3%	Cash	0-15%

\* The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a number of negative annual returns over any 20-year period. The Standard Risk Measure is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option(s). Combined Super reserves the right to change its default investment option or any of its other investment options, including the types of investments and investment allocations within an option. Members of the Fund will be notified of any such changes.

## How to make or change your investment choice

When joining Combined Super, complete the Investment Choice section of the *Application for Membership Form* to indicate your investment choice.

You can choose to switch investment options at any time, at no cost. You can:

- choose to invest your total super account balance in one or more options, or
- choose separate investment options for your current account balance and your future contributions.

To change your investment options, complete and return an *Investment Switch Form*. Investment switching requests are processed using the unit price for that month. For example, a switching request received in July will be processed using the unit price for July (although the unit price for each month is not calculated until the next month).

## Socially responsible investing (SRI)

When making investment decisions, the Trustee does not take into account social, ethical or environmental considerations or labour standards. Individual investment managers of SRI options may take into account social, ethical or environmental considerations or labour standards.

**i** You should read the important information about Combined Supers' other investment options and other investment information before making a decision. Combined Super reserves the right to change its default investment option or any of its other investment options, including the types of investments and investment allocations within an option. Members of the Fund will be notified of any such changes. Ask the Fund for a copy of *'Investing Your Super'* by calling 1800 200 801 or visiting [www.combinedsuper.com.au](http://www.combinedsuper.com.au). The material relating to Combined Super's other investment options and other investment information may change between the time when you read this Statement and 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 may be able to negotiate to pay lower contribution fees and management costs where applicable. 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 super fee calculator to help you compare different fee options.

This document shows fees and other costs that you may be charged in relation to the MySuper investment option. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. Taxes are set out in section 7 'How super is taxed' and insurance costs are set out in section 8 'Insurance in your super'.

You should read all the information about fees and costs because it is important to understand their impact on your investment. Fees and costs for Combined Super's other investment options are set out in 'More About Combined Super' available by calling **1800 200 801** or at [www.combinedsuper.com.au](http://www.combinedsuper.com.au).

### Fee increases or changes

Combined Super reserves the right to change the fees charged at any time. Should fees increase, we will ensure you are notified in writing at least 30 days before any increase takes effect.

### Fees payable to a financial adviser

Commissions are not paid to advisers. If you use Combined Super's financial advisers for personal advice, you may choose to have the cost of this additional fee for service deducted from your account. The cost of this advice will be detailed in the Statement of Advice provided to you.

### Example of annual fees and costs for MySuper Balanced

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

#### Example – MySuper Balanced (default) option

Type of fee	Amount	Balance of \$50,000
Investment Fee	Nil	For every \$50,000 you have invested in the MySuper Balanced option, you will be charged \$0 each year.
<b>PLUS Administration Fees</b>	\$52 (\$1 per week)	And, you will be charged \$52 in administration fees regardless of your balance.
<b>PLUS Indirect costs for the MySuper Balanced option</b>	0.947%	And, indirect costs of \$473 each year will be deducted from your investment.
<b>EQUALS Costs of product</b>		If your balance was \$50,000, then for that year you will be charged fees of \$525* for the MySuper option.

\* Additional fees may apply. If you make a withdrawal from your account you will be charged an exit fee of \$67.

MySuper (default) option		
Type of fee*	Amount	How and when paid
Investment fee	Nil	Not applicable
Administration fee	\$52 annually (\$13 per quarter)	Deducted from your account quarterly.
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Exit fee	Lump sum withdrawals: \$67	Deducted from your account
	Termination: Nil	Not applicable
Advice fees relating to all members investing in the MySuper Balanced option or other investment option	Nil	Not applicable
Other fees and costs**	Nil	Not applicable
Indirect cost ratio	0.947% p.a.	Deducted before the investment return is credited to the Fund by each investment manager. It includes an asset based recovery of 0.355% p.a. that is taken into account when unit prices are calculated.

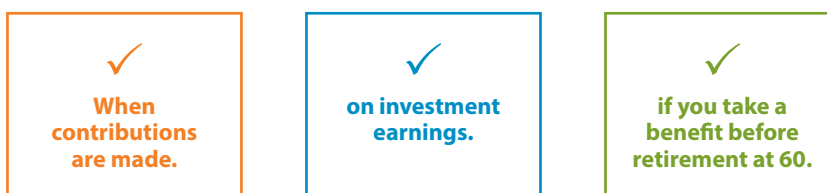
\* An explanation of definitions of these fees is contained in 'More about Combined Super' available at [www.combinedsuper.com.au](http://www.combinedsuper.com.au).

\*\* Other fees and costs, such as family law fees, advice fees for personal advice or insurance fees may apply. For information, refer to 'More About Combined Super' available at [www.combinedsuper.com.au](http://www.combinedsuper.com.au).

**i** You should read the important information about service fees and the fees and costs of all of Combined Super's investment options before making a decision. Ask the Fund for a copy of 'More About Combined Super' by calling **1800 200 801** or visiting [www.combinedsuper.com.au](http://www.combinedsuper.com.au). The material relating to service fees and the fees and costs of Combined Super's investment options may change between the time when you read this Statement and when you acquire the product.

# 7. HOW SUPER IS TAXED

To encourage retirement savings, super is generally taxed at lower rates than other investments. Super is taxed:



We deduct the tax payable and remit it to the Australian Taxation Office. Super benefit payments are currently tax free once you reach 60.

## Tax on contributions

	Employer contributions	Salary sacrifice contributions	Personal after-tax contributions	Co-contributions
<b>Tax payable</b>	Yes, at 15%* (if we have your Tax File Number)	Yes, at 15%* (if we have your Tax File Number)	No	No

\* Those earning over \$300,000 p.a. to 30 June 2017 (or \$250,000 from 1 July 2017) are required to pay contributions tax of 30% while those earning less than \$37,000 p.a. may receive an offset of the 15% contributions tax.



Tax on contributions is deducted at the time contributions are credited to your account. If you exceed the contribution limits then you may pay extra tax.

## Tax on investment earnings

Up to a maximum of 15% tax is payable on the investment return your account earns. This tax is deducted before investment returns are declared, so unit prices are shown after tax.

## Tax on benefits – a general guide

Tax on benefits is a complex topic. We recommend you discuss your own personal situation with a licensed financial adviser as the decisions you make about how and when to take your benefit can affect the tax payable and your age pension entitlements. The summary below assumes you have provided your Tax File Number (TFN). For up-to-date tax information, visit [www.ato.gov.au/super](http://www.ato.gov.au/super) or call the ATO on 13 10 20. Any tax due on benefit payments is deducted from the benefit amount before the payment is made.

### Tax on lump sum retirement benefits and withdrawal benefits

- If you are 60 or over, you **will pay no tax** on your benefit.
- If you are between 55 and 59, your benefit will be made up of a tax free and a taxable component. The taxable component will be paid tax free up to a lifetime limit of **\$195,000** (for the 2016/17 year), with any amount above that limit taxed at **17%** including the Medicare levy.
- If you are under 55, the entire taxable component of your benefit will be taxed at **22%**, including the Medicare levy.
- If you are terminally ill your benefit will be tax free.

### Rollovers into or out of a super fund

Generally, no tax is payable.

### Death benefit

Lump sum death benefits paid to dependants (as defined for tax purposes) are tax free. If paid to a non-dependant, the benefit may be taxed.

### Total and permanent disablement benefit

Total and permanent disablement benefits are taxed at different rates, depending on your age when you were disabled.

## DON'T PAY MORE TAX THAN YOU HAVE TO. PROVIDE YOUR TAX FILE NUMBER!



Providing your TFN to Combined Super is not compulsory. However, if you do not provide your TFN, employer and salary sacrifice contributions will be taxed at your top marginal tax rate and you may pay extra tax when you access your benefit later. Personal contributions cannot be accepted at all without a TFN. It will also be more difficult to trace different super amounts in your name, so you can receive all your benefits when you retire.



You should read the important information about the taxation of super before making a decision. Ask the Fund for a copy of 'More about Combined Super' by calling 1800 200 801 or visiting [www.combinedsuper.com.au](http://www.combinedsuper.com.au). The material retail to the taxation of super may change between the time you read this statement and when you acquire this product.

## 8. INSURANCE IN YOUR SUPER

Like many Australians, you probably have your home and car insured. But what about your most important asset – YOU? Insurance cover gives you peace of mind that if the worst happens, you and your family are protected.

### Insurance with Combined Super is:

- ✓ Comprehensive - generally covers you 24 hours a day, 7 days a week.
- ✓ Flexible - you may be able to increase your cover easily to suit your needs and situation (may be subject to meeting the Insurer's health evidence requirements).
- ✓ Affordable - insurance cover is taken out at competitive rates.

Insurance is provided under group insurance policies taken out by the Trustee with TAL (ABN 70 050 109 450 AFSL 237857).

Combined Super provides some simple insurance options. Importantly, the actual cover and the costs if any associated with the cover applicable to you, depends on the benefit design your employer has selected.\*

Combined Super gives employers the flexibility to design insurance benefits to suit their employees. You should therefore refer to the 'Insurance' important information document available from the Fund on **1800 200 801** for details of your insurance options, the cost of insurance cover (including who pays for the insurance) and how to apply for insurance (where applicable).

Generally, you may cancel or decline insurance by writing to us. However, any future request for insurance will generally be subject to a health assessment. Members who do not change or cancel the basic cover (if applicable) provided under their employer plan will continue to have premiums deducted from their account.

*\*To qualify as a MySuper product, Combined Super has to provide a certain level of Death and Total and Permanent Disablement cover for members on an opt-out basis. Your actual insurance cover depends on the benefit design your employer has selected.*

### Additional cover

Additional cover is not automatic – your application will be assessed by the Fund Insurer who may require additional medical or other information. Cover does not commence until the date your application is approved by the Insurer. We will notify you of the Insurer's decision.

To apply for increased cover contact the Fund on **1800 200 801**.

### Eligibility conditions and exclusions

The insurance cover provided under Combined Super is subject to eligibility conditions and exclusions. These may affect your entitlement to insurance cover or the circumstances when an insurance benefit may be payable under the policy.

### Death Cover

A lump sum benefit is payable in the event of your death or terminal illness before age 60 or 65. The amount payable depends on the benefit design your employer has selected. You can advise the Fund Trustee of the person you would like to receive your death benefit if you die. While the Trustee will take your wishes into account, the Trustee has the final discretion when paying benefits.

### Total and Permanent Disablement Cover

A lump sum benefit is payable in the event of you becoming totally and permanently disabled before age 60 or 65. The amount payable depends on the benefit design your employer has selected.

### Salary Continuance Insurance

Also known as Income Protection, this benefit pays a regular monthly income should you be unable to work due to sickness or injury, (subject to acceptance of your claim by the Fund Insurer). The benefit payable is **85%** of your pre-disability salary and is payable by monthly instalments in arrears (**75%** is paid to you and the remaining **10%** contributed to your Fund account) after a 90-day waiting period. The benefits cease at the end of 2 years or at age 65, depending on the benefit design you and your employer have selected.



# 9. HOW TO OPEN AN ACCOUNT

## How to join Combined Super

1

### READ THIS PDS AND THE OTHER IMPORTANT INFORMATION AVAILABLE FROM THE FUND

This has details of how Combined Super operates and its benefits and features. If you need advice tailored to your own personal situation we recommend you speak to a licensed financial planner or adviser.

2

### FILL OUT THE APPLICATION FOR MEMBERSHIP FORM PROVIDED WITH THIS PDS

The form includes a section for you to make your investment and insurance cover choices and to nominate a beneficiary.

3

### RETURN YOUR COMPLETED FORM TO COMBINED SUPER OR TO YOUR EMPLOYER

On joining Combined Super you will receive a welcome letter and confirmation of your membership number, investment selection and insurance cover. Some insurance cover may be subject to acceptance by our insurer. We will notify you of the insurer's decision. You'll also receive your login details for your online access.

### Cooling-off period

If your employer has enrolled you in Combined Super, no cooling-off period applies.

If you made the choice to join the Fund, a **14-day** cooling-off period applies from the earlier of five days from the date your application is accepted or the date we confirm your membership. During this period, you may write to the Trustee to cancel your Combined Super membership and have any contributions repaid (subject to preservation rules).

We will not deduct any fees from the amount of the repayment. The amount of repayment may, however, be adjusted to take account of any increase or decrease in investment value and any taxes payable in respect of the contributions made. If any of the contributions are subject to preservation requirements, they cannot be repaid in cash but must be transferred to another complying super fund, approved deposit fund or retirement savings account of your choice.

### Respecting your privacy

Protecting your personal information is important to Combined Super and it is also a legal requirement. Our Privacy Policy outlines the type of information we will keep about you. It explains how we and any organisation we appoint to provide services to you on our behalf will use this information.

For more information about our Privacy Policy and the way we handle your personal information visit [www.combinedsuper.com.au](http://www.combinedsuper.com.au) or call **1800 200 801**.

### Complaints

The Trustee has established a procedure to deal fairly with member complaints. All complaints will be handled in a courteous and confidential manner and will be properly considered. Every attempt will be made to respond within **28 days**. If you have a complaint, please write to:

- **Superannuation Complaints Officer**  
Combined Super  
PO Box 4559  
Melbourne Victoria 3001  
or email [complaints@combinedsuper.com.au](mailto:complaints@combinedsuper.com.au)

If your complaint has not been resolved to your satisfaction within **90 days** of lodging it, you may refer your complaint in writing to the Superannuation Complaints Tribunal at the following address:

- **Superannuation Complaints Tribunal**  
Locked Bag 3060  
Melbourne VIC 3001  
**Phone:** 1300 884 114  
**Email:** [info@sct.gov.au](mailto:info@sct.gov.au)  
**Website:** [www.sct.gov.au](http://www.sct.gov.au)

The Australian Securities and Investment Commission (ASIC) also has an infoline on **1300 300 630** which you may use to make a complaint and obtain information about your rights.

The members in this PDS have given, and not withdrawn, their consent to their images and quotes to be included in the PDS in the form and context in which they are included.

## Contact us today

☎ 1800 200 801

📠 03 9640 0787

✉ [admin@combinedsuper.com.au](mailto:admin@combinedsuper.com.au)

🌐 [www.combinedsuper.com.au](http://www.combinedsuper.com.au)

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