

# Superannuation

Product Disclosure Statement | effective 21 JULY 2017

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**TIP:** Avoid important emails being caught by your SPAM filter and dumped in your Junk mail box - go to your settings and indicate [info@catholicsuper.com.au](mailto:info@catholicsuper.com.au) as a safe sender.

This Product Disclosure Statement (PDS) has been prepared by SCS Super Pty Ltd ABN 74 064 712 607, AFSL 230544, RSE L0002264, the Trustee of the Australian Catholic Superannuation & Retirement Fund (Australian Catholic Superannuation). It contains a number of references to other important information. This other information is contained in fact sheets, which form part of this PDS.

Fact sheets are referred to and indicated by a prominent blue box. Access to the fact sheets is available on the PDS section of our website at [www.catholicsuper.com.au/factsheets](http://www.catholicsuper.com.au/factsheets)

Any advice contained in this document is of a general nature only, and does not take into account your personal objectives, financial situation or needs. Prior to acting on any information in this document, you need to take into account your own financial circumstances, consider the Product Disclosure Statement for any product you are considering, and seek independent financial advice if you are unsure of what action to take.

Financial advice is available to members through Industry Fund Services Pty Ltd (AFSL 232514) who can be contacted on 1300 658 776.

The material contained in this document is based on information received in good faith from sources within the market and on our understanding of the legislation at this time.

However this information may be subject to change from time to time. If the change is material, we will notify members and if necessary we will issue a new PDS. If the change is not material we will keep members informed via our website.

Australian Catholic Superannuation is governed by a trust deed. If there is any inconsistency between the trust deed and the information in this PDS, the terms of the trust deed will prevail. To request a printed copy of this PDS or any of the fact sheets that form part of this PDS, phone us on 1300 658 776.

## Section 1: About us

Australian Catholic Superannuation is open to anyone eligible for superannuation. As an industry fund, we exist solely for the benefit of our members. We have over 90,000 members, over \$7 billion in assets and over 16,000 employers.

The benefits of investing with Australian Catholic Superannuation are explained in Section 3.

We offer a superannuation plan to save for your retirement and an account-based pension plan for retirement or transitioning to retirement. Our pension plan contains two different pension options. For details, refer to the *Retirement Product Disclosure Statement*.

Our superannuation plan offers a MySuper product (MySuper Balanced). This is a simple value for money investment option for members who do not want to make decisions about their superannuation. It includes Death and Total and Permanent Disability (TPD) insurance on an opt-out basis.

For those of you who do want to make your own choices, we offer another 11 investment options (see section 5) and a range of insurance options (see section 8).

### Disclosure

Our website contains a wide range of disclosure material. Just follow the links below.

- PDS, Financial Services Guide (FSG) and annual reports: [www.catholicsuper.com.au/publications](http://www.catholicsuper.com.au/publications)
- Summary of recent significant event notices: [www.catholicsuper.com.au/significantevents](http://www.catholicsuper.com.au/significantevents)
- Fund trust deed, trustee company constitution, conflicts policy, register of relevant duties, register of relevant interests: [www.catholicsuper.com.au/policies](http://www.catholicsuper.com.au/policies)
- How trustees are appointed and removed, trustee profiles, trustee remuneration, board meeting attendance: [www.catholicsuper.com.au/board](http://www.catholicsuper.com.au/board)
- Executive profiles and executive remuneration: [www.catholicsuper.com.au/executive](http://www.catholicsuper.com.au/executive)
- MySuper Balanced Product dashboard [www.catholicsuper.com.au/superdashboard](http://www.catholicsuper.com.au/superdashboard)
- Proxy voting policies and how we exercised our voting rights: [www.catholicsuper.com.au/voting](http://www.catholicsuper.com.au/voting)
- Key service providers: [www.catholicsuper.com.au/providers](http://www.catholicsuper.com.au/providers)
- Trustee company financial statements: [www.catholicsuper.com.au/finstatements](http://www.catholicsuper.com.au/finstatements)



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**🐦** @AusCathSuper (articles and news)

**🐦** @AskAusCathSuper (general information and enquiries)

**🌐** [linkedin.com/company/australian-catholic-superannuation](https://www.linkedin.com/company/australian-catholic-superannuation)

## Section 2: How super works

Superannuation is a way of saving for retirement. We invest your contributions and the earnings (whether positive or negative) to your account. When you retire, you can take your account balance as a lump sum or you can convert it into an income stream also known as an account based pension.

### Contributions

Superannuation is compulsory if you are earning more than \$450 a month. Your employer is required to contribute at least 9.5% of your salary to super. Most employees can choose the superannuation entity their employer pays superannuation guarantee contributions to.

You can also make other types of contributions, including salary sacrifice contributions (from your pre-tax salary) and voluntary contributions (from your after-tax salary). If you qualify (income limits and other conditions apply), the government will match your after-tax contributions of up to \$1,000 with an additional co-contribution of up to \$500.

In practice, there are limits to the amounts you or your employer can contribute to super. If you exceed these limits (called contribution caps), your contributions may be subject to additional tax. There are also age limits on when you can contribute to super.

Go to the **Contributions** fact sheet

1. You should read the important information about contribution caps and age limits before making a decision.  
Go to the *Contributions* fact sheet located in the PDS section of [www.catholicsuper.com.au/factsheets](http://www.catholicsuper.com.au/factsheets)
2. The material relating to contributions may change between the time when you read this Statement and the day when you acquire the product.

If we are unable to allocate any contributions to your account, we will place the money in a trust account until we can either allocate or return the contribution. No interest is payable on money in the trust account.

### Tax concessions

The government provides tax concessions to encourage you to save for retirement through super. These concessions are summarised in Section 7 of this PDS.

### Taking your super

As super is meant for retirement, there are restrictions on when you can take your super.

Go to the **Conditions of release** fact sheet

1. You should read the important information about when you can access your super before making a decision.  
Go to the *Conditions of release* fact sheet located in the PDS section of [www.catholicsuper.com.au/factsheets](http://www.catholicsuper.com.au/factsheets)
2. The material relating to accessing your super may change between the time when you read this Statement and the day when you acquire the product.

## Section 3: Benefits of investing with Australian Catholic Superannuation

Membership of the Fund provides a range of benefits, including:

- Fees and costs limited to what it costs to manage the Fund;
- All profits returned to members or used for the benefit of members;
- Flexible and cost-effective insurance cover;
- Password-protected member online access;
- Account based pensions for members in retirement or transitioning to retirement;
- Two appointment-based advice services:
  - Over-the-phone advice on four specific super or pension topics;
  - Face-to-face extended advice (advice services are provided through an arrangement with Industry Fund Services, AFSL 232514).
- Regular seminars and workplace presentations on super and retirement issues; and
- Regular communications, such as newsletters, email and website updates.

## Section 4: Risks of super

All investments carry risk. Different investments have different levels of risk, depending on the assets that make up a particular investment.

Your Australian Catholic Superannuation account is invested in a range of assets such as shares, property, fixed interest and cash. Each option contains a different combination of assets.

The risk you face depends on your investment option. Generally assets with the highest long-term returns have the highest level of short-term risk. For example, shares are expected to have higher long-term returns than cash, but they are more likely to experience a negative annual return.

The risks you face when investing in superannuation include:

- The value of your investment will vary - it could go up or down;
- Your investment return will vary from year to year and future returns could differ from past returns;
- Returns are not guaranteed;
- Your final account balance, including your contributions and investment returns, may not be enough to provide adequately for your retirement;
- Some investments (such as property) are illiquid and you may not be able to redeem your investment quickly; and
- Superannuation laws could change in the future.

The amount of risk you take is your decision. It will depend on a number of factors, including your age, how long you will be invested in superannuation, any other investments you have outside super and your ability to tolerate investment losses or fluctuations in investment returns.

## Section 5: How we invest your money

Australian Catholic Superannuation offers 12 investment options including a MySuper product called MySuper Balanced.

Managed options (mix of asset classes)	Build your own options (single asset classes)
Shares	Australian Shares
Growth	International Shares
MySuper Balanced	Property
Socially Responsible Balanced	Bonds
Conservative Balanced	Credit Income
Conservative	Cash and Term Deposits

When choosing a MySuper product or an investment option, you need to consider the likely investment return, the risk and your investment time frame.

If you are an employer-sponsored member and do not make an investment choice, you will be placed into the MySuper Balanced option. Personal members (i.e. members who are not enrolled into the Fund by their employer) must make a choice.

The following table provides an overview of the MySuper Balanced option.

		MySuper Balanced	
Overview	Diversified across all major asset classes, which are expected to produce high long-term returns but, over shorter term periods the returns may be volatile, and, at times, negative.		
Suitable for	Members with a medium to long-term investment horizon who are prepared to accept fluctuations in returns from year to year with a relatively high risk of a negative return in any one year.		
Investment return objective	To target a return, after tax and investment expenses, of at least 3% pa above inflation, as measured by the Consumer Price Index, over rolling 10 year periods.		
Suggested minimum time frame	5+ years		
Risk / estimated negative annual returns over a 20 year period	High / 4 to less than 6		
	<b>NORMAL (%)</b>	<b>RANGES (%)</b>	
<b>ASSET CLASSES</b>			
Australian Shares	22	10-45	
International Shares	24	10-45	
Infrastructure	10	0-20	
Property	10	0-20	
Other - Alternatives	14	0-20	
Multi-Asset	8	0-20	
Bonds	9	0-40	
Credit Income	1	0-40	
Cash and Term Deposits	2	0-40	
Total Assets	100		
<b>CURRENCY HEDGING</b>			
Overseas Shares	50	0-85	
Infrastructure	50	0-85	
Property	50	0-85	
Alternatives	50	0-85	

Go to the **Your investment options** fact sheet

1. You should read the important information about the other investment options before making a decision. Go to the *Your investment options* fact sheet located in the PDS section of [www.catholicsuper.com.au/factsheets](http://www.catholicsuper.com.au/factsheets)
2. The material relating to the other investment options may change between the time when you read this Statement and the day when you sign the application form.

### Making an investment switch

You can make an investment switch by completing and returning an *Investment Switch Super* form. Or you can switch online by logging onto Members online.

Your switch will be processed at unit prices that are set after your switch application is received. Unit prices are normally set on a Tuesday. To receive the unit price set on a particular Tuesday, your application must be received by close of business (5.30pm AEST or AEDST) on the previous Friday.

Go to the **Your investment options** fact sheet

1. You should read the important information about how the Fund's investments may be changed and about the extent to which labour standards or environmental, social or ethical considerations are taken into account before making a decision.
2. The material relating to changing the Fund's investments and to labour standards, environmental, social or ethical considerations may change between the time when you read this Statement and the day when you acquire the product.

Go to the *Your investment options* fact sheet located in the PDS section of [www.catholicsuper.com.au/factsheets](http://www.catholicsuper.com.au/factsheets)

Information on unit pricing and how the Fund's investments are valued is available from the **what is unit pricing** and the **valuation of fund assets** pages of our website [www.catholicsuper.com.au/Superannuation/Superannuation-investments](http://www.catholicsuper.com.au/Superannuation/Superannuation-investments)

## Section 6: Fees and costs

### DID YOU KNOW?

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

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

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

**You 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 superannuation calculator to help you check out different fee options.

*Please note that the wording in the box is required by legislation. As a profit-for-members industry fund, we charge only what is needed to operate the Fund and therefore our fees are not negotiable.*

This PDS has applied the changes to fees and costs disclosure required by ASIC Class Order [CO 14/1252].

### Fees and other costs for the MySuper Balanced option

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole. Other fees, such as activity fees and advice fees for personal advice, and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you.

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

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

MySuper Balanced option		
TYPE OF FEE	AMOUNT	HOW AND WHEN PAID
Investment fee	0.55%	Deducted from fund assets before weekly unit prices are determined
Administration fee	\$1.50 per week plus 0.25% pa of your account balance (capped at \$2,000)*	The \$1.50 is deducted from your account at the end of each month and the 0.25% is deducted from fund assets before weekly unit prices are determined.
Buy-sell spread	Nil	
Switching fee	Nil	
Exit fee	\$55	Deducted from your account when you withdraw all or part of your account balance
Advice fees relating to all members investing in the MySuper product	Nil	
Other fees and costs	Refer to the Other fees and costs section	
Indirect cost ratio	0.35%	Deducted from Fund assets before weekly unit prices are determined

## Example of annual fees and costs for a MySuper product

This table gives an example of how the fees and costs for the generic MySuper product 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.

EXAMPLE – MySuper product		BALANCE OF \$50,000
Investment fees	0.55%	For every \$50,000 you have in the MySuper product you will be charged \$275 each year
<b>PLUS</b> Administration fees	\$78 (\$1.50 per week) plus 0.25% of your account balance	And, you will be charged \$78 in administration fees regardless of your balance plus \$125 for every \$50,000 you have in the MySuper product
<b>PLUS</b> Indirect costs for the MySuper product	0.35%	And, annual indirect costs of \$175 each year will be deducted from your investment for every \$50,000 you have in the MySuper product
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$653</b> for the MySuper product

Note: Additional fees may apply. **And**, if you leave the superannuation entity, you may also be charged **exit fees** of \$55.

Note regarding Investment fees: \*If at 30 June you have paid an asset-based administration fee (0.25% pa) of greater than \$2,000 since the previous 1 July, a fee rebate will be credited to your account. If you have more than one account, the asset based fee cap applies to each individual account and is not aggregated across multiple accounts. The fees estimate includes performance-related fees calculated on the basis that all managers met or exceeded their return targets. It is possible that actual fees paid could be lower than the estimated fee in the event that performance targets are not met.

## Other fees and costs

Go to the **Fees and costs** fact sheet

1. You should read the important information about fee definitions, other fees and costs, the fees and costs applying to other investment options and the additional explanation of fees and costs before making a decision. Go to the *Fees and costs* fact sheet located in the PDS section of [www.catholicsuper.com.au/factsheets](http://www.catholicsuper.com.au/factsheets)
2. The material relating to other fees and costs, the fees and costs applying to other investment options and the additional explanation of fees and costs may change between the time when you read this Statement and the day when you acquire this product.

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

3. The benefit of any tax deduction for Income Protection insurance costs and dollar-based administration fees (\$1.50 per week) is passed on to members in the form of a reduction in the contributions tax you pay.

### Fee changes

The Trustee can change the fees and costs without your consent. If there is to be an increase in fees, we will notify you at least 30 days in advance.

### Financial advice fees

Australian Catholic Superannuation has an arrangement with Industry Fund Services (AFSL 232514) to provide financial planning services on a fee-for-service basis. The cost will be outlined in a Statement of Advice provided by your planner.

## Section 7: How super is taxed

We pay any tax applying to your account directly to the Australian Taxation Office.

### When money is paid into your account

The following applies, provided you don't exceed the contribution caps mentioned in section 2. If you do exceed the caps, additional tax may apply.

Contributions by your employer (including salary sacrifice) and personal contributions for which you intend to claim a tax deduction are generally taxed at 15% (30% if your income, including concessional superannuation contributions, is \$250,000 or more).

The tax is deducted from your account balance. If you earn under \$37,000 and receive at least 10% of your income from employment or operating a business, the 15% tax on your Superannuation Guarantee contributions will be refunded to your super account.

Contributions from your after-tax salary are not taxed.

### Investment earnings

Earnings are taxed at a maximum of 15%. Tax is deducted before the earnings are paid into your account.

### When you withdraw money from your Australian Catholic Superannuation account

If you have a tax-free component, no further tax is charged on that component. Otherwise the tax depends on your age:

- 60 or over – no tax is payable
- Preservation age to age 59 – the first \$200,000 (from 1 July 2017) is not taxed, the remainder is taxed at 15% plus the Medicare levy
- Under your preservation age – taxed at 20% plus the Medicare levy

Note: A different tax treatment applies if your benefit contains an insured amount. In some cases, a higher rate of tax may apply.

If you are a temporary resident and you take your super when you leave Australia, your benefit will be taxed at 65%.

We will deduct any tax from your withdrawal benefit.

### Terminal illness

There is no tax on benefits paid as a result of a terminal medical condition.

### Death benefits

If the benefit is paid to a dependant (generally your spouse or someone financially dependent on you), no tax is payable. If it is paid to a non-dependant (e.g. a financially independent adult child), the taxable component is taxed at 15% plus the Medicare levy. A higher rate of tax may apply if the benefit contains an insured component.

We will generally deduct any tax from your death benefit.

### Tax File Numbers

It is in your interest to provide us with your Tax File Number (TFN). If you do not provide it you may be charged extra tax and we may be unable to accept some types of contributions.

Go to the **Tax and superannuation** fact sheet

1. You should read the important information about tax before making a decision. Go to the *Tax and superannuation* fact sheet located in the PDS section of [www.catholicsuper.com.au/factsheets](http://www.catholicsuper.com.au/factsheets)
2. The material relating to tax may change between the time when you read this Statement and the day when you acquire the product.

## Section 8: Insurance in your super

Australian Catholic Superannuation provides Death cover (including Terminal Illness cover), Total and Permanent Disablement (TPD) cover and Income Protection Insurance (IP) cover, including concessional superannuation contributions. There are costs associated with insurance cover. Premiums are calculated taking into account factors such as the type and level of cover and your age and are deducted from your account balance.

### Automatic cover

Employer sponsored members generally receive the following cover automatically:

- 1 unit of Death/TPD cover for members that join below age 25, costing \$1.29 per week. The value ranges from \$108,200 at or below age 20 to \$105,300 at age 24. This will increase automatically to 3 units of Death and TPD on your 25th birthday.
- 3 units of Death/TPD cover, costing \$3.87 per week. The value ranges from \$324,600 at or below age 20 to \$10,200 at age 69.
- 1 unit of Income Protection (IP) cover. Each unit provides a benefit of up to 85% of a salary of up to \$15,000—with 75/85ths paid to you and 10/85ths paid to your super account.

The benefit is payable for up to 2 years. The annual cost per unit ranges from \$15.06 at age 21 or less to a maximum of \$230.97 at age 61.

Automatic cover on joining is generally provided as Limited Cover for Death, TPD and IP for 12 months. Generally, this means you are only covered for injuries that occur or illnesses where the symptoms first become reasonably apparent on or after the date your cover commences.

If you or your employer provides us with your salary when you join, we will give you sufficient units to cover your salary (subject to a maximum cover limit). The premium depends on the number of units you have and your age.

Personal members (i.e. members not enrolled by an employer sponsor) will generally automatically receive 1 unit of Death/TPD cover, costing \$1.35 per week. The value ranges from \$108,200 at or below age 20 to \$3,400 at age 69. (Conditions apply, please refer to the Insurance fact sheet).

Automatic cover is provided on an opt-out basis. If you do not opt out, premiums will be deducted from your account balance.

## Changing your cover

We offer a range of insurance options including higher levels of cover, fixed dollar cover, different benefit payment periods and different waiting periods for Income Protection. You can apply to change your cover at any time by completing the relevant insurance application form available from our website. If you are applying to improve your cover, your application will generally be subject to underwriting i.e. you will need to provide health and other information to the insurer. The insurer can accept or reject your application or apply exclusions or premium loadings.

### Important information:

**Terms and conditions apply to our insurance cover, including eligibility rules, start and end of cover rules, cancellation rules and exclusions. These may affect your entitlement to insurance, so it is important you read the important information outlined below before deciding whether the insurance is appropriate.**

Go to the *Insurance* fact sheet

1. You should read the important information about the insurance terms and conditions before making a decision.  
Go to the *Insurance* fact sheet located in the PDS section of [www.catholicsuper.com.au/factsheets](http://www.catholicsuper.com.au/factsheets)
2. The material relating to the insurance terms and conditions may change between the time when you read this Statement and the day when you acquire the product

## Section 9: How to open an account

### Employer-sponsored members

We will automatically set up an account for you if your employer enrolls you in the Fund. You can provide us with your personal details and make an investment choice by completing the **Membership application: Employer-Sponsored & Personal Plans** that accompanies this PDS and is also available on our website.

### Personal members

If you are not enrolled into the Fund by your employer, you must complete the **Membership application: Employer-Sponsored & Personal Plans** that accompanies this PDS and is also available on our website.

## Changing your mind

If you join as a Personal member, you can cancel your membership within 14 days of the earlier of the day you receive confirmation of your investment and 5 days after you become a member. You cannot cancel your membership if you make any transactions on your account. As a rule, we cannot refund the money to you, but must transfer your account to another fund you nominate. The amount transferred will be adjusted for changes in the unit price, tax, insurance premiums and a reasonable amount for transaction and administration costs.

If you are an employer-sponsored member, your employer has the right to cancel your membership within the 14 days and have your contribution transferred to another fund (subject to the conditions above). If you wish to cease your membership at a later date, you can transfer (roll over) your account balance to another fund by completing an **Application to withdraw benefits** form (available from our website). Alternatively you can arrange a transfer electronically by going to the ATO website.

## Making a complaint

Most issues can be resolved by contacting the Administration Manager on (02) 9715 0000 or 1300 658 776.

If the matter is not satisfactorily resolved, you can make a complaint to:

**The Complaints Officer,  
Australian Catholic Superannuation and Retirement Fund  
PO Box 656 Burwood, NSW 1805.**

If you are not satisfied with the Trustee's decision, or if the Trustee fails to make a decision, you can contact the Superannuation Complaints Tribunal at 1300 884 114 or through [www.sct.gov.au](http://www.sct.gov.au).

## Miscellaneous information:

If you are a temporary resident and you do not claim your super within 6 months of leaving Australia (some exceptions apply), we must pay your benefit to the Australian Taxation Office (ATO). If we do not have your details, we will rely on the relief permitted by the Australian Securities and Investments Commission and will not send you a notice of the transfer or an exit statement. You will be able to claim your benefit from the ATO.

## Unclaimed Super Money

If your account balance with the Fund is less than \$6,000 and we have not received any form of contribution in the last 12 months, we may be obligated under legislation to transfer your account balance to the ATO. Please contact the Fund for further information.