

# More about First Super

## Important information

30 September 2011

This information should be read in conjunction with the First Super Product Disclosure Statement (PDS) dated 30 September 2011. You should consider this information and the information in the 2011 First Super PDS before making a decision to invest in First Super.

This document contains a summary of some of the important rules that apply to the First Super superannuation fund (Fund). The rules of the Fund are located in the Trust Deed, insurance policies and the relevant law. In the event of any inconsistency between any document and the rules, the rules of the Fund prevail.



# Benefits paid by First Super to members

First Super can pay the following benefits to you if you join the Fund and become a member.

## Withdrawal Benefit

When you leave the Fund we will pay a Withdrawal Benefit which is the balance of your Member Account. You do not have to take a Withdrawal Benefit if you leave your current employer, you can keep your money in the Fund. In most cases, you can also choose to have future super contributions from different employers made to your First Super account.

## Retirement Benefit

When permitted by law, you can receive a Retirement Benefit. Your Retirement Benefit can be taken as multiple draw downs. You may be able to draw on your Retirement Benefit if you are aged 55 or over and still working by using a Transition to Retirement strategy. Otherwise, to begin drawing your Retirement Benefit you must generally reach:

- > your preservation age (currently age 55) and permanently retire from the workforce;
- > age 60 and cease gainful employment with an employer; or
- > age 65.

## Death Benefit

If you die while you are a member of First Super, your account balance will be paid as a lump sum. In addition, any insured Death Benefit may also become payable, provided the Fund's insurer accepts a claim for payment. Who will receive your death benefit when you die depends on the law and what you ask us to do. You have two available options:

- (i) do nothing, in which case the law requires the Trustee to pay your benefit to your dependants or estate or, if neither exists, to another person; or
- (ii) complete a Non-binding Nomination of Beneficiary form.

A Non-binding Nomination of Beneficiary form allows you to nominate your preferred beneficiary or beneficiaries. The Trustee will take this into account when making a payment, but will ultimately decide who should receive your Death Benefit according to the law. Payment will usually be made to one or more of your dependants or your legal personal representative.

Under superannuation law, a dependant is generally a child, spouse or a person with whom you have an interdependency relationship. Two people may 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/or
- > one or each of them provides the other with domestic support and personal care.

An interdependency relationship may also exist where there is a close personal relationship between two people who do not satisfy other criteria because either or both of them suffer from a physical, intellectual or psychiatric disability. Examples of interdependency relationships may include:

- > same-sex couples who reside together and are interdependent;
- > siblings who reside together; or
- > an adult child who resides with and cares for an elderly parent.

## Terminal Illness Benefit

If you are diagnosed as having a Terminal Illness whilst you are a member of the Fund, an amount equivalent to your Death Benefit may become payable while you are still alive, provided that the insurer accepts your claim for payment.

## Total & Permanent Disablement Benefit

If you become totally and permanently disabled (TPD), the balance of your First Super account may become payable. In addition, any insured TPD Benefit may also become payable if the Insurer accepts your claim for payment.

## Income Protection Benefit

Income Protection Benefits are available to members who decide to apply for cover and whose claims are accepted by First Super's insurer. Generally, this insurance provides a benefit of up to 75% of your salary if you are unable to work due to temporary illness or injury.

## Financial Hardship & Compassionate Benefits

The criteria set by the Government for payment of these benefits is summarised below.

To be eligible for a Financial Hardship Benefit you must have:

- > been in receipt of a specified Commonwealth income support payment (e.g. Newstart Allowance) for a continuous period of 26 weeks and be unable to meet immediate family living expenses; or
- > reached your superannuation preservation age, and
- > received Commonwealth income support payments for a cumulative period of 39 weeks after reaching preservation age and not be gainfully employed on a full-time, or part-time, basis on the date of the application.

Applications may be lodged with the Trustee and will be assessed according to the relevant law – approval is not automatic.

Applications for a Compassionate Benefit may be submitted to the Australian Prudential Regulation Authority (APRA) and must relate to paying or meeting an expense of:

- > treatment and transport for you or a dependant concerning life-threatening illness or injury, acute or chronic pain, or acute or chronic mental disturbance;
- > modifying your home or motor vehicle if you or a dependant has a severe disability;
- > palliative care for you or a dependant, or the death, funeral or burial expenses of a dependant;
- > mortgage payments to prevent your lender selling your home; or
- > similar grounds.

To apply for a Compassionate Benefit please contact the Australian Prudential Regulatory Authority at [www.apra.gov.au](http://www.apra.gov.au)

## Other Benefits

First Super allows members to transfer into an Allocated Pension at no cost. We have two types of Allocated Pension:

- > an Allocated Pension; and
- > a Transition to Retirement Allocated Pension.

To find out about these products you should ask us for the First Super Allocated Pension PDS. Generally:

- > A Transition to Retirement Allocated Pension can give you a tax-effective Income Stream while you're still working to help you ease your way into retirement.
- > An Allocated Pension lets you convert your superannuation into regular income in retirement, while still allowing you to draw down lump sums when it suits you.

First Super can also offer assistance with financial planning\*. Our financial planners receive no commissions for signing you up to a particular product or service. The financial planners work on a fee for service basis so you'll know what it's going to cost you up-front. Your initial consultation is free. Call **1300 360 988** to speak to our Financial Planner.\*

\* Financial planning is supplied by Industry Fund Financial Planning (IFFP). IFFP is a division of Industry Fund Services Pty Ltd (ABN 54 007 016 195, AFSL 232514). Complex plans may incur a higher fee. Offer current at October 2010 but may be varied or withdrawn at any time.

## Insurance issued in error

Insurance cover issued in error is invalid. If you have been allocated any insurance cover by First Super and it is subsequently discovered you were ineligible to receive it for any reason, all premiums paid will be refunded to your account along with an allowance for any investment earnings lost.

# Restrictions on benefit payments

The Government has placed restrictions on when you can claim superannuation benefits. In general, access depends upon the 'preservation' classification that applies. There are three classes of preservation:

- (1) **Unrestricted non-preserved benefits:** These are benefits that are generally rolled over from another superannuation fund, but could have been cashed previously; they can be paid to you at any time.
- (2) **Restricted non-preserved benefits:** These benefits are not preserved, but they cannot be cashed until you leave service with your current employer or are otherwise eligible.
- (3) **Preserved benefits:** All contributions and earnings paid or accruing from 1 July 1999 are preserved in the superannuation system until an approved benefit can be paid (for example, through retirement, death, disability or commencement of an Allocated Pension).

Preservation of benefits is complex and the Government may change the rules from time to time. You can contact First Super for up-to-date information.

## Payment Restrictions

The Fund is subject to a range of legislation, some of which means that benefit payments cannot be made to any person unless that person provides sufficient identification material to comply with the *Anti Money Laundering and Counter Terrorism Financing Act 2006 (Cth)*.

# How a First Super member account works

The value of each member's investment is recorded in their First Super Account. Except for the Income Protection Benefit, benefits paid by the Fund are paid from or include the balance of your First Super Account.

The balance of your First Super Account equals the total contributions and transfers paid into your First Super Account, less tax, fees and charges, insurance premiums and any previous withdrawals or transfers out of your First Super Account plus investment gains or losses.

Investment earnings (positive or negative) are calculated monthly and are applied to your First Super Account when you leave or as at each 30 June after deduction of investment tax, fees and costs. If you leave the Fund or withdraw part of your benefit from the Fund between monthly earning rate declarations, an interim crediting rate is applied to your entire account balance.

The interim crediting rate reflects the estimated investment earnings of the Fund over the portion of the month before the withdrawal. Crediting rates, including interim crediting rates can be positive or negative and investment in the Fund is not guaranteed.

If you die while a member of the Fund, your First Super Account will remain invested in the investment option(s) you used prior to your death until it is paid out.

The Trustee reserves the right to adjust investment earnings where it believes it would be unfair or a breach of fiduciary duty not to act to protect the interests of members of the Fund.

Each year you will receive two member statements representing your First Super Account, one as at June 30 and the other as at December 31. The member statement representing your First Super Account at June 30 is sent to you after the Fund is audited, usually in September or October each year. By waiting until after the audit is complete we can be more certain that information sent to you is accurate.

First Super also produces an annual report which is made available on our website. Members and sponsoring employers can register to obtain a printed copy of the First Super Annual Report free each year by calling us on **1300 360 988**.

# Who manages First Super?

The Trustee manages the First Super superannuation fund (Fund). The Trustee of First Super is First Super Pty Ltd (ABN 42 053 498 472 AFSL 223988, RSEL L0003049), which is responsible for ensuring that the Fund is managed in accordance with the Trust Deed and the relevant law. First Super is a regulated fund, required to be audited and to lodge an annual return with APRA each year.

The Board of the Trustee is made up of an equal number of employer and employee nominated Directors and one Independent Director.

- > Employee Directors are nominated by the CFMEU Forestry & Furnishing Products Division.
- > Employer Directors may be nominated by employer associations or employers.
- > One Independent Director is jointly appointed by the other Directors.

The Directors of the Trustee will change from time to time. You will find details of the Board of Directors in the First Super Annual Report each year or visit [www.firstsuper.com.au](http://www.firstsuper.com.au)

**Service providers:** First Super appoints professional advisers and service providers to assist in the day-to-day running of the Fund. These are appointed following a process of due diligence. At the date this document was prepared First Super used the advisers and service providers at right.

Administration	Super Benefits Administration Pty Ltd*
External Auditor	KPMG
Internal Auditor	Ernst & Young
Insurer	OnePath Life Ltd
Investment Adviser	Frontier Investment Consulting Pty Ltd*
Master Custodian	National Australia Bank Ltd
Tax Adviser	Ernst & Young
Actuary	Mercer (Australia) Pty Ltd

\* First Super holds shares in this service provider as an investment.

Advisers and service providers may change from time to time.

**Reserves:** The Trustee maintains a reserve for administration and operational purposes, such as paying costs and receiving investment income. The value of the reserve is generally between 0.1% and 0.9% of Fund assets and is invested in the Balanced investment option. In addition, the Fund holds liquid asset of not less than \$250,000, as a condition of its Licence issued by APRA.

## Other Important Information

### Superannuation surcharge

The superannuation surcharge payable by high income earners on contributions and termination payments made on or after 1 July 2005 has been abolished. However, the ATO continues to send assessments relating to prior years. Should First Super receive such an assessment, we will deduct the charge directly from your account.

### Protecting your benefit

Commonwealth Government regulations protect the benefits of members with superannuation account balances of less than \$1,000. Normally, fees for small account holders may not exceed the amount of earnings credited to your account. But in times of a negative investment return, the amount charged may be up to \$10 in direct fees. This ensures that your investment is usually protected and does not get eroded by fees and charges. Tax and insurance premiums will, however, continue to be deducted from your account, regardless of your balance, until it reaches zero.

### Lost and inactive members

Government legislation sets out when a member is considered lost. Generally a member is 'lost' if at least two written communications sent by the Fund to the last known address were returned unclaimed.

You may also be considered 'lost' if you have been a member for more than five years and we have not received a contribution or rollover in respect of you within the last five years. If we are unable to pay a death claim within two years of the date of the trustee receiving all relevant documents the benefit will be paid as lost superannuation.

If a member who holds a temporary visa has left Australia they will be treated as a lost member and their account sent to the ATO as lost member money. If we receive money for a member without a valid application and we are unable to refund the money for any reason the money will be paid to ASIC as an unapplied lost benefit. These rules may change at any time.

First Super has nominated an Eligible Rollover Fund (ERF) to receive the accounts of lost members or members with small, inactive accounts. Our nominated ERF is Australia's Unclaimed Super Fund (AUSfund).

Where stipulated in government legislation, the value of a member account of a member who is lost or inactive will be transferred to the Australian Taxation Office (ATO), the ERF or another fund. If this happens:

- > you will cease to be a member of First Super; and
- > any insurance cover you had with First Super will cease.

Neither AUSfund nor the ATO offer insured benefits in the event of death or disability and may have a different investment strategy to First Super. If your benefit is transferred to AUSfund, the ATO or another fund you will become subject to its governing rules.

If First Super provides AUSfund with your current contact details, it will send you its current Product Disclosure Statement (PDS). You can also ask AUSfund for a copy of its PDS by contacting:

**AUSfund Administration**  
PO Box 2468 Kent Town SA 5071  
T: 1300 361 798  
F: 1300 366 233  
E: [admin@AUSfund.net.au](mailto:admin@AUSfund.net.au)  
W: [www.unclaimedsuper.com.au](http://www.unclaimedsuper.com.au)

If First Super is required to transfer your account to the ATO, the ATO should make efforts to contact you. Both AUSfund and the ATO will generally protect accounts from erosion due to any administration levy or fees. You can contact the ATO by calling **13 10 20** or visiting [www.ato.gov.au](http://www.ato.gov.au)

If First Super is required to transfer your benefit to another superannuation fund, either First Super or the other superannuation fund will attempt to contact you as set out in the legislation.

## How we handle 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 and dealt with within 90 days. If you believe you have a complaint, please write to:

**Superannuation Complaints Officer**  
c/o First Super  
PO Box 666  
Carlton South VIC 3053

Once the Trustee has investigated your complaint, you will receive a written reply explaining the Trustee's decision. If you are not satisfied with this decision, you may choose to take your complaint to the Superannuation Complaints Tribunal (SCT).

The SCT is an independent body established by the Commonwealth Government to review certain types of Trustee decisions. If the SCT accepts your complaint, it will attempt to resolve the matter through conciliation which involves assisting you and the Fund to reach a mutual agreement.

If conciliation is unsuccessful, the SCT will make a determination which is binding. Time limits apply to making certain complaints, particularly in relation to Death & Total and Permanent Disablement benefits, so you should approach the SCT promptly if you are dissatisfied with the decision of the Trustee.

If you wish to find out whether the Tribunal can handle your complaint and the type of information you would need to provide, you can contact the SCT at:

**Locked Bag 3060, GPO Melbourne VIC 3001**  
T: 1300 884 114  
F: 03 8635 5588  
E: [info@sct.gov.au](mailto:info@sct.gov.au)  
W: [www.sct.gov.au](http://www.sct.gov.au)

If your complaint is outside the jurisdiction of the SCT, you might be able to take it to the Financial Ombudsman Service (FOS). FOS can be contacted at:

**GPO Box 3**  
Melbourne VIC 3001  
T: 1300 780 808  
W: [www.fos.org.au](http://www.fos.org.au)

This service is provided to you free of charge.

## Privacy Statement

First Super takes the utmost care with your personal information and only collects information that is necessary for your membership. This information is used:

- > to establish your membership account;
- > to process contributions;
- > to enable benefit payments;
- > for correspondence;
- > to search for any unclaimed benefits you may have; and
- > to keep you informed about membership opportunities.

If you don't want us to contact you about these opportunities, please let us know in writing. The personal information First Super collects from you, or through your employer, includes your contact details, date of birth and Tax File Number. Over time this will be supplemented with financial and other information necessary to administer your First Super membership.

If we need to make a benefit payment to you, we will need further information from you such as identification documents. This is in order to ensure correct payment details. To assess your eligibility for insurance cover or for the assessment of a claim, more information may be collected from you or your medical practitioners or from your employer. First Super would only collect such information with your consent.

First Super has strict security measures in place and the staff members who handle your personal information have the knowledge, skills and commitment to protect it from unauthorised access or misuse.

First Super outsources the administration of its member and employer records to an external superannuation company, and contracts with life insurers and other service providers to provide services to you. They and other service providers may access and use your personal information for the purpose of performing agreed services on behalf of or in association with the Trustee.

Your personal information will not be used or disclosed for any other purpose without your consent, except where required by law. We are required by law to report specified transactions and suspicious activity to the relevant Government authorities. This includes obtaining and checking certain identity proofs before paying a benefit and, on other occasions, as specified in the relevant law.

As a member of First Super, you may ask to see the information held about your membership and to have it corrected if necessary. If you would like further details on the personal information that First Super holds and how it is used, call **1300 360 988**.

If you believe that a breach of your privacy may have occurred in relation to your First Super membership, write to:

**First Super Privacy Officer**  
PO Box 666  
Carlton South VIC 3053

If you would like more information about the Privacy Act or wish to complain about a privacy issue, you can contact the Australian Information Commissioner on **1300 363 992** or visit the website at [www.privacy.gov.au](http://www.privacy.gov.au)



## About the information in this document and the PDS

All the information and documents that make up the PDS were up-to-date at the time of preparation. The Trustee will amend the PDS or withdraw it from circulation in the event of any material alteration occurring to information contained in the PDS.

This PDS is a summary. The rules governing the Fund are contained in a Trust Deed and legislation. Insurance benefits are also subject to the terms of an insurance policy(ies). A copy of the Trust Deed and insurance policy(ies) are available on request. In the event of a dispute the insurance policy(ies), Trust Deed and relevant law will prevail over the PDS.

If you invest in First Super and there is a change that affects your investment we will tell you about it. Where a change is not materially adverse we will notify you through our website **www.firstsuper.com.au** Where a change is materially adverse we will write to you or provide a publication that explains the change as soon as possible and, if practical, before the change occurs. Some changes such as a change in fees must be notified to you in advance. You can obtain a paper copy of information appearing on our website for no charge.

By becoming a member of the Fund, applicants agree to be bound by the Trust Deed and any amendments. Neither First Super Pty Ltd nor any service provider to the Fund guarantees the performance of the Fund, the repayment of capital or any particular rate of return.

Service providers named in this document had given and not withdrawn consent to be named at the date of publication.

The information contained in this document and the PDS is general information only and does not take into account your individual objectives, financial situation or particular needs. You should seek the advice of a professional investment adviser before making an investment decision. You should read the PDS before making any decision regarding this product.

*National Australia Bank Limited has required inclusion of the following information in this document. First Super Pty Ltd advises that National Australia Bank Limited acts as a bare trustee in holding assets of the First Super superannuation fund.*

*The Trustee has appointed National Australia Bank Limited (ABN 12 004 044 937) ("NAB or Custodian") as the custodian of the assets of Fund. The Custodian's role is limited to holding the assets of the Fund as agent of the Trustee. The Custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. The Custodian makes no statement in this PDS and has not authorised or caused the issue of it.*

*NAB has given and not withdrawn its consent to be named in this PDS.*

*Investments of the Fund do not represent investments in, deposits with or other liabilities of, NAB or any other member of the NAB group of companies (NAB Group). Neither NAB, nor any other member of NAB Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Fund, or provide a guarantee or assurance in respect of the obligations of the Trustee or its related entities.*

ENVI Carbon Neutral paper is made by First Super members



## Contacting First Super is easy

Our friendly administration staff are ready to help you.



**Call:** 1300 360 988

**Fax:** 1300 362 899



**Email:** [mail@firstsuper.com.au](mailto:mail@firstsuper.com.au)



**Write to:** First Super, PO Box 666 Carlton South VIC 3053



**Website:** [www.firstsuper.com.au](http://www.firstsuper.com.au)

### Keep in touch

It's important that you tell us if you change address so that you continue to get all the information issued by First Super. You can do this via online access or you can contact us using any of the ways set out above.

