

## → Supplementary Product Disclosure Statement

22 March 2010

# Accumulation account guide Retained Benefit account guide Spouse account guide

Combined Product Disclosure Statement and Financial Services Guide  
dated 1 March 2010

The following replaces the *Defined Benefits Fund* section on page 7:

### Defined Benefits Fund

If you are a member of the Defined Benefits Fund and your accumulation money was invested in the Growth Smoothed option while you were employed with local government, LGsuper will move your defined benefit money to the Cash option and your accumulation money to the Growth option (if you are under age 60) or the Balanced option (if you are aged 60 or over) on the day after you leave local government employment. You will be given the opportunity to select a different investment option but if you do not select otherwise, your defined benefit money will be moved to the Growth option (if you are under age 60) or the Balanced option (if you are aged 60 or over) after a nominated period. We will write to you after you leave local government employment with more information about this process.



wherever you are in life

# Accumulation account guide Retained Benefit account guide Spouse account guide

Combined Product Disclosure Statement and Financial Services Guide  
1 March 2010



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Contact LGsuper on 1800 444 396 or visit our website at [www.lgsuper.org](http://www.lgsuper.org) if you would like any further information.

#### **Trustee**

Queensland Local Government Superannuation Board (ABN 94 085 088 484 AFSL 230511)

#### **Disclaimer**

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# → Your LGsuper account

With an LGsuper account, you have:

## Investment choice

There are seven investment options to choose from, ranging from higher investment return/risk to low investment return/risk.

Up to 4 investment switches can be made per year.

## Higher employer contribution for permanent local government employees

After 12 months employment you are required to make 6% standard member contributions. In turn, you receive a higher employer contribution of 12% of salary.

If you prefer, these contributions can start earlier.

## Fees

There are no fees when paying into or withdrawing from your account, plus it's free to switch investment options. What's more, our ongoing fees are low. Turn to page 20 for details.

## Insurance

You have automatic death and disability insurance that covers you 24 hours a day, 7 days a week. Death and TPD cover continues after leaving local government employment (and Total and Temporary Disablement cover will cease).

Cover is subject to eligibility requirements and excludes members with a Spouse account. See page 13 for details.

## Any employer can pay into LGsuper

Leaving local government doesn't have to mean a new super fund too. We can accept contributions from any employer.

## Information

Come along to our free seminars, get our regular newsletter, or check out our wide range of publications and website. Register for LGsuper online and you can view your account and update your details whenever you want.

## Advice

Our knowledgeable staff can give you advice on your super at no extra cost. We can help you grow your super, combine your accounts, explain your options in retirement and much more.

## Voluntary contributions

We can accept voluntary contributions if you want to add to your account by lump sum, salary sacrifice or transfers from other funds.

## Flexible pension products

LGsuper offers a Pre-retirement Pension account and if you're retired you can access our Pension account. See our *Pension accounts guide (PDS)* for details.

# → About LGsuper

LGsuper is the superannuation fund for current and former Queensland local government employees and their spouses (excluding Brisbane City Council employees). We take care of more than \$3 billion in retirement savings for over 75,000 Queenslanders. And because we offer a wide range of flexible products and services, we have super to suit wherever you are in life.

## A trusted, low-cost fund

LGsuper has been around a long time and we're here to stay. For the last 40 years we've focused on delivering competitive returns—at a low cost—so our members enjoy more money in retirement. In fact, because the fees we charge only cover the cost of running the fund, the hard work we do is done just for you.

## Our staff know super

When you call LGsuper you speak with someone who knows super. We understand your needs and can give you tailored advice to help you grow your superannuation benefit, explain your options in detail and give you all the information you need to help you make the most of your super, wherever you are in life.

## You never need to leave

The good news is if you get a new job outside Queensland local government you won't have to find a new super fund. That's because your new employer can contribute to your LGsuper account—so we never have to say goodbye! There are a few employers who are not required to offer super choice, so check with your new employer if you're unsure.

# → How your LGsuper account works

Your LGsuper account is designed to help you save for and enjoy retirement. Here's how it works.

## Money goes in...

You, your employer, your spouse and your spouse's employer can pay money into LGsuper, and you can transfer other super you have to us. We then invest this money for you and it grows with investment earnings (which may be positive or negative).

## And some money comes out...

Because it costs money to look after and invest the money in your account, LGsuper takes out administration and investment management fees. But these fees are very low and only cover the cost of running the fund.

The Australian Government takes tax from employer contributions (including salary sacrifice contributions) and investment earnings. All in all, super is taxed at a much lower rate than other types of investments to encourage you to save for your retirement.

If you have insurance cover, premiums are also taken from your account.

## Then, when it's time to retire...

Your super will start working for you as regular income or in lump sums.

## To find out more, turn to:

- *Contributing to your super* page 4
- *Investing your super* page 6
- *Your insurance* page 13
- *Fees and other costs* page 20
- *Tax* page 23
- *Accessing your super* page 24

For most Australians, superannuation is their next biggest investment after their home. So, it makes sense to get to know the super fund you're with. Take a look through this guide and you'll find LGsuper offers a wide range of flexible products and services to suit wherever you are in life.

# → Contributing to your super

As we mentioned in *How your LGsuper account works*, your account balance grows with contributions, money transferred from other super funds and investment earnings.

Contributions could be from:

- your employer
- yourself
- your spouse
- your spouse's employer
- the Australian Government, if you are eligible to receive the super co-contribution

## Employer contributions

Any employer can contribute to LGsuper, though there are slightly different arrangements depending on how you're employed.

### Local government employees

Permanent local government employees have 9% of their salary paid to their LGsuper account for their first 12 months of employment. After 12 months, they are required to pay 6% standard member contributions and the employer pays 12% (see *Standard member contributions* below for more information). If a permanent employee would like to receive a higher employer contribution of 12%, they can choose to start paying 6% standard member contributions sooner.

Other local government employees receive 9% of their salary in superannuation contributions, in line with the Australian Government's superannuation guarantee legislation.

### Other employees

Members with a Retained Benefit account or a Spouse account can have their employer contribute to LGsuper. So, working outside Queensland local government doesn't have to mean a different super fund. Simply complete the *Choice of superannuation fund form* at the back of this book and hand it to your human resources section to get started.

### Councillors

Superannuation arrangements for councillors are different to those for local government and other employees. For more information, refer to our *Superannuation for councillors info sheet* available from our website or by calling us.

## Standard member contributions

Permanent Queensland local government employees have the option to pay 6% standard member contributions from their pay, and receive a higher employer contribution of 12% of salary, any time in their first 12 months of employment. Keep in mind that once these contributions start they cannot stop until you leave local government employment, and if you change local government employers they will continue.

After 12 months, you are required to make 6% standard member contributions (and receive the higher contribution from your employer) if you haven't already chosen to do so.

Standard member contributions can be made from after-tax pay, or if the employer agrees, by salary sacrificing. See *Salary sacrifice* in this section for more information.

**Tip:** Standard member contributions qualify for the super co-contribution if they are from after-tax pay and you meet other requirements.

## Voluntary contributions

Voluntary contributions are extra amounts you add to your super. You can make these contributions regularly from your pay or as a one-off lump sum.

Once you are aged between 65 and 74, you can only make extra contributions to your account if you have been gainfully employed for at least 40 hours over 30 consecutive days during the current financial year. When you reach age 75 you are unable to contribute to your super at all.

You can make voluntary contributions by:

- payroll deduction. Ask your employer to pay an amount from your salary to LGsuper each pay period.
- BPAY from your bank account. Use the member BPAY calculator on the LGsuper website to find out the biller code and reference number.
- cheque. Send it to us with a completed *Voluntary contribution deposit form*, available from the LGsuper website or by calling us.

## Salary sacrifice

Salary sacrificing contributions is where your employer agrees to pay a certain amount of money into your super from your before-tax pay instead of paying that amount to you as salary. You can salary sacrifice your standard member contributions and/or extra contributions if your employer allows it.

Because your super contributions are taken from your before-tax salary you will not have to pay income tax on them. And if you're paying less income tax then you should receive an increase in your take home pay.

That said, salary sacrificed contributions are still taxed, but they are treated like employer contributions and have a 15% contributions tax deducted on their way in to superannuation. Because of this, you will actually have less money going into your super account unless you pay in extra amounts to offset this tax.

Salary sacrificed amounts are not eligible to receive the super co-contribution from the Australian Government. So if you are eligible, you might like to continue paying your contributions in after-tax dollars, or do a combination of salary sacrifice and after-tax contributions. See the *Super co-contribution* section following for more information.

For more information on salary sacrifice contact LGsuper for a copy of our *Salary sacrifice info sheet*. When you call us, ask us to show you the effect salary sacrificing could have on your pay and your super.

If you decide to salary sacrifice, contact your payroll area to find out if it is possible and if so, ask them how you can get started.

## Super co-contribution

You might have heard about the super co-contribution—an incentive offered by the Australian Government to encourage you to save for retirement—but how does it work?

The government will put in \$1 for each \$1 you contribute to super, if you are employed and your total income is less than \$31,920 (2009/10 limit). The co-contribution gradually reduces for incomes above \$31,920 p.a. before cutting out completely for incomes of \$61,920 p.a. or more. The maximum co-contribution you can receive is \$1000 each year. The 6% standard member contribution is eligible for the co-contribution if paid from your after-tax salary. Salary sacrificed contributions do not attract the co-contribution.

For more information on this government incentive visit our website or give us a call. You can also find out more from the Australian Taxation Office website at [www.ato.gov.au](http://www.ato.gov.au).

## Spouse contributions

Opening an LGsuper account for your spouse with as little as \$100 means you can both enjoy the benefits of being an LGsuper member.

You can contribute to your spouse's super, or have your spouse contribute to your account for as long as the receiving spouse is under the age of 65. Between the ages of 65 and 69, the receiving spouse must be gainfully employed for at least 40 hours over 30 consecutive days in the current financial year to have spouse contributions paid to their account. Once the receiving spouse reaches age 70 spouse contributions can no longer be received.

Spouse contributions are not eligible to receive the super co-contribution, but you could receive a tax offset of up to \$540 if the receiving spouse earns less than \$13,800 p.a.

## Contributions splitting

Most employer and salary sacrificed contributions made to your account can be split with your spouse. You can do this once a year for contributions made in the previous financial year. For more information get a copy of our *Contributions splitting info sheet*.

## Transfers from other super funds

Keeping all your super in the one super fund is so much easier than having the hassle of juggling multiple accounts with multiple funds. By transferring your other super to LGsuper you could save money on fees and time on paperwork. And it's so easy to do. Simply complete the *Transfer form* at the back of this guide and return it to LGsuper. We'll do the rest.

## Contribution limits

There are caps on amounts that you and your employer can contribute to super each year.

## Employer contributions

Your employer can contribute up to \$25,000 (2009/10 limit), including any salary sacrifice contributions. The same limit applies if you are self-employed and claiming a tax deduction. Contributions up to this limit are taxed at 15%, while amounts above it are taxed at 46.5% (including medicare levy). A higher transitional limit of \$50,000 p.a. applies for people aged 50 or over up to 2011/12.

## After-tax voluntary contributions

The amount of after-tax voluntary contributions (including 6% standard member contributions) you can pay into super is capped at \$150,000 p.a. (2009/10). This amount is set at six times the employer contributions limit. If you are under age 65 you can make a larger one-off payment of up to \$450,000 by using your limit for up to 3 years. Contributions above the limit will be taxed at 46.5%.

# → Investing your super

The lifestyle you lead in retirement depends not just on how much you and your employer contribute to your superannuation, but also on how your super is invested. LGsuper offers a range of investment options so you can make a choice that suits your needs, wherever you are in life. And as those needs change it's good to know you have the flexibility to select different investment options.

## Our approach

LGsuper has chosen investment managers who aim to outperform other investment managers in the same markets. To do this, we carefully select well known and trusted professional investment managers who each have a specific area of investment expertise. By combining the skills of these managers, you can expect reduced risk and improved investment performance.

We continuously monitor the performance of each investment manager against benchmark returns. From time to time, new investment managers are appointed to increase returns or improve diversification. We may also stop using a particular manager due to underperformance, or when their style of investing or area of expertise is no longer required.

## Types of investments

To further reduce risk, most LGsuper options invest in a wide range of return-seeking and risk-controlling asset classes. This is often referred to as 'not putting all your eggs in one basket', or diversification. Through diversification the risk is spread across a range of asset classes so that if one type of investment falls in value, others that are performing well over the same period could offset (or exceed) that loss. So, what are return-seeking and risk-controlling assets?

### Return-seeking assets

Return-seeking assets include shares and property. Sometimes called 'growth assets', these are higher risk investments with a greater possibility of a negative return over short periods than risk-controlling assets. This extra risk generally allows them to earn higher long-term returns.

### Risk-controlling assets

Cash and fixed interest are risk-controlling assets. You might see them also referred to as 'defensive assets'. They are lower risk and less likely to experience a negative return than return-seeking assets. Their low risk nature generally results in lower long-term returns than return-seeking assets.

### Strategic asset allocation

The target mix of return-seeking assets and risk-controlling assets in each investment option is known as the Strategic asset allocation. Over long periods of time (10+ years) this mix of assets is expected to meet or exceed the LGsuper Board of Director's Investment objective around two thirds of the time. The Board of Directors also uses a process known as Dynamic strategic asset allocation to exploit or protect the portfolio against market extremes. This process, which has a timeframe of 3+ years, is intended to adjust the Strategic asset allocation by up to +/- 5% in order to reduce risk or enhance return.

## What if I don't make a choice?

If you don't have a particular preference or would rather not make the investment choice yourself, then LGsuper will make the choice for you by investing your money as follows:

| Account type  | Type of money   | Your age  | Default option  |
|---|---|---|-----------------|
| <b>Accumulation</b>   | Employer contributions and 6% standard member contributions | Any age   | Growth Smoothed |
|   | All other money   | If you are aged under 60 when LGsuper receives the contribution   | Growth          |
|   |   | If you are aged 60 or over when LGsuper receives the contribution | Balanced        |
| <b>Retained Benefit</b><br>(after you finish local government employment) | All money invested in the Growth Smoothed option            | If you are aged under 60 when you leave employment                | Growth          |
|   |   | If you are aged 60 or over when you leave employment              | Balanced        |
| <b>Spouse</b>   | All money   | If you are aged under 60 when LGsuper receives the contribution   | Growth          |
|   |   | If you are aged 60 or over when LGsuper receives the contribution | Balanced        |

See pages 8–10 for more information on our flexible range of investment options.

## Defined Benefits Fund

If you are in the Defined Benefits Fund and you left your accumulation component in Growth Smoothed while you were employed with local government, LGsuper will move your defined benefit money to the Cash option and your accumulation money to the Balanced option from the day after you leave local government employment up to a nominated date. If you have not selected otherwise, your defined benefit money will then be transferred to the Balanced option. We will write to you after you terminate employment with more information.

## What's different about Growth Smoothed?

Only available while you are employed by Queensland local government, the difference between our Growth Smoothed and Growth investment options is a reserve. Growth Smoothed has a reserve set aside to help smooth the ups and downs in investment returns from year to year. The reserve is added to investment earnings for the year and 60% of the total forms the earning rate (after fees and tax), with the other 40% kept in reserve for next year. We aim to maintain a minimum reserve of 1% and a maximum of 10%.

Some years the earning rate for Growth Smoothed will be higher than Growth, and other years it will be lower. Because of how the reserve works, you are unable to return to Growth Smoothed once you have left it.

## Risk and return

When investing in super there will always be some risk. The risk that often comes to mind is the possibility of losing some of your money. But there is another risk—the risk that the value of your investment won't keep up with inflation.

Investment options with higher proportions invested in return-seeking assets (such as Growth and High Growth) generally provide higher returns over the long term than those invested in more risk-controlling assets (such as cash or fixed interest). In return for higher investment earnings though, you have a higher short-term risk of loss, as these investments regularly rise and fall in value.

But what happens if you invest too conservatively to avoid the risk of a short-term negative return? By reducing one type of risk too much, you're increasing another risk—the risk your long-term returns won't keep up with inflation, and in 'real' terms the value of your investment will go backwards.

So how do you make a choice? You need to find a balance between risk and return to suit your own needs over the short term and long term. Then, all you need to do is select the LGsuper option that best meets those needs. The table on page 8 gives you an idea of the types of risks that could affect your super investment.

## Can I switch my investment option/s?

Yes. You can choose to invest your super in up to three investment options in total. For example, you might choose to invest 25% of your account balance in the Socially Responsible option and the remaining 75% in the Growth option. Or, you might choose to invest in three different options such as 30% Cash, 30% Balanced and 40% Growth.

**Please note that if you switch investment options or choose to invest in more than one option, you will forfeit the Growth Smoothed option and will not be able to return to it at a later date.**

When deciding which option/s to invest in, you should consider the overall asset allocations of the combined options. You should also consider reviewing your investment strategy regularly to ensure your current investments best suit your needs.

If you choose to invest in more than one option, you will need to advise us which option you would like your future contributions and rollovers to go into.

Changing investment options is as easy as completing the *Investment switch form* at the back of this guide and returning it to LGsuper.

## When will my switch take effect?

If we receive your completed *Investment switch form* before 5pm Friday, your switch will take effect from the third business day of the following week. In most cases switches will take effect from the following Wednesday.

For example, if we receive a completed *Investment switch form* before 5pm Friday 9 October, the switch will take effect from Wednesday 14 October. If we receive a switch form later than 5pm 9 October, but before 5pm Friday 16 October, the switch will take effect from the next available switch date—Wednesday 21 October.

While your switch will take effect from the next available switch date, it may not be processed until all contributions are allocated to your account for the period up to this date. If your switch is to take place early in the new financial year, it will not be processed until final earning rates are applied to your account for the previous financial year.

## Risks

### → Negative earning rates

In the short term, your account balance may go backwards with negative earning rates. Over the long term though, your account balance should increase with investment returns.

### → Inflation

There is a possibility you won't earn enough to keep the balance of your account ahead of inflation. This reduces the balance of your account in 'real' terms.

### → Currency

Your account balance could be affected by changes in currency exchange rates if the fund does not invest on a hedged basis.

### → Interest rates

If interest rates rise or fall, your account balance could be affected.

### → Legislative

Governments might change or introduce new legislation. This could affect your account balance, access to super or its tax treatment in a positive or negative way.

### → Market

The entire market could decline at the same time—not just one or two types of asset classes. This could affect your account balance.

### → Security

One specific investment, such as shares in a particular company, could experience a major drop in value. This risk is controlled through diversification of investments.

### → Economic/political

If countries and regions experience political change, economic crisis or war, there is a risk your account balance may be affected.

### → Opportunity

By making one investment, you could be missing out on another investment with better opportunities for growth.

### → Socially responsible

By avoiding investments that do not meet socially responsible criteria, you could miss out on higher investment returns, and/or increase risk. This is because socially responsible criteria limits the pool of investments an investment manager can select from. What's more, the additional costs associated with socially responsible investing can be significant.

## How often can I switch my investment option?

You can switch investment options up to four times each financial year. Keep in mind though that superannuation is generally a long-term investment, and by changing investment options often you could reduce your overall investment return.

There is no fee to switch your investment option.

## What is an earning rate?

An earning rate is the net investment return (after fees and tax) that applies to your account at the end of each financial year. It can be positive or negative.

An earning rate is declared by the LGsuper Board of Directors for each investment option and is based on the investment return achieved on the underlying assets for that option for the year.

### Growth Smoothed option

An interim earning rate is used when you withdraw money from the fund or switch investment options. The rate is determined at the start of each year based on the level of reserves at that time and the projected investment return for the year. The rate is updated each week using benchmark investment returns up to Friday and is applied from the third business day of the following week. The rate is also updated each month with any adjustment for the actual investment returns achieved for the previous month.

### Other investment options

Earning rates are calculated on a daily basis. The rates reflect benchmark investment returns from 2 business days earlier. For example, the rates used on Thursday reflect the benchmark investment returns for the previous Tuesday. The rates may be updated each month with an adjustment for the difference between the benchmark returns allocated for the previous month and the actual investment returns achieved for that month.

During periods of significant market volatility, or other conditions which prevent LGsuper from determining daily and/or weekly benchmark rates, processing of claims and/or switches may be suspended for up to 7 days or longer, as dictated by market conditions.

## Socially responsible investing

The Socially Responsible option is the only investment option to take into account labour standards or environmental, social or ethical considerations when making investment decisions. LGsuper does not require investment managers to take these factors into account for any other investment choice.

LGsuper requires managers within the Socially Responsible option to make share investments that screen out companies or sectors, or support industries, based on the following considerations:

- environmental grounds, for example, energy and resource use
- social considerations such as indigenous relations and community involvement
- ethical considerations, including meeting fundamental human rights and articulating and implementing a Code of Conduct
- labour standards, for example, occupational health and safety, International Labour Organisation standards, working considerations and the exclusion of child labour
- governance considerations, such as meeting corporate governance guidelines on board structures and remuneration
- avoiding investments in companies that operate in sectors with recognised high negative social impact, including companies that derive a significant portion of their total revenue from the production or manufacture of alcohol, armaments, gambling, pornography, tobacco and uranium

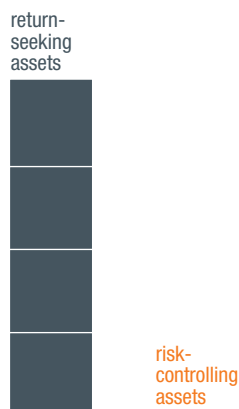
LGsuper may select investment managers that apply these considerations to other types of investments, such as property, or investment managers that apply socially responsible considerations in addition to the environmental, social and governance considerations outlined above.

Contact LGsuper if you would like more information on this option.

# → Investment choices

Investment markets are uncertain and while LGsuper sets return objectives for each investment option and expects these to be achieved most of the time, it is reasonable to expect that these objectives will not be met all of the time. In setting these objectives, LGsuper anticipates that the strategies should meet or exceed the stated return objectives about two thirds of the time.

## High Growth



### Investment objective

Returns of 4.5% p.a. above inflation over rolling 5-year periods.

### Who does it best suit?

Those prepared to experience frequent negative returns in the short term to achieve higher returns over periods of 10 years or more.

### Strategic asset allocation (SAA) and ranges

The *Annual report to members* shows the actual asset allocation at 30 June each year.

|                                | SAA %      | Ranges %   |
|--------------------------------|------------|------------|
| <b>Return-seeking assets</b>   | <b>100</b> | <b>100</b> |
| Australian shares              | 35         | 27.5–42.5  |
| International shares           | 35         | 27.5–42.5  |
| Property                       | 15         | 7.5–22.5   |
| Alternatives                   | 15         | 7.5–22.5   |
| <b>Risk-controlling assets</b> | <b>0</b>   | <b>0</b>   |
| Fixed interest                 | 0          | 0          |
| Cash                           | 0          | 0          |

### Earning rates

Past performance is not an indicator of future performance.

| Year ending 30 June | Accumulation accounts % p.a. |
|---------------------|------------------------------|
| 2009                | -16.66                       |
| 2008                | -5.72                        |
| 2007                | 17.51                        |
| 2006                | 5.86*                        |
| 2005                | n/a                          |
| 5-yr avge (% p.a.)  | n/a                          |
| % p.a. over CPI     | n/a                          |

\* introduced 1 January 2006

### Total fees (2008/09)

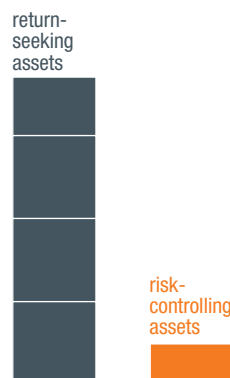
0.83%

See page 20 for detailed information on fees

### Risk

|  |
|--|
| → High                                     |
| Medium                                     |
| Low  |
| Positive returns expected 5 out of 6 years |

## Growth



### Investment objective

Returns of 4% p.a. above inflation over rolling 5-year periods.

### Who does it best suit?

Those looking for high returns over periods of 10 years or more, with slightly lower risk than High Growth due to some investments in risk-controlling assets.

### Strategic asset allocation (SAA) and ranges

The *Annual report to members* shows the actual asset allocation at 30 June each year.

|                                | SAA %     | Ranges %         |
|--------------------------------|-----------|------------------|
| <b>Return-seeking assets</b>   | <b>85</b> | <b>77.5–92.5</b> |
| Australian shares              | 25.7      | 18.2–33.2        |
| International shares           | 25.7      | 18.2–33.2        |
| Property                       | 15        | 7.5–22.5         |
| Alternatives                   | 18.6      | 11.1–26.1        |
| <b>Risk-controlling assets</b> | <b>15</b> | <b>7.5–22.5</b>  |
| Fixed interest                 | 15        | 7.5–22.5         |
| Cash                           | 0         | 0                |

### Earning rates

Past performance is not an indicator of future performance.

| Year ending 30 June | Accumulation accounts % p.a. |
|---------------------|------------------------------|
| 2009                | -14.17                       |
| 2008                | -5.04                        |
| 2007                | 16.00                        |
| 2006                | 15.68                        |
| 2005                | 14.03                        |
| 5-yr avge (% p.a.)  | 4.52                         |
| % p.a. over CPI     | 1.61                         |

### Total fees (2008/09)

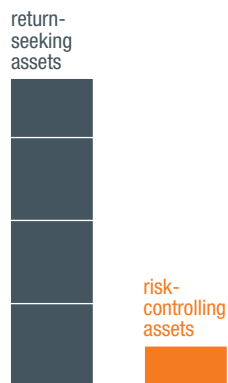
0.73%

See page 20 for detailed information on fees

### Risk

|  |
|--|
| → High                                     |
| Medium                                     |
| Low  |
| Positive returns expected 5 out of 6 years |

# Growth Smoothed



## Investment objective

Returns of 4% p.a. above inflation over rolling 5-year periods.

## Who does it best suit?

Members already in this option who are seeking high returns over periods of 7 years or more, with the lower risk of negative returns due to smoothing.

## Strategic asset allocation (SAA) and ranges

The *Annual report to members* shows the actual asset allocation at 30 June each year.

|                                | SAA %     | Ranges %         |
|--------------------------------|-----------|------------------|
| <b>Return-seeking assets</b>   | <b>85</b> | <b>77.5–92.5</b> |
| Australian shares              | 25.7      | 18.2–33.2        |
| International shares           | 25.7      | 18.2–33.2        |
| Property                       | 15        | 7.5–22.5         |
| Alternatives                   | 18.6      | 11.1–26.1        |
| <b>Risk-controlling assets</b> | <b>15</b> | <b>7.5–22.5</b>  |
| Fixed interest                 | 15        | 7.5–22.5         |
| Cash                           | 0         | 0                |

## Earning rates

Past performance is not an indicator of future performance.

| Year ending 30 June | Accumulation accounts % p.a. |
|---------------------|------------------------------|
| 2009                | -14.10                       |
| 2008                | 2.25                         |
| 2007                | 14.95                        |
| 2006                | 14.09                        |
| 2005                | 12.16                        |
| 5-yr avge (% p.a.)  | 5.31                         |
| % p.a. over CPI     | 2.40                         |

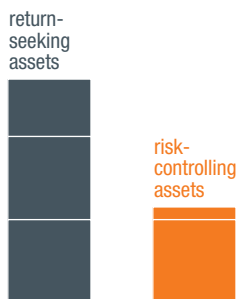
## Total fees (2008/09)

0.73%

See page 20 for detailed information on fees

| Risk |  |
|------|--|
| →    | High                                       |
| →    | Medium                                     |
| →    | Low  |
|      | Positive returns expected 8 out of 9 years |

# Socially Responsible



## Investment objective

Returns of 4% p.a. above inflation over rolling 5-year periods.

## Who does it best suit?

Anyone wanting to avoid investing in environmentally or socially damaging industries, who is prepared to accept frequent negative returns in the short term for moderate returns over periods of 10 years or more.

## Strategic asset allocation (SAA) and ranges

The *Annual report to members* shows the actual asset allocation at 30 June each year.

|                                | SAA %     | Ranges %         |
|--------------------------------|-----------|------------------|
| <b>Return-seeking assets</b>   | <b>74</b> | <b>66.5–81.5</b> |
| Australian shares              | 42        | 34.5–49.5        |
| International shares           | 20        | 12.5–27.5        |
| Property                       | 12        | 4.5–19.5         |
| Alternatives                   | 0         | 0                |
| <b>Risk-controlling assets</b> | <b>26</b> | <b>18.5–33.5</b> |
| Fixed interest                 | 23        | 15.5–30.5        |
| Cash                           | 3         | 0–10.5           |

## Earning rates

Past performance is not an indicator of future performance.

| Year ending 30 June | Accumulation accounts % p.a. |
|---------------------|------------------------------|
| 2009                | -10.03                       |
| 2008                | -9.95                        |
| 2007                | 15.67                        |
| 2006                | 5.33*                        |
| 2005                | n/a                          |
| 5-yr avge (% p.a.)  | n/a                          |
| % p.a. over CPI     | n/a                          |

\* introduced 1 January 2006

## Total fees (2008/09)

1.02%

See page 20 for detailed information on fees

| Risk |  |
|------|--|
| →    | High                                       |
| →    | Medium                                     |
| →    | Low  |
|      | Positive returns expected 4 out of 5 years |

# Balanced



## Investment objective

Returns of 3.5% p.a. above inflation over rolling 5-year periods.

## Who does it best suit?

Those looking to achieve a moderate investment return with a lower level of investment risk than Growth and High Growth options. Suitable for periods of 7 years or more.

## Strategic asset allocation (SAA) and ranges

The *Annual report to members* shows the actual asset allocation at 30 June each year.

|                                | SAA %     | Ranges %         |
|--------------------------------|-----------|------------------|
| <b>Return-seeking assets</b>   | <b>60</b> | <b>52.5–67.5</b> |
| Australian shares              | 16.5      | 9–24             |
| International shares           | 16.5      | 9–24             |
| Property                       | 15        | 7.5–22.5         |
| Alternatives                   | 12        | 4.5–19.5         |
| <b>Risk-controlling assets</b> | <b>40</b> | <b>32.5–47.5</b> |
| Fixed interest                 | 40        | 32.5–47.5        |
| Cash                           | 0         | 0                |

## Earning rates

Past performance is not an indicator of future performance.

| Year ending 30 June | Accumulation accounts % p.a. |
|---------------------|------------------------------|
| 2009                | -9.03                        |
| 2008                | -1.46                        |
| 2007                | 11.90                        |
| 2006                | 11.39                        |
| 2005                | 12.18                        |
| 5-yr avge (% p.a.)  | 4.62                         |
| % p.a. over CPI     | 1.71                         |

## Total fees (2008/09)

0.65%

See page 20 for detailed information on fees

| Risk |  |
|------|--|
| →    | High                                       |
| →    | Medium                                     |
| →    | Low  |
|      | Positive returns expected 7 out of 8 years |

# Conservative

# Defensive

# Cash



### Investment objective

Returns of 2.5% p.a. above inflation over rolling 5-year periods.

### Who does it best suit?

Members looking for some growth from their investment while taking a low to medium level of investment risk. Suggested minimum investment timeframe is 5 years.

### Strategic asset allocation (SAA) and ranges

The *Annual report to members* shows the actual asset allocation at 30 June each year.

|                                | SAA %     | Ranges %         |
|--------------------------------|-----------|------------------|
| <b>Return-seeking assets</b>   | <b>40</b> | <b>32.5–47.5</b> |
| Australian shares              | 9.2       | 1.7–16.7         |
| International shares           | 9.2       | 1.7–16.7         |
| Property                       | 15        | 7.5–22.5         |
| Alternatives                   | 6.6       | 0–14.1           |
| <b>Risk-controlling assets</b> | <b>60</b> | <b>52.5–67.5</b> |
| Fixed interest                 | 40        | 32.5–47.5        |
| Cash                           | 20        | 12.5–27.5        |

### Earning rates

Past performance is not an indicator of future performance.

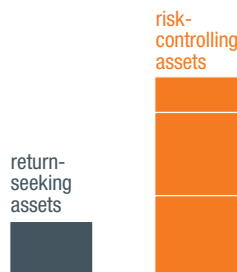
| Year ending 30 June | Accumulation accounts % p.a. |
|---------------------|------------------------------|
| 2009                | -4.79                        |
| 2008                | 1.22                         |
| 2007                | 9.19                         |
| 2006                | 8.68                         |
| 2005                | 10.03                        |
| 5-yr avge (% p.a.)  | 4.70                         |
| % p.a. over CPI     | 1.79                         |

**Total fees (2008/09)** 0.61%

(includes 20% of 0.7% p.a. Australian Government bank guarantee charge)

See page 20 for detailed information on fees

| Risk |   |
|------|---|
| →    | High  |
|      | Medium  |
|      | Low   |
|      | Positive returns expected<br>16 out of 17 years |



### Investment objective

Returns of 2% p.a. above inflation over rolling 5-year periods.

### Who does it best suit?

Those wanting their investment to stay ahead of inflation with a very low risk of negative returns. Suitable for investment periods of 3 years or so.

### Strategic asset allocation (SAA) and ranges

The *Annual report to members* shows the actual asset allocation at 30 June each year.

|                                | SAA %     | Ranges %         |
|--------------------------------|-----------|------------------|
| <b>Return-seeking assets</b>   | <b>20</b> | <b>12.5–27.5</b> |
| Australian shares              | 4.6       | 0–12.1           |
| International shares           | 4.6       | 0–12.1           |
| Property                       | 7.5       | 0–15             |
| Alternatives                   | 3.3       | 0–10.8           |
| <b>Risk-controlling assets</b> | <b>80</b> | <b>72.5–87.5</b> |
| Fixed interest                 | 50        | 42.5–57.5        |
| Cash                           | 30        | 22.5–37.5        |

### Earning rates

Past performance is not an indicator of future performance.

| Year ending 30 June | Accumulation accounts % p.a. |
|---------------------|------------------------------|
| 2009                | -0.59                        |
| 2008                | 3.34                         |
| 2007                | 6.59                         |
| 2006                | 2.07*                        |
| 2005                | n/a                          |
| 5-yr avge (% p.a.)  | n/a                          |
| % p.a. over CPI     | n/a                          |

\* introduced 1 January 2006

**Total fees (2008/09)** 0.55%

(includes 30% of 0.7% p.a. Australian Government bank guarantee charge)

See page 20 for detailed information on fees

| Risk |   |
|------|---|
| →    | High  |
|      | Medium  |
|      | Low   |
|      | Positive returns expected<br>49 out of 50 years |



### Investment objective

Protection of capital.

### Who does it best suit?

For short-term investors and/or those who cannot accept a negative investment return. Will not provide growth, but is likely to match inflation.

### Strategic asset allocation

The *Annual report to members* shows the actual asset allocation at 30 June each year.

|                                | %          |
|--------------------------------|------------|
| <b>Return-seeking assets</b>   | <b>0</b>   |
| Australian shares              | 0          |
| International shares           | 0          |
| Property                       | 0          |
| Alternatives                   | 0          |
| <b>Risk-controlling assets</b> | <b>100</b> |
| Fixed interest                 | 0          |
| Cash                           | 100        |

### Earning rates

Past performance is not an indicator of future performance.

| Year ending 30 June | Accumulation accounts % p.a. |
|---------------------|------------------------------|
| 2009                | 3.77                         |
| 2008                | 4.87                         |
| 2007                | 5.42                         |
| 2006                | 5.03                         |
| 2005                | 4.69                         |
| 5-yr avge (% p.a.)  | 4.75                         |
| % p.a. over CPI     | 1.84                         |

**Total fees (2008/09)** 0.61%

(includes 0.7% p.a. Australian Government bank guarantee charge)

See page 20 for detailed information on fees

| Risk |  |
|------|--|
| →    | High                                   |
|      | Medium                                 |
|      | Low                                    |
|      | Positive return expected<br>every year |

# → Your insurance

Suffering an illness or injury is worrying enough, but have you thought about the added financial stress you or your family could suffer if the illness or injury stops you from working? You'll be pleased to hear that with LGsuper you have protection when it's needed most. That's because you automatically receive death and disability insurance that covers you 24 hours a day, 7 days a week until you turn 60 (or age 55 for a small group of members).

Members with a Spouse account do not receive automatic insurance, but can apply for cover (see *Is your death and disability cover enough?* on page 14 for details).

This insurance package is provided through a group life policy agreement between LGsuper and the insurer, AIA Australia Limited (ABN 79 004 837 861 AFSL 230043). LGsuper could change insurance providers or the type, level or cost of cover provided in the future. We will let you know if there are any changes that affect you.

LGsuper is the issuer of this PDS. The insurance cover is provided by AIA Australia. AIA Australia has consented to the insurance statements being disclosed in this PDS in the form and context to which it is included, and has not withdrawn its consent as at the date this disclosure document is lodged with ASIC. The statements are on pages 13 to 17.

If you have any questions about your insurance cover please contact LGsuper on 1800 444 396.

## What am I covered for?

You are automatically insured for death and disability as set out in the table below, as long as your cover is below the automatic acceptance limit of \$1 million for death and TPD cover.

## How much death and TPD cover do I have?

The amount of death and TPD cover you automatically receive depends on how you are employed and if you are working for Queensland local government or not. And it's important to note that you must be at work on the date you start work with the employer contributing to LGsuper to receive full cover straight away. If you were not at work

due to sickness or injury on the date cover is due to start, then you will be provided with limited cover for any sickness or injury unrelated to the reason why you were not at work on the cover start date. Full cover will be provided to you once you have been back at work performing your normal duties and work hours for 3 consecutive months.

Only one benefit is payable in the event of death or TPD, and the amount payable on TPD cannot be more than the death benefit.

## Permanent local government employees

As a permanent local government employee, you will receive death and TPD insurance that is calculated using a multiple of your salary for someone your age on your first day of employment. We then convert this amount to a sufficient number of whole units for someone your age at that same day (a minimum of 4 units applies). You could end up with more cover than you would have based on the multiple of salary table alone, because we will round up to the next whole number of insurance units and a minimum of 4 units applies. This calculation takes place only once.

See the *Multiple of salary table* on page 15 for the multiple that applies to you, and the *Death or Death and TPD insurance units table* on page 15.

## Other local government employees

You automatically receive 4 units of death and TPD cover at a cost of \$1 per week, per unit. The amount of cover each unit provides is based on your age—see the *Death or Death and TPD insurance units table* on page 15 for how much cover each unit is worth for you.

## Members with a Retained Benefit account

You will continue to have the same number of units of death and TPD insurance that you had while you were working for Queensland local government, though any TTD insurance will no longer apply. If you were a member of the Defined Benefits Fund, the amount of insurance cover you had will be converted to an equivalent number of units (see the *Death or Death and TPD insurance units table* on page 15 for how much each unit is worth).

| Type of insurance   | What is it?  |
|---|--|
| Death   | Provides a one-off lump sum payment of your account balance plus insurance benefit which is generally paid to your dependants.                                   |
| Total and permanent disablement (TPD)   | Provides a one-off lump sum payment of your account balance plus insurance benefit if you are totally and permanently disabled.                                  |
| <b>If you are a permanent Queensland local government employee working 15 hours or more per week:</b> |  |
| Total and temporary disablement (TTD)   | Provides a monthly benefit for up to 2 years, if you become disabled due to sickness or injury. The benefit is payable after a 90 day waiting period has passed. |

## Protecting your income

If you are a permanent local government employee and working 15 hours or more per week, you also have a total and temporary disablement (TTD) benefit available if you are temporarily unable to work due to sickness or injury. This benefit is based on 12.5% p.a. of your TPD benefit, plus 6% employee and 12% employer superannuation contributions. It is paid as a monthly sum for up to 2 years for any one condition, and is limited to the lesser of \$20,000 per month or 93% of your pre-disability salary (representing 75% of pre-disability salary plus 18% superannuation contributions). If the automatic level of insurance is not enough, you can apply for income protection or if you apply for additional death and TPD insurance your TTD cover will also increase. See *The definitions* section for details on how TTD and pre-disability salary are defined.

Other members who are permanently employed and working at least 15 hours per week can apply for income protection. This provides a monthly benefit for up to 2 years, if you become disabled due to sickness or injury. It is payable after the waiting period you have chosen. A maximum monthly benefit of the lesser of \$20,000 per month and 75% of your pre-disability income, plus 10% in super contributions, applies.

## Is your death and disability cover enough?

If it's not, you can apply for additional cover. You will need to provide medical and other information for AIA Australia to assess before they can decide how much cover they will provide and any special conditions that may apply. While AIA Australia is assessing your application for additional death cover, you will be provided with interim death by accident cover (conditions apply). Contact LGsuper for more information.

## Failure of health benefit

A failure of health benefit is available to permanent local government employees. Although not considered insurance, with this benefit you can access money in your account before you reach your preservation age.

Failure of health is defined as injury or illness which, in the opinion of the LGsuper Board of Directors, permanently incapacitates you from carrying out your ordinary work with your employer, and any reasonably available and suitable alternative work with the employer, but does not constitute total and permanent disablement. This benefit is paid as a lump sum.

## Example

### Shelley

Shelley has just turned 37 and has a salary of \$40,000 p.a. Using the *Multiple of salary table* below, her amount of death and TPD cover is 4.90 x \$40,000—\$196,000. This amount is then converted to an equivalent number of units of cover. Using the *Death or Death and TPD insurance units table* we can see that for someone Shelley's age (37) each unit of cover is worth \$42,467. By dividing \$196,000 by \$42,467 we find that Shelley needs 4.62 units. This is then rounded up to 5 units.

So, Shelley receives 5 units of cover that are each worth \$42,467. Her total amount of death and TPD cover is \$212,335.

### → Multiple of salary

| Age      | Cover as multiple of salary | Age | Cover as multiple of salary | Age | Cover as multiple of salary |
|----------|-----------------------------|-----|-----------------------------|-----|-----------------------------|
| Up to 30 | 7.50                        | 41  | 3.75                        | 52  | 1.44                        |
| 31       | 7.20                        | 42  | 3.50                        | 53  | 1.26                        |
| 32       | 6.80                        | 43  | 3.25                        | 54  | 1.08                        |
| 33       | 6.40                        | 44  | 3.00                        | 55  | 0.90                        |
| 34       | 6.00                        | 45  | 2.76                        | 56  | 0.72                        |
| 35       | 5.60                        | 46  | 2.54                        | 57  | 0.58                        |
| 36       | 5.20                        | 47  | 2.34                        | 58  | 0.46                        |
| 37       | 4.90                        | 48  | 2.16                        | 59  | 0.36                        |
| 38       | 4.60                        | 49  | 1.98                        | 60  | 0.28                        |
| 39       | 4.30                        | 50  | 1.80                        | 61  | 0                           |
| 40       | 4.00                        | 51  | 1.62                        |     |                             |

Note: multiples shown are for the exact age. Unless your multiple is calculated on your birthday, it will be somewhere between the multiple for your age and one year older. This is calculated on a pro-rated basis.

### → Death or Death and TPD insurance units

| Age      | Cover per unit | Age | Cover per unit | Age | Cover per unit |
|----------|----------------|-----|----------------|-----|----------------|
| Up to 30 | \$65,000       | 41  | \$32,500       | 52  | \$12,480       |
| 31       | \$62,400       | 42  | \$30,333       | 53  | \$10,920       |
| 32       | \$58,933       | 43  | \$28,167       | 54  | \$9,360        |
| 33       | \$55,467       | 44  | \$26,000       | 55  | \$7,800        |
| 34       | \$52,000       | 45  | \$23,920       | 56  | \$6,240        |
| 35       | \$48,533       | 46  | \$22,013       | 57  | \$5,027        |
| 36       | \$45,067       | 47  | \$20,280       | 58  | \$3,987        |
| 37       | \$42,467       | 48  | \$18,720       | 59  | \$3,120        |
| 38       | \$39,867       | 49  | \$17,160       | 60  | \$2,427        |
| 39       | \$37,267       | 50  | \$15,600       |     |                |
| 40       | \$34,667       | 51  | \$14,040       |     |                |

Note: Unless you die or are disabled on your birthday, your cover will be somewhere between the amount shown for your age and one year older. This is calculated on a pro-rated basis. The amount shown for age 60 is only used to calculate your benefit if you claim after turning 59 but before you reach age 60.

## How much does it cost?

The insurance premium is \$1 per unit of death/TPD cover per week (if you are a permanent local government employee you also receive TTD cover as part of this cost). If you would prefer to receive death cover only this cost reduces to \$0.50 per unit per week.

To partly offset LGsuper's insurance administration costs, 0.7% of the premiums paid by members are repayable to LGsuper.

If you purchase additional income protection cover, the cost is calculated per \$1000 p.a. you receive in cover. This will vary depending on your gender and the waiting period chosen.

The table on the opposite page shows the cost per \$1000 p.a. in income protection cover with a 90 day waiting period. If you would prefer a different waiting period, simply multiply the percentage of salary p.a. premium by the following factors:

| Waiting period before payment | Multiply 90 day waiting period rates by |
|-------------------------------|---|
| 30 day                        | 3.2                                     |
| 60 day                        | 1.85                                    |
| 120 day                       | 0.9                                     |
| 180 day                       | 0.8                                     |

## When does my insurance stop?

Your insurance will only stop when the first of any of the following events takes place:

- you cancel your cover using LGsuper's *Insurance reduction/cancellation form*
- if you are working for local government, at the end of the month in which your account balance reduces to \$0
- if you have a Retained Benefit account—the date your account balance falls below \$1000
- you leave LGsuper
- you permanently retire
- you turn 60
- for total and temporary disablement cover, on terminating local government employment
- for income protection only, 60 days after you leave employment or 120 days after the last employer superannuation contribution has been received by LGsuper
- a death or TPD benefit is paid or becomes payable
- you die
- the date of termination of the policy with the insurer

## Can I reduce or cancel my insurance?

If you believe you have too much insurance you can reduce or cancel your cover. Please contact LGsuper or download the *Insurance reduction/cancellation form* from our website.

It's important for you to really think about what a reduction in cover or no cover at all could mean for you or your family before you make your decision. Could you or your family afford to pay off debts, including a mortgage, if you have one? Would you or your family have money left to live on for an extended period after these debts have been repaid? It's difficult to work out just how much insurance is enough, but thinking about your debts, living expenses and lost income can help you work this out.

If you do decide to reduce or cancel your insurance cover with LGsuper, be aware that if you change your mind you will need to reapply for cover and this will be subject to acceptance by AIA Australia. Special conditions may apply.

## Approved leave without pay or parental leave

When you are on approved leave without pay or parental leave (paid or unpaid) for a period of more than 4 weeks, contributions to LGsuper may be suspended. Your Death, TPD, TTD and Income protection cover will continue for up to 12 months provided your account balance is sufficient to cover the cost of insurance premiums. You can apply prior to the end of the 12 month period to have your cover extended.

If the period during which your contributions are suspended exceeds 12 months and you do not apply to have your cover extended, your Death cover will continue as normal. Your TPD cover will continue, but subject to an Activities of Daily Living definition. However, your TTD or Income protection cover may cease. Contact LGsuper for more information.

## Travelling or working overseas?

Your insurance covers you 24 hours a day, 7 days a week when you are on holidays or travelling in any part of the world except where the Australian Government's Department of Foreign Affairs and Trade has issued an advisory to 'Reconsider your need to travel' or 'Do not travel'.

If you are seconded or posted overseas for reasons of employment your cover will continue for up to 4 years, and can be extended through prior agreement with the insurer. Contact LGsuper for more details.

If you make an insurance claim for benefits other than death, AIA Australia may require you to return to Australia for medical treatment and assessment.

## Example

### Troy

Troy wants to calculate the cost of \$20,000 p.a. of income protection cover when he turns 30. The cost is \$1.10 per \$1000 of annual benefit which is \$22.00 p.a. with a 90 day waiting period. If he wanted a 60 day waiting period, the cost of \$22.00 is multiplied by 1.85 which equals \$40.70 p.a.

→ Income protection premium (90 day waiting period)

| Annual premium rate per \$1000 annual benefit |      |        | Annual premium rate per \$1000 annual benefit |      |        | Annual premium rate per \$1000 annual benefit |       |        |
|---|------|--------|---|------|--------|---|-------|--------|
| Age next birthday                             | Male | Female | Age next birthday                             | Male | Female | Age next birthday                             | Male  | Female |
| 16  | 1.4  | 1.62   | 31  | 1.15 | 2.37   | 46  | 3.47  | 7.35   |
| 17  | 1.42 | 1.67   | 32  | 1.17 | 2.43   | 47  | 3.88  | 8.14   |
| 18  | 1.49 | 1.71   | 33  | 1.22 | 2.55   | 48  | 4.39  | 9.01   |
| 19  | 1.51 | 1.74   | 34  | 1.28 | 2.64   | 49  | 4.94  | 10.01  |
| 20  | 1.51 | 1.76   | 35  | 1.33 | 2.79   | 50  | 5.54  | 11.04  |
| 21  | 1.53 | 1.78   | 36  | 1.42 | 2.97   | 51  | 6.24  | 12.19  |
| 22  | 1.42 | 1.83   | 37  | 1.51 | 3.18   | 52  | 7.03  | 13.41  |
| 23  | 1.35 | 1.85   | 38  | 1.62 | 3.4    | 53  | 7.93  | 14.74  |
| 24  | 1.28 | 1.85   | 39  | 1.76 | 3.67   | 54  | 8.95  | 16.14  |
| 25  | 1.22 | 1.87   | 40  | 1.92 | 4.01   | 55  | 10.12 | 17.62  |
| 26  | 1.15 | 1.89   | 41  | 2.1  | 4.42   | 56  | 11.43 | 19.2   |
| 27  | 1.1  | 2.03   | 42  | 2.3  | 4.87   | 57  | 12.87 | 20.87  |
| 28  | 1.1  | 2.12   | 43  | 2.55 | 5.36   | 58  | 14.51 | 22.6   |
| 29  | 1.1  | 2.21   | 44  | 2.79 | 5.97   | 59  | 16.32 | 24.38  |
| 30  | 1.1  | 2.3    | 45  | 3.13 | 6.63   | 60  | 18.37 | 26.28  |

# → The definitions

There are specific definitions that apply to total and permanent disablement and total and temporary disablement.

## Total and permanent disablement

If you make a TPD claim, the insurer will make an assessment of your claim based upon the definition that applies to you at that time. Claims for payment of the TPD benefit should be made within a reasonable period of time of you ceasing work to assist with the assessment of your claim. The definition is different depending on the number of hours you worked in the 3 months prior to you claiming the TPD benefit.

### Permanent employees and fixed term contractors working 15 hours a week or more

TPD means that you, due to injury, sickness or disease:

- have been unable to perform any work for a continuous period of at least 6 months due to the same injury, sickness or disease; and
- are attending and following the advice of a registered medical practitioner and have undergone all reasonable and usual treatment, including rehabilitation, for the injury, sickness or disease; and
- after consideration of all medical evidence and other evidence AIA Australia may require, have become incapacitated to such an extent as to render you unlikely ever to be able to engage in your own occupation or any occupation for which you are reasonably suited by education, training or experience.

Or:

- have suffered the total and irrecoverable loss of:
  - sight of both eyes; or
  - use of two limbs; or
  - sight of one eye and use of one limb.

A limb is defined as the whole hand or whole foot.

### Permanent employees and fixed term contractors working less than 15 hours per week and casuals

TPD means that you have suffered the total and irrecoverable loss of:

- sight of both eyes; or
- use of two limbs; or
- sight of one eye and use of one limb.

A limb is defined as the whole hand or whole foot.

Alternatively, due to injury, sickness or disease, you have been, for a period of at least 6 consecutive months, continuously, totally and permanently unable to perform at least two of the following activities of daily living as certified by a registered medical practitioner and to which the insurer is also of the same opinion:

- bathing
- dressing
- eating
- toileting
- transferring

## Terminal illness

You may become eligible to claim your death/TPD benefit sooner if you are diagnosed and certified by a registered medical practitioner as being terminally ill. This benefit is limited to a maximum of \$500,000. Terminal illness means that it is likely that you will die within 12 months of diagnosis regardless of any medical treatment that may be undertaken.

## Total and temporary disablement (TTD) and income protection

To claim either of these benefits, you must meet the definition of total disability after you have satisfied the 90 day waiting period. This benefit provides you with an ongoing monthly benefit whilst you continue to be either totally or partially disabled. The monthly benefit may be reduced further if you are receiving benefits from another source, such as WorkCover or Centrelink, due to sickness or injury.

Total disability means that due to a sickness or injury you:

- are unable to perform one or more important duties of your regular occupation necessary to produce income
- remain under the regular care, attendance and following the advice of a registered medical practitioner in relation to that sickness or injury and
- are not engaged in any occupation (whether or not for reward).

An important duty is one that involves 20% or more of your overall occupational tasks or which is responsible for generating at least 20% or more of your income.

Partial disability means that due to a sickness or injury you:

- are able to perform one or more important duties of your regular occupation, but unable to perform all the duties;
- are capable of working (whether or not for reward);
- are earning a monthly income which is less than your pre-disability income; and
- remain under the regular care, attendance and following the advice of a registered medical practitioner in relation to that sickness or injury.

## Pre-disability salary

The definition of your pre-disability salary will depend on whether you are claiming for total and temporary disablement (TTD) or income protection.

### Total and temporary disablement (TTD)

Your pre-disability salary is your gross monthly salary immediately prior to becoming disabled, as notified by your employer to LGsuper.

### Income protection

Your pre-disability salary is the average gross monthly income you earned over the 12 months immediately prior to becoming disabled.

## At work

To be eligible for full cover you must be at work on your first day of employment. At work means:

- actively performing all the duties of your usual occupation;
- in the insurer's opinion, are not restricted by sickness or injury from carrying out the usual duties of your occupation for at least 30 hours per week; and
- is not in receipt of, or entitled to claim, any income support benefits from any source including WorkCover, statutory transport accident benefits and disability income benefits.

## New events cover

If you are not at work on your first day of employment, you will only receive cover for illness or injury that is not directly or indirectly related to the medical condition that caused you to be not at work on the date you commenced employment, until you have been at work performing your usual duties and hours for 3 consecutive months.

After you have been back at work for 3 consecutive months you will receive full cover.

## Exclusions

There are also some exclusions which apply. You or your dependants will be unable to claim insurance benefits if your death or TPD is wholly or partly, directly or indirectly caused by:

- suicide within 13 months of insurance commencing or being reinstated (only applies to voluntary, not automatic cover)
- any deliberate self-inflicted injury or attempted suicide or self-destruction while either sane or insane (only applicable to voluntary cover)
- active service in the armed forces of any country or international organisation

You are also unable to claim for TTD or income protection benefits if your disability is wholly or partly, directly or indirectly caused by:

- any deliberate self-inflicted injury or attempted suicide or self-destruction while either sane or insane
- uncomplicated pregnancy, childbirth or miscarriage
- declared or undeclared war or any act of war
- active service in the armed forces of any country or international organisation

## Other conditions — disabled persons

If you are employed with an employer which promotes employment opportunities for disabled persons, you will be provided cover only for events that arise after the date cover commences and that are unrelated to any conditions that pre-existed the date your cover commenced.

## Privacy and your insurance

For information about privacy and your personal information when dealing with AIA Australia, download a copy of their privacy policy from their website at [www.aia.com.au](http://www.aia.com.au).

LGsuper's privacy policy is available from our website [www.lgsuper.org](http://www.lgsuper.org).

## Disclaimer

The contents of this PDS relating to insurance benefits need to be read in conjunction with the Policy Document issued to LGsuper by the insurer, AIA Australia. Where any differences occur between the two documents, the conditions within the Policy Document prevail. A copy of the Policy Document is available on request from LGsuper.

# → Fees and other costs

This section of the document shows fees and other costs you may be charged. These fees and costs are deducted from the investment returns on your money.

Information on tax and insurance costs are set out on pages 23 and 16 respectively.

## Consumer advisory warning

The following statement must, by law, be included in this PDS, without alteration to the text prescribed by legislation. Please note LGsuper members are unable to negotiate lower management 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 fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a superannuation calculator to help you check out different fee options.

| Type of fee or cost  | Amount | How and when paid |
|--|--------|-------------------|
| <b>Fees when your money moves in or out of the fund</b>  |        |                   |
| <b>Establishment fee</b><br>The fee to open your investment.   | Nil    | Not applicable    |
| <b>Contribution fee</b><br>The fee on each amount contributed to your investment—either by you or your employer. | Nil    | Not applicable    |
| <b>Withdrawal fee</b><br>The fee on each amount you take out of your investment.                                 | Nil    | Not applicable    |
| <b>Termination fee</b><br>The fee to close your investment.  | Nil    | Not applicable    |

### Management costs<sup>2</sup>

The fees and costs for managing your investment. Actual charged in 2008/09.

| Investment option    | Administration fee % p.a. | Investment management fee % p.a. <sup>1</sup> | Total fee % p.a. |  |
|----------------------|---------------------------|---|------------------|--|
| High Growth          | 0.17                      | 0.66  | 0.83             | Administration and investment management fees are subtracted from investment earnings to determine the earning rate applied to your account each year. The investment management fee includes fees for investment trusts. Trust fees are taken out before LGsuper receives investment returns. |
| Growth               | 0.17                      | 0.56  | 0.73             |  |
| Growth Smoothed      | 0.17                      | 0.56  | 0.73             |  |
| Socially Responsible | 0.17                      | 0.85  | 1.02             |  |
| Balanced             | 0.17                      | 0.48  | 0.65             |  |
| Conservative         | 0.17                      | 0.44  | 0.61             |  |
| Defensive            | 0.17                      | 0.38  | 0.55             |  |
| Cash                 | 0.17                      | 0.44  | 0.61             |  |

### Service fees

|   |     |                |
|---|-----|----------------|
| <b>Investment switching fee</b><br>The fee for changing investment options. | Nil | Not applicable |
|---|-----|----------------|

### Management costs<sup>2</sup>

Estimated for 2009/10.

| Investment option    | Administration fee % p.a. | Investment management fee % p.a. <sup>1</sup> | Total fee % p.a. |  |
|----------------------|---------------------------|---|------------------|--|
| High Growth          | 0.18                      | 0.66  | 0.86             |  |
| Growth               | 0.18                      | 0.56  | 0.76             |  |
| Growth Smoothed      | 0.18                      | 0.56  | 0.76             |  |
| Socially Responsible | 0.18                      | 0.85  | 1.05             |  |
| Balanced             | 0.18                      | 0.48  | 0.68             |  |
| Conservative         | 0.18                      | 0.50  | 0.70             |  |
| Defensive            | 0.18                      | 0.47  | 0.67             |  |
| Cash                 | 0.18                      | 0.73  | 0.93             |  |

<sup>1</sup> These costs include investment management fees, master custodian fees, investment consultants' fees (e.g. asset consultant, legal fees), the Australian Government bank deposit guarantee fee, as well as a fee for the ongoing administration of investments.

<sup>2</sup> Because the fees charged are designed to cover the actual costs of administration and investment management, the fees charged for this year could differ from last year.

## Example

### Example of annual fees and costs for the LGsuper Balanced option

This table gives you an example of how the fees and costs in the LGsuper Balanced investment option can affect your superannuation investment over a 1 year period.

You should use this table to compare this product with other superannuation products. The management costs shown in this example are the actual costs for 2008/09.

| The Balanced investment option  |                  | Balance of \$50,000 with total contributions of \$5000  |
|---------------------------------|------------------|---|
| Contribution fees               | Nil              | For every \$5000 you put in, you will be charged \$0.   |
| <b>PLUS</b><br>Management costs | 0.17% +<br>0.48% | <b>AND,</b><br>for every \$50,000 you have in the fund you will be charged \$325.   |
| <b>EQUALS</b><br>Cost of fund   |                  | If you put in \$5000 during a year and your balance was \$50,000, then for that year you will be charged fees of:<br><br>\$325<br><br>The actual cost to you will depend on the investment option you choose. |

## Additional explanation of fees and costs

### Performance fees

Performance fees are paid to some investment managers when they outperform a set benchmark return. It is difficult to predict performance fees for future years.

### Insurance premiums

Find out more on insurance premiums by turning to page 16.

### Tax

You can read about tax on page 23.

### Transactional and operational costs

Net returns declared by investment managers reflect the transactional and operational expenses of investing, such as brokerage, stamp duty, direct property repair and maintenance costs and buy-sell spreads where applicable. These net returns are, in turn, reflected in the final earning rates determined each year.

No brokerage or buy-sell spreads are charged directly on your money.

### Guarantee fee on bank deposits

Investment management fees for 2008/09 include the 0.7% p.a. fee charged by the Australian Government for their guarantee on bank deposits. The fee was charged on all funds invested in cash. Up until 7 October, 2009 LGsuper's cash was invested in bank deposits that received the Australian Government guarantee.

# → Tax

Nobody likes paying tax, so it's good to know your superannuation investment is taxed at a much lower rate than other types of investments. Why? The answer is simple—to encourage you to save for retirement.

Take a look at the *How super is taxed* table below to get an idea of the current tax rates that apply.

Contact LGsuper for the latest superannuation taxation information and for details on how benefits are taxed upon payment.

## Tax file numbers

LGsuper respects your privacy and understands why you might be a little reluctant to give your tax file number (TFN) to us. But it's important for you to know that by not providing your TFN you could actually end up paying more tax than you need to on employer contributions. This is because we are required to deduct tax at the top marginal tax rate plus Medicare levy (46.5%). You can claim this tax back by providing your TFN to LGsuper within 4 years, but it's best to make sure we have your TFN in the first place. What's more, super funds are unable to accept after-tax member contributions if we do not hold a member's TFN.

Your TFN is confidential and we only use it for purposes allowed by law. It makes it easier for us to find super in other funds for you, pay your benefit, comply with ATO reporting requirements and receive any super co-contributions for you from the Australian Government. We will not give your TFN to another super fund or retirement savings account (RSA) provider if you tell us you don't want this to happen.

## → How super is taxed

| What may be taxed                        | Tax rate                       | How it applies   |
|--|--------------------------------|--|
| <b>On entry to super</b>                 |                                |  |
| <b>Before-tax contributions</b>          | Generally 15%                  | Payable on all employer contributions (including salary sacrifice) and on personal contributions you claim a tax deduction for. If you do not provide your TFN or if you exceed the contribution limit (page 5) this tax is much higher (46.5% including medicare levy). |
| <b>After-tax contributions</b>           | No tax, in most cases          | Contributions below the after tax limit are tax free. Any amounts above the limit are taxed at 46.5%.  |
| <b>While invested</b>                    |                                |  |
| <b>Investment earnings</b>               | Up to 15%                      | This tax rate is generally lower than on other forms of savings. Although the maximum rate is 15%, the actual amount paid is generally lower because LGsuper can use imputation credits from dividends on shares to reduce the tax payable.                              |
| <b>When paid to you</b>                  |                                |  |
| <b>Taxable component of your benefit</b> | Tax free once you reach age 60 | If taken before age 60, the amount of tax depends on your age, the amount you take and how it is taken.  |

# → Accessing your super

As superannuation is designed specifically to fund your retirement, there are restrictions on when you can access your money.

## Retirement

You can access your super as a lump sum, pension or combination of these methods when you permanently retire after reaching your preservation age. Your preservation age is set by the Australian Government and is based on your date of birth.

| Date of birth            | Preservation age |
|--------------------------|------------------|
| Before July 1960         | 55               |
| 1 July 1960—30 June 1961 | 56               |
| 1 July 1961—30 June 1962 | 57               |
| 1 July 1962—30 June 1963 | 58               |
| 1 July 1963—30 June 1964 | 59               |
| From July 1964 on        | 60               |

You are also considered retired for access to super purposes if you reach age 60 and then change jobs or are not working at all, or when you turn 65 (whether you are working or not).

## Transition to retirement

Do you know you can access your superannuation as a regular pension income (but not lump sums) when you reach your preservation age, even if you are still working? LGsuper offers a Pre-retirement Pension account for members wanting to take advantage of the transition to retirement provisions. Contact us or visit our website for a copy of our *Pension accounts guide (PDS)*.

## Other limited circumstances

There are only a few situations where you can access your preserved superannuation as a lump sum before retirement. These are:

- death
- terminal illness
- total and permanent disability
- failure of health
- temporary residents permanently leaving Australia (excluding NZ residents)
- severe financial hardship, as defined by the Australian Government
- compassionate grounds, approved by the Australian Prudential Regulation Authority

If you think any of these situations apply to you, contact LGsuper for further information on accessing your super.

## Non-preserved benefits

Some super contributions and investment earnings made before 1 July 1999 may be accessible before your preservation age. These amounts will be shown on your annual benefit statement as unrestricted non-preserved amounts that can be accessed now, or as restricted non-preserved amounts that can be accessed when you leave your employer.

If you choose to leave unrestricted non-preserved money with LGsuper, or transfer some unrestricted money to LGsuper from another super fund, it will always be accessible.

## Making a withdrawal

Members with a Retained Benefit account and cashable super can take lump sum withdrawals of \$3000 or more. A limit of one withdrawal per month, and \$3000 or more remaining balance applies. Benefits are generally paid within 3 to 5 working days.

In the event of a significant market movement, LGsuper may need to suspend processing for up to 7 days, or longer, to allow for market movements to be reflected in the earning rates before your claim is paid.

LGsuper also offers pensions for members wanting to take their super as a regular payment. If you want to talk through your options and receive a copy of the PDS just give us a call.

## Temporary residents

Temporary residents who permanently leave Australia may be able to access their superannuation money. If you have left Australia for more than 6 months and you have not claimed your super, your benefit will be treated as unclaimed money and will be transferred to the Australian Taxation Office. LGsuper is not obliged to notify you of the transfer.

For information on how to claim your superannuation money, visit our website or call us for a copy of our *Temporary residents leaving Australia info sheet*.

# → What happens if you die?

Have you given any thought to what might happen to your superannuation benefit in the event of your death? When you die, your superannuation and any insurance payable can help support your dependants. There are rules set out in the LGsuper trust deed and Australian Government legislation that allow us to pay death benefits to you:

- spouse — married, defacto or same sex partner
- children — including step-children, adopted children, mature-age children or a child of a defacto spouse
- someone in an interdependent relationship with you, as defined by the Australian Government
- legal personal representative (i.e. Executor of your Will or the administrator of the Estate)
- some other person

For more information on how death benefits are paid, visit our website or call us for a copy of our *Death benefits info sheet*.

## Nominating your preferred beneficiary

With LGsuper, you can nominate who you would prefer to receive your super and any insurance benefit payable in the event of your death. This person(s) should be a dependant. You can nominate your preferred beneficiary or beneficiaries using LGsuper online, or by completing the *Nomination of beneficiary form* at the back of this guide.

In the event of your death, the LGsuper Board of Directors will look for all dependants before paying a death benefit. So even though you can nominate a preferred beneficiary or beneficiaries, your nomination is not binding on LGsuper. However, it will certainly be used as a guide.

If you haven't already done so, LGsuper recommends you make a Will and keep it up to date.

# → Additional information

## Privacy

LGsuper respects the privacy of your personal information. You can find out how we use and protect your personal details by getting a copy of our *Privacy policy*. Download a copy from our website, or call us and we'll send it to you.

## Complaints

We hope you're happy with LGsuper and the service we provide. If you're not, we have procedures in place to review and respond to your complaint (in most cases within 14 days). You can find out more about our procedures by getting a copy of our *Enquiries and complaints info sheet*.

If you're not satisfied by our response, you can take the matter to the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Australian Government to resolve particular types of complaints only where a member has already made use of their fund's internal complaints procedure. You can contact the SCT by phoning 1300 780 808 or visiting their website at [www.sct.gov.au](http://www.sct.gov.au).

## Family law and superannuation

Superannuation held by many couples who have separated or divorced can be divided by agreement or court order. If you were to split your superannuation in this way, a separate account would be created for your spouse, and they could then remain a member of LGsuper or transfer this money to another fund. Contact us for more information.

# → Financial services guide

This Financial Services Guide (FSG) is an important document that provides you with information about the financial services provided by the Queensland Local Government Superannuation Board to LGsuper members. It is designed to help you decide whether to use the financial services we provide, by giving you information about:

- the types of financial services offered by LGsuper representatives
- the different types of documents we may provide to you in different circumstances
- how representatives are remunerated and
- how complaints are handled

## Other documents

If you are considering investing in an LGsuper product or if you are required to invest in one of our products as a condition of your employment, you will also receive a product disclosure statement (PDS). The PDS contains information about the product and will assist you in making an informed decision about that product.

If we provide you with personal advice, rather than general advice, we will provide you with a Statement of Advice. This Statement of Advice will contain the personal advice and the basis on which it is given. More information about what is personal advice can be found in the Types of advice section.

## Financial services

The financial services offered to LGsuper members include advice on:

- LGsuper products
- superannuation rollovers and transfers
- spouse contributions
- death and disablement insurance benefits
- superannuation tax issues
- superannuation surcharge
- Pension accounts
- Term Allocated Pension accounts
- investment choice
- salary sacrifice and co-contributions
- voluntary contributions
- splitting benefits with a spouse
- Pre-retirement Pension accounts
- Retained Benefit accounts
- other superannuation matters

## Licence

The Queensland Local Government Superannuation Board has been issued with Australian Financial Services (AFS) licence number 230511. Under the terms of this licence, the Board's nominated representatives are authorised to provide financial advice to LGsuper members on superannuation-related matters.

The Board has professional indemnity insurance cover in place (Trustee liability insurance), and the Board believes this will cover claims in relation to the conduct of its representatives during the time they are employed by the Board.

## Information or advice?

A financial services licence is not needed to provide you with purely factual information that is not intended to influence your decision-making. However, if a LGsuper representative provides you with a recommendation or information that may influence you in making a financial decision, then it constitutes financial advice for which an AFS licence is required.

## Types of advice

Where an LGsuper representative, in providing you with a recommendation or financial advice about your LGsuper entitlements, takes into account (or reasonably should take into account), your financial objectives, your financial situation or your financial needs (or a combination of these), this constitutes personal advice and the representative must provide you with a copy of this guide as well as a Statement of Advice.

Where the LGsuper representative provides broad-based recommendations or advice and does not take account of your personal financial circumstances, the financial advice is regarded as general advice only and it is not necessary for you to receive a statement of the advice. However, you are entitled to receive a copy of this guide.

Some LGsuper representatives are authorised only to provide general advice whilst others are authorised to provide both general and personal advice. Your LGsuper representative must disclose to you the level of authorisation that they possess.

## Advice restricted to LGsuper

The Board restricts LGsuper representatives in relation to the scope of the financial advice they can provide to Scheme members. Representatives may provide advice only in respect of LGsuper products. If you want financial advice beyond this, you may need to seek out the services of a qualified financial planner.

## Limited advice

If you want the LGsuper representative to provide you with a recommendation or other personal advice in regard to your LGsuper entitlement, you may be asked to disclose to the representative that part of your financial objectives, financial situation and financial needs that are relevant to your request.

You are not obliged to disclose any personal financial details to the LGsuper representative. However, if you choose to withhold some or all of the relevant personal financial details, the Statement of Advice provided by the representative will indicate that the financial advice provided has been limited to the financial details that have been disclosed.

## Remuneration

LGsuper representatives are fully remunerated with an annual salary and they receive no fees, commissions or bonuses in respect of the financial information, product recommendations or advice they provide to members.

## Fees

LGsuper does not charge a separate fee for the provision of financial advice to members. The administration fee covers the cost of all member services (including the provision of financial advice). See the *Fees* section of this PDS.

## Complaints

If you are unhappy with the financial service provided by the Board or its representatives, there is an internal complaints handling process. See the *Additional information* section of this PDS.

## Privacy

The Board respects the privacy of Scheme members. See the *Additional information* section of this PDS.

## Contacting a representative

LGsuper representatives may be contacted using the details at the back of this PDS.



# → Choice of superannuation fund form

Use this form to ask your employer to contribute to your LGsuper account.

→ Return this form to your employer—**do not send it to LGsuper**

## Fund details

I would like to nominate LGsuper as the fund for my superannuation contributions. I have previously worked for Queensland local government and confirm I have an account with LGsuper.

Choice of Fund legislation allows me to nominate LGsuper using this form, as it provides all the details an employer needs to pay my future contributions to them.

**Chosen fund name**

**LGSUPER**

**Fund ABN**

**23 053 121 564**

**Fund SPIN**

**QLG0001AU**

**Member number**

**Member name**

**Fund telephone number**

**07 3244 4300**

**Fund email address**

**info@lgsuper.org**

## Please pay all future contributions to LGsuper

**Employee name**

**Employee number**

**Employee signature**

**Date**

## LGsuper is a complying superannuation fund

LGsuper has been a complying resident regulated superannuation fund since 1 July 1995 within the meaning of the *Superannuation Industry (Supervision) Act 1993*. LGsuper holds Registrable Superannuation Entity Registration Number R1000160. LGsuper has never received a notice of non-compliance from the Australian Prudential Regulation Authority or a notice directing LGsuper not to accept employer contributions.

## LGsuper will accept contributions

LGsuper will accept all types of contributions (including superannuation guarantee contributions) from employers on behalf of the above member.

## Information for employers

To contribute to LGsuper, download the *Employer information form* from our website at [www.lgsuper.org](http://www.lgsuper.org) or phone 1800 444 396 for a copy. Once you have completed the information form you can contribute to LGsuper by cheque or BPAY.



## → Transfer form

Use this form to transfer monies from another super fund to LGsuper. A separate form must be completed for each fund.

→ Before completing this form you should check with your other fund to find out about any information on exit, transfer, withdrawal and other fees, insurance cover you may have, and investment options.

**Member details** LGsuper respects your privacy. All personal information collected is protected in line with the National Privacy Principles and LGsuper's Privacy policy.

|                               |                               |                                      |  |
|-------------------------------|-------------------------------|--------------------------------------|--|
| <b>Last name</b>              |                               | <b>Given names</b>                   |  |
| <b>Address</b>                |                               |                                      |  |
| <b>Suburb</b>                 | <b>State</b>                  | <b>Postcode</b>                      |  |
| <b>Member number</b>          | <b>Date of birth</b>          | <b>Fund SPIN</b><br><b>QLG0001AU</b> |  |
| <b>Telephone number (b/h)</b> | <b>Telephone number (a/h)</b> |                                      |  |

### Details of other fund

|                      |                         |                 |
|----------------------|-------------------------|-----------------|
| <b>Fund name</b>     |                         |                 |
| <b>Address</b>       |                         |                 |
| <b>Suburb</b>        | <b>State</b>            | <b>Postcode</b> |
| <b>Member number</b> | <b>Telephone number</b> |                 |

### Your personal details in the other fund (if different)

If you have changed your name you will need to provide a linking document. Turn to the back of this form for a list of acceptable documents.

|                  |              |                    |  |
|------------------|--------------|--------------------|--|
| <b>Last name</b> |              | <b>Given names</b> |  |
| <b>Address</b>   |              |                    |  |
| <b>Suburb</b>    | <b>State</b> | <b>Postcode</b>    |  |

### Proof of Identity

Read the Important information on proof of identity following this form before completing. I have attached an original certified copy of my:

- Driver's licence or passport **OR** I have attached certified copies of **BOTH**:
- Birth / Citizenship certificate or Centrelink pension card **AND**
- Centrelink payment letter or Government notice e.g. Tax Office notice of assessment (less than 1 year old), or local government notice e.g. rates notice (less than 3 months old)

**Please read and sign on the other side of this form**

## Declaration

By signing this *Transfer form* I am making the following statements:

- I declare that I have fully read this form and declare that the information completed on this form is true and correct.
- **I am aware that I may ask the trustee of my old superannuation fund for all the information that I need to understand my benefit entitlements in that fund (including information on exit, transfer, withdrawal and other fees, insurance, investment options and the effect of a transfer on those benefit entitlements) AND I do not require any further information and authorise the transfer of my other fund to LGsuper.**
- I am aware of and authorise the deduction of transfer/exit/withdrawal fees by my old fund (if any) and any tax payable from the benefits transferred (subject to legislative restrictions).
- I discharge the trustee of my old superannuation fund from any further liability in respect of the benefits paid and transferred to LGsuper.

---

**Signature**

**Date**

All cheques should be made payable to LGsuper.

From 1 July 1995, the Board elected that the Local Government Superannuation Scheme (LGsuper) be registered as a "Regulated Fund" under Superannuation Industry Supervision (SIS) legislation. The Board believes LGsuper has complied with the SIS provisions since that date.

## Checklist

- Have you signed and dated this form?
- Have you attached original certified proof of identity documents (including any applicable linking documents)?
- Have you completed all mandatory fields on this form?

# → Important information

## Proof of identity

You will need to provide us with acceptable proof of identification with this *Transfer form* to prove you are the person that owns the superannuation benefit before we can process your transfer request.

## Acceptable documents

Certified copies of the following documents may be used:

### Either

One of the following documents only:

- Current driver's licence issued under State or Territory law (please provide copies of the front and back of the licence)
- Current passport

### Or

One of the following documents:

- Birth certificate or birth extract
- Citizenship certificate issued by the Commonwealth
- Current Pension card issued by Centrelink that entitles you to financial benefits

### and

One of the following documents:

- A Centrelink payment letter
- A notice issued by a Commonwealth, State or Territory Government (less than 1 year old) that contains your name and residential address, e.g. Tax office notice of assessment.
- A rates notice from local government (less than 3 months old) showing your name and residential address.

## Have you changed your name or are signing for another person?

If you have changed your name or are signing on behalf of the member you will need to provide a certified linking document. A linking document is a document that proves a relationship exists between two (or more) names.

### The following table contains information about suitable linking documents:

| Purpose                           | Suitable linking documents  |
|-----------------------------------|---|
| Change of name                    | Marriage certificate, deed poll or change of name certificate from the Births, Deaths and Marriages Registration Office |
| Signed on behalf of the applicant | Guardianship papers or Power of Attorney  |

## Certification of personal documents

All copied pages of ORIGINAL proof of identification documents (including any linking documents) need to be certified as true copies by any individual approved to do so by writing or stamping 'Certified True Copy' on each page followed by their signature, printed name, qualification (e.g. Justice of the Peace, Australia Post employee etc.) and date. An original 'certified true copy' must be forwarded to LGsuper with this form. LGsuper will not accept photocopies, faxes or emails of certified documents.

The following can certify copies of the originals as true and correct copies:

- Justice of the Peace or Commissioner of Declarations
- Australia Post employee with more than 2 years service or an agent of the Australian Postal Corporation
- Police officer
- Finance company officer with more than 2 years service
- Officer with, or an authorised representative of, a holder of an Australian Financial Services Licence with at least 2 years experience
- Notary public officer
- Registrar or deputy registrar of a court
- Person enrolled on the roll of a State or Territory Supreme Court or High Court as a legal practitioner
- Permanent employee of
  - the Commonwealth or a Commonwealth authority; or
  - a State or Territory or State or Territory authority; or
  - a local government authority; with 2 or more years continuous service
- Teacher employed on a full time basis at a school or tertiary institution.
- Australian consular officer or Australian diplomatic officer
- Court judge
- Magistrate
- Chief Executive Officer of a Commonwealth court
- Member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership
- Doctor
- Pharmacist



# → Investment switch form

Use this form if you want to switch your existing balance and/or your future contributions to a different investment option.

**Member details** LGsuper respects your privacy. All personal information collected is protected in line with the National Privacy Principles and LGsuper's Privacy policy.

|                  |                      |                         |
|------------------|----------------------|-------------------------|
| <b>Last name</b> | <b>Given names</b>   | <b>Date of birth</b>    |
| <b>Address</b>   | <b>Member number</b> |                         |
| <b>Suburb</b>    | <b>Postcode</b>      | <b>Telephone number</b> |

**Account type** (must be completed in all cases)

**I would like to switch my:**

- Accumulation account / Defined benefit (accumulation money) / Retained Benefit account / Spouse account  
– complete sections 1, 2 and 4
- Pension account  
– complete sections 1, 3 and 4

## 1 Investment option for existing balance

Please leave my existing benefit invested as it is currently.

or

Please switch my benefit into the following option/s in the proportions indicated:

(You may choose up to three options. Please use whole percentages only.)

| High Growth | Growth | Balanced | Socially Responsible | Conservative | Defensive | Cash | TOTAL |
|-------------|--------|----------|----------------------|--------------|-----------|------|-------|
| %           | %      | %        | %                    | %            | %         | %    | 100%  |

Your switch will take effect from the next available switch date, but may not be processed until all contributions are allocated to your account for the period up to this date or before final earning rates are applied to your account for the previous financial year, if your switch is to take place early in the new financial year.

## 2 Investment option for future contributions

This section must be completed in all cases, whether you are working or not, unless you have an LGsuper Pension account.

**Please invest all my future contributions, including rollovers, in the following option (tick one only):**

High Growth    Growth    Balanced    Socially Responsible    Conservative    Defensive    Cash

If you are investing your existing balance (see Section 1) in three investment options, you must choose one of those options here for your future contributions to go to. If you are investing your existing balance in only one or two options you may, if you wish, choose a separate option here for your future contributions to go to. The number of investment options selected for your existing balance plus your future contributions must not exceed three options in total.

Continued over page

### 3 Pension payment option/s (must be completed if you have an LGsuper Pension account)

If you don't nominate a payment preference, your pension payments will be withdrawn from each of your investment options proportionately. If your benefit is invested in one option only, there is no need to complete this section.

**Please withdraw my pension payments from the following option/s in the percentages or order of preference indicated:**

**Option 1 — Percentage** (Use whole percentages only)

| High Growth | Growth | Balanced | Socially Responsible | Conservative | Defensive | Cash | TOTAL |
|-------------|--------|----------|----------------------|--------------|-----------|------|-------|
| %           | %      | %        | %                    | %            | %         | %    | 100%  |

or

**Option 2 — Order of withdrawal preference** (eg. 1,2,3 etc). The balance of each option will be exhausted before withdrawing from the next option.

| High Growth | Growth | Balanced | Socially Responsible | Conservative | Defensive | Cash |
|-------------|--------|----------|----------------------|--------------|-----------|------|
|             |        |          |                      |              |           |      |

### 4 Declaration

I have read the attached LGsuper *Investment choice guide*, and understand the rules relating to choosing an investment option in LGsuper. I understand the investment choice information provided is general in nature and must not be relied on as specific advice appropriate to my particular circumstances. I am aware that, if required, I can contact LGsuper for more information before completing this form. I understand I can switch my investment option up to four times each financial year. I also understand if I leave the Growth Smoothed option I cannot return to that option and if I choose to invest in more than one option, I may not include the Growth Smoothed option in my selection.

Signature

Date

# → New spouse member information form

Use this form to open a spouse account for your partner with a deposit of \$100 or more.

Spouse contributions are:

- from after-tax pay (not salary sacrifice)
- for a spouse living with the member when the contributions are made (includes defacto spouse)
- preserved in superannuation until the spouse retires after their preservation age or age 65 if the spouse has never worked
- ineligible to receive the super co-contribution

Payroll deductions or transfers from other funds cannot take place until after we have opened an account.

**Contributing member details** All personal information collected is protected in line with the National Privacy Principles and LGsuper's Privacy policy.

|                  |                    |                      |
|------------------|--------------------|----------------------|
| <b>Last name</b> | <b>Given names</b> | <b>Member number</b> |
|------------------|--------------------|----------------------|

**Spouse details** All personal information collected is protected in line with the National Privacy Principles and LGsuper's Privacy policy.

|   |                      |                               |
|---|----------------------|-------------------------------|
| <b>Last name</b>                              | <b>Given names</b>   | <b>Title</b>                  |
| <b>Address</b>                                | <b>Date of birth</b> |                               |
| <b>Suburb</b>                                 | <b>Postcode</b>      | <b>Telephone number (b/h)</b> |
| <b>Tax file number</b> (see over page)<br>/ / |                      |                               |

I declare that

- I am under age 65
- I am between age 65 and 69 and since last 1 July have worked at least 40 hours in a consecutive 30-day period.

### Lump sum contribution

Lump sum contributions must be in whole dollars and for at least \$100. Please make cheques payable to 'LGsuper'. The first \$3000 p.a. may qualify for a tax offset if your spouse earns \$13,800 p.a. or less. Contributions will be invested in the default option if you do not make a choice. Spouse contributions cannot be accepted after reaching age 70.

\$

**Spouse contribution amount**

### Investment option (select one only)

- High Growth       Growth       Balanced       Socially Responsible
- Conservative       Defensive       Cash

N.B. Declaration must be signed over page.

## Declaration

We declare the information we have supplied is correct and we are living together.

---

Contributing member's signature

Date

---

Spouse's signature

Date

## Personal information

### Collection

LGsuper must collect certain personal identification information from you to allow us to open and maintain a superannuation account and calculate your benefit entitlements.

### Use and disclosure

Your personal information will primarily be used to maintain correct superannuation records, accurately calculate benefit entitlements and communicate with you about your superannuation. Personal information may also be used by LGsuper or its agents to undertake market research. LGsuper may also use personal information to search the Australian Taxation Office (ATO) register of lost superannuation monies. To communicate with you, LGsuper may need to disclose personal information to agents such as mailing houses. Similarly, to comply with legislation (like the Income Tax Assessment Act), LGsuper may need to provide personal details to government agencies. Aside from normal business and compliance uses, personal information will be kept confidential and will not be disclosed to other parties.

### Data quality

Each year, LGsuper will provide you with a benefit statement that includes the personal information held on file. Please ensure this information is accurate and up-to-date, and inform LGsuper of any changes.

### Data security

LGsuper will keep your personal information secure from unauthorised access and will destroy sensitive information once it is no longer needed for primary or secondary uses.

### Access and correction

You are entitled to know exactly what information LGsuper holds about you in its records. You are entitled to access your personal particulars on request, and to advise us of any correction that may be necessary.

## Tax file number (TFN)

Under the *Superannuation Industry (Supervision) Act 1993*, LGsuper is authorised to collect your TFN, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. LGsuper may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request the trustee of your superannuation fund in writing that your TFN not be disclosed to any other superannuation provider.

It is not an offence not to quote your TFN. However giving your TFN to your superannuation fund will have the following advantages (which may not otherwise apply):

- LGsuper will be able to accept all types of contributions to your account/s
- the tax on contributions to your superannuation account/s will not increase
- other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits
- it will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

# → Nomination of beneficiary form

Use this form to tell LGsuper who you would prefer to receive your superannuation benefit in the event of your death.

**Member details** LGsuper respects your privacy. All personal information collected is protected in line with the National Privacy Principles and LGsuper's Privacy policy.

|                      |                      |
|----------------------|----------------------|
| <b>Last name</b>     | <b>Given names</b>   |
| <b>Date of birth</b> | <b>Member number</b> |

Rules set out in the LGsuper trust deed and under Australian Government legislation allow us to pay death benefits to your:

- spouse—married, defacto or same sex partner
- children—including step-children and adopted children
- someone in an interdependent relationship with you, as defined by the Australian Government
- legal personal representative (i.e. the Executor of the Will or the administrator of the Estate)
- some other person

For more information on how death benefits are paid visit our website or call us for a copy of our *Death benefits info sheet*.

## Beneficiary details

I wish to nominate the following persons to receive my superannuation benefit if I die while a member of LGsuper:

| Last name | Given names | Relationship | % of benefit |
|-----------|-------------|--------------|--------------|
|           |             |              |              |
|           |             |              |              |
|           |             |              |              |
|           |             |              |              |

## Declaration

I understand that I may cancel or vary this nomination at any time. I also understand that LGsuper is not bound by my nomination but will take it into account when deciding who should receive the superannuation benefit.

|                  |             |
|------------------|-------------|
| <b>Signature</b> | <b>Date</b> |
|------------------|-------------|





**Toll free 1800 444 396**  
**Facsimile 07 3244 4344**  
**GPO Box 264**  
**Brisbane Qld 4001**  
**info@lgsuper.org**  
**www.lgsuper.org**

The Queensland Local Government Superannuation Board  
ABN 94 085 088 484  
AFS Licence No. 230511  
Local Government Superannuation Scheme  
ABN 23 053 121 564