



wherever you are in life

# Pension accounts 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 checklist

To open your LGsuper pension, there are a few things you need to do.

→ **Read through this guide.**

Turn to the *Pensions in detail* section for information on the type of pension you are interested in. Then, read the *Additional information* section to understand our flexible range of investment options, fees and other costs, and tax and Centrelink treatment of pensions.

→ **Call LGsuper on 1800 444 396.**

Our knowledgeable staff can help you understand LGsuper's range of pension options, show you the amount of pension you could receive and if you're under 60, how it is likely to be taxed. This service is at no extra cost, so why not give us a call?

→ **Complete the paperwork and return it to us.**

You'll need to fill out the pension application form in the back of this guide for the type of pension you want.

If you need forms to make a voluntary contribution or transfer super from other funds to LGsuper we can help with that too.

Once we've got your paperwork, we will send you a letter confirming your pension payment for the financial year. If you would like to change this amount, you can complete the *Pension payment advice form* at that time. If you're under age 60, we will also ask you to complete a *Tax File Number Declaration form* if you haven't already done so. This tells us how much tax to withhold.

## → 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 make decisions about your retirement. Our staff can show you how much you could receive from a super pension, work out the amount of tax you're likely to pay, and talk through our flexible range of investment options with you.

### You never need to leave

If you're retiring, you can open a Pension account to receive regular payments. Or you can choose to stay in our Retained Benefit account and make free withdrawals up to 12 times each year. With choices like this we'll never have to say goodbye! For more information on the Retained Benefit account, contact us for a copy of our *Retained Benefit account guide (PDS)*.

### Your spouse can join too

With as little as \$100 you can open an LGsuper account for your partner, so they can enjoy the same LGsuper member benefits you do. To find out more, contact us for a *Spouse account guide (PDS)*.

# → Benefits of superannuation pensions

Superannuation pensions are designed to provide you with regular income payments to support your lifestyle leading up to, or in retirement.

So why would you choose a superannuation pension over other investments? Because:

- it provides you with an automatic, regular payment direct to your bank account
- you can select the amount of income you receive each year, within guidelines set by the Australian Government
- your dependant(s) receive your remaining benefit if you die
- investment earnings are tax free
- if you're aged 60 or more your pension is tax free. Before then, pension payments may be more tax effective than regular income or super lump sums
- if you are retired, you have the flexibility to access your full benefit or lump sums

## Risks of superannuation pensions

We talk about the investment risks associated with your pensions in the *Investing your pension* section. But there are some other risks you should also be aware of.

How long do you expect your pension to last? Your pension may not last for the period you have planned for, or until you or your spouse die. This is because your income is dependent on your account balance, and that changes with investment returns and the amount of income taken each year.

Legislation governing the rules for pensions, taxation and Centrelink benefits could change at any time which might also have an impact on your pension.

Want the peace of mind that comes with a regular, tax-effective income in retirement? And the flexibility to take lump sums when you need them? An LGsuper Pension account can give you all of this and much more.

## → LGsuper's pension options

With two flexible options to choose from, there's an LGsuper pension to suit you.

### Pension account

An LGsuper Pension account provides you with a regular income as well as the flexibility to take lump sum withdrawals. Take a look at the *Pension account* section for more details.

### Pre-retirement Pension account

If you have reached your preservation age but have not retired, you can open a Pre-retirement Pension account to receive extra income from your super.

This account is similar to the LGsuper Pension account, but without the flexibility to make lump sum withdrawals. The Australian Government does not allow you to access one-off lump sum payments until you permanently retire. See the *Pre-retirement Pension account* section for more details.



# Pensions in detail

# → Pension account

An LGsuper Pension account provides you with a regular income and the flexibility to take lump sum withdrawals. You can choose how often you receive your pension, and how much income you want (a minimum pension amount set by the Australian Government applies).

## Starting your pension

A pension can only be started with one amount from your super. So, if you have more than one superannuation account, or if you would like to pay extra money into your super, you should combine everything into your current LGsuper account before opening your pension.

If you want to pay more into super later and you are under age 65 or meet work test requirements, you could start another pension with at least \$50,000.

## Work out your minimum amount

The minimum amount of your pension is calculated using a pension valuation factor based on your age and your account balance at the time of opening your pension account. This calculation takes place again at 1 July each year.

To calculate your possible minimum pension payment amount for a full financial year, simply take the balance of your account and multiply it by the minimum factor in the table below. You can select this amount or more for your pension.

It's unlikely your pension will start on 1 July, so the value of your pension will be a proportion of the full year pension amount. This proportion is based on the number of days from the date of opening the account to 30 June.

In light of the global economic crisis, the Australian Government announced on 18 February 2009 that it would halve the 2008/09 minimum payment requirements for superannuation pension holders.

In the May 2009 Budget, these minimums were extended for another 12 months, until 30 June 2010.

If you indicate on your application form that you would like to receive the minimum pension amount, LGsuper will use the reduced minimum amounts, as outlined below:

### Pension factors

| Your age | Minimum factor p.a. |
|----------|---------------------|
| Under 65 | 2%                  |
| 65-74    | 2.5%                |
| 75-79    | 3%                  |
| 80-84    | 3.5%                |
| 85-89    | 4.5%                |
| 90-94    | 5.5%                |
| 95 plus  | 7%                  |

## Account features summary

- **Minimum investment amount**  
\$50,000
- **Investment choices**  
Choose from LGsuper's seven investment options, ranging from higher risk/return to low risk/low return. You can switch investment options up to four times each financial year.
- **Lump sum withdrawals**  
You can make up to eight withdrawals each financial year (minimum \$1000 per withdrawal).
- **Income payment amount**  
At least a minimum amount based on your account balance and a minimum pension factor for your age each year.
- **Income payment frequency**  
You must receive at least one payment each financial year and this can be monthly, quarterly, half-yearly or yearly. Payments are generally made on the 28th day of the month. If you choose to receive your pension payment monthly, due to end of year processing, you will not receive a payment in July each year but you will receive two payments in August each year.  
If you start your pension between 1 June and 30 June, you are not required to receive a payment until the following financial year.

## Examples

### Gary

Gary transfers his LGsuper benefit of \$300,000 into an LGsuper Pension account when he turns 65 on 3 September 2009.

The payment period for Gary's 2009/10 pension is between 3 September 2009 and 30 June 2010, a total of 301 days. This is approximately 82.5% of one year's payment.

#### Gary's minimum pension amount

2009/10 minimum factor at age 65 = 2.5%

2.5% of \$300,000 is a minimum pension amount of \$7,500 for 2009/10.

Because Gary receives a proportional payment for the year based on the remaining 301 days, his minimum pension amount is \$6188.

He could select any amount from \$6188 upwards for 2009/10. Next financial year, he will need to take at least 5% of his 30 June 2010 balance as a pension, assuming the halved minimum factors no longer apply.

### Stella

Stella opens an LGsuper Pension account with \$100,000 at age 56. Her account is opened on 29 January 2010.

The payment period for Stella's 2009/10 pension is between 29 January 2010 and 30 June 2010, a total of 153 days. This is approximately 41.9% of one year's payment.

#### Stella's minimum pension amount

2009/10 minimum factor at age 56 = 2%

2% of \$100,000 equals a minimum pension amount of \$2000 for 2009/10.

Because Stella receives a proportional payment for the year based on the remaining 153 days, her minimum pension amount is around \$838.

As she is retired, Stella can select any amount from \$838 upwards as income for 2009/10. Next financial year, she will need to take at least 4% of her 30 June 2010 balance as a pension, assuming the halved minimum factors no longer apply.

## What's next?

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Turn to the *Additional information* section to read about our range of flexible investment options, fees and other costs, tax and other details you need to know.

And remember, LGsuper is here to help. Our staff can help you work out how much pension you could take using all or part of your benefit, and if you're under 60, how much tax you're likely to pay. Call us on 1800 444 396 to have your questions answered.

# → Pre-retirement Pension account

If you have reached your preservation age (currently 55 if you were born before 1 July 1960) but have not fully retired, you can open a Pre-retirement Pension account and receive extra income from your super. You can use this account to top up your income while you work less in the lead up to retirement. Or, you could continue working full time and receive a pension as additional income. It's up to you.

## How does it work?

The Pre-retirement Pension account works much the same way as LGsuper's Pension account, but you are unable to withdraw lump sums and a maximum income of 10% of your account balance applies.

You simply nominate how much super you would like to transfer to the account and the regular income you would like to receive, between the minimum and maximum factors below.

If you are aged 65 or older, you are unable to open a Pre-retirement Pension account. Instead, you will need to open a Pension account, whether you are retired or not. See the *Pension account* section for more detailed information about how this account works.

You can open your pension with a minimum of \$50,000 and you can transfer any amount up to the full balance of your accumulation account and/or your defined benefit. (Special conditions apply to transferring defined benefits. See the *Defined benefits* section).

Before transferring your super to a Pre-retirement Pension account, you should be aware that if you have Total and Temporary Disablement (TTD) insurance cover with LGsuper, the amount of your cover may reduce as a result of the transfer.

In light of the global economic crisis, the Australian Government announced on 18 February 2009 that it would halve the 2008/09 minimum payment requirements for superannuation pension holders.

In the May 2009 Budget, these minimums were extended for another 12 months, until 30 June 2010.

If you indicate on your application form that you would like to receive the minimum pension amount, LGsuper will use the reduced minimum amount, as outlined below:

## Pension factors

| Minimum factor p.a. | Maximum factor p.a. |
|---------------------|---------------------|
| 2%                  | 10%                 |

## Defined benefits

As a member of the Defined Benefits Fund you generally have two components to your benefit – the defined benefit portion from your current employment and an accumulation account (if you have transferred other money to LGsuper or made extra contributions).

If the amount you wish to transfer to your LGsuper Pre-retirement Pension account exceeds the balance of your accumulation account, you will need to close your defined benefit and transfer it to the Accumulation Benefits Fund (ABF). Your future employer contributions and any contributions you make will then be paid to the ABF.

When you transfer to the ABF you are unable to invest in the Growth Smoothed option, but you still have a range of seven investment options to choose from. If you don't make a selection, your remaining accumulation money (after your Pre-retirement Pension account is opened) and all contributions and transfers from other super funds will be invested in the Growth option (if you are aged under 60) or the Balanced option (if you are aged 60 or over).

Before making any decision, we recommend you contact LGsuper's Member Advice team to talk through your options. You should also read our *Accumulation account guide (PDS)*, for detailed information about accumulation accounts.

## Salary sacrifice

Does reducing your tax while drawing on your super in the lead up to retirement sound too good to be true? Well, it's not now that you can open a Pre-retirement Pension account and salary sacrifice your pay into super.

If you're aged 60 or over, you can take tax free income from your super by putting it in a Pre-retirement Pension account. At the same time, you can salary sacrifice some or all of your salary (subject to limits) into your accumulation account where it will be taxed at 15% on entry to the fund. So, you could effectively pay 15% tax on your super contributions rather than the marginal tax rate on your salary (generally 30% or higher).

This strategy can also be used between your preservation age (currently 55) and turning 60, though some tax will be payable on your pension income. However, you are likely to pay less tax than if you were receiving the same amount in salary.

LGsuper can help you understand this strategy and what it could mean for you. Contact us if you would like more details.

## Examples

### Penny

Penny opens an LGsuper Pre-retirement Pension account with \$100,000 at age 56. She opens her account on 29 January 2010.

The payment period for Penny's 2009/10 pension is between 29 January 2010 and 30 June 2010, a total of 153 days. This is approximately 41.9% of one year's minimum payment. The maximum pension amount is not pro-rated.

#### Penny's minimum pension amount

2009/10 minimum factor at age 56 = 2%

2% of \$100,000 is a \$2000 minimum pension amount for 2009/10. Because Penny receives a proportional payment for the year based on the remaining 153 days, her minimum pension amount is around \$838. Next financial year, Penny will need to take at least 4% of her account balance as pension income, assuming the halved minimum factors no longer apply.

#### Penny's maximum pension amount

Maximum factor at age 56 = 10%

10% of \$100,000 is a \$10,000 maximum pension amount for the financial year.

### Roger

Roger, age 60, earns \$60,000 per year and has \$200,000 in superannuation. He currently contributes the 6% standard member contribution only. He would like to boost his super while keeping his current take-home pay of \$43,650 per year. After speaking to LGsuper, he finds he can achieve this through combining salary sacrifice with a pre-retirement pension.

#### Roger's minimum pension amount

2009/10 minimum factor at age 60 = 2%

2% of \$200,000 is a \$4000 minimum pension amount for 2009/10.

#### Roger's maximum pension amount

Maximum factor at age 60 = 10%

10% of \$200,000 is a \$20,000 maximum pension amount for a full financial year.

#### Roger's overall position

Roger takes a pension of \$15,000 per year from his LGsuper Pre-retirement Pension account. It's tax free because he is age 60.

He also salary sacrifices his 6% standard member contribution and additional salary sacrifice contributions of \$21,400 p.a. from his regular income. To take advantage of the co-contribution, he also puts in some after-tax money.

All up, Roger receives the same level of income but is putting an extra \$4124 p.a. into his super.

## What's next?

Turn to the *Additional information* section to read about our range of flexible investment options, fees and other costs, tax and other details you need to know. And remember, LGsuper is here to help. Our staff can help you work out how much pension you could take using all or part of your benefit, and if you're under age 60, how much tax you're likely to pay. Call us on 1800 444 396 to have your questions answered.

## Account features summary

### → Minimum investment amount

\$50,000

### → Investment choices

Choose from LGsuper's seven investment options, ranging from higher risk/return to low risk/low return. You can switch investment options up to four times each financial year.

### → Lump sum withdrawals

Not allowed under Australian Government legislation.

### → Income payment amount

Calculated based on your account balance and a minimum and maximum pension factor for your age each year.

### → Income payment frequency

You must receive at least one payment each financial year and this can be monthly, quarterly, half-yearly or yearly. Payments are generally made on the 28th day of the month. If you choose to receive your pension payment monthly, due to end of year processing, you will not receive a payment in July each year but you will receive two payments in August each year.

If you start your pension between 1 June and 30 June, you are not required to receive a payment until the following financial year.

The lifestyle you lead in retirement depends not just on how much you have saved through superannuation, but also on how your super is invested, and the amount of fees and any tax you pay. It's also important to consider what will happen to any super that's left if you die.



# Additional information

# → Investing your pension

The lifestyle you lead in retirement depends on how your super is invested, as well as how much you have saved. LGsuper offers a range of investment options so you can make a choice that suits your needs, wherever you are in life. And if 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 prefer not to make a choice, LGsuper will invest your money in the Growth option if you are aged less than 60, or the Balanced option if you are aged 60 or over.

See the table on the pages following for more information on LGsuper's range of investment options.

## 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 below gives you an idea of the types of risks that could affect your super investment.

## 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 though.

### → 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.

## 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.

Switching investment options is as easy as completing the *Investment switch form* available from 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.

## 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 change your investment option.

## Which option will my pension payments be withdrawn from?

If you choose to invest in more than one option, you will need to advise us which of your chosen options you would like your pension payments to be withdrawn from and how.

You can choose to withdraw a nominated percentage of your payments from each of your chosen investment options.

Alternatively, you can choose the order in which you would like your payments to be withdrawn from each of your investment options. In this case, your payments will be withdrawn from the first investment option until the balance of that option is exhausted. Payments will then be withdrawn from the second investment option until it is exhausted, and so on.

If you don't make a choice, your pension payments will be withdrawn from each of your investment options proportionately.

## What is an earning rate?

An earning rate is the net investment return (after fees) 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

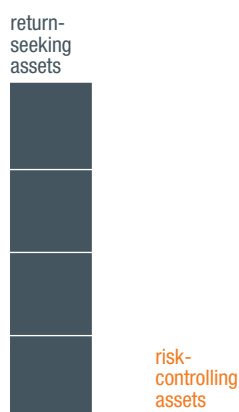
LGsuper may select investment managers that apply these considerations to other types of investments, such as property, or investment managers that apply socially responsible considerations in addition to the environmental, social and governance considerations outlined above.

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 | Pension accounts % p.a. |
|---------------------|-------------------------|
| 2009                | -19.36                  |
| 2008                | -6.66                   |
| 2007                | 19.25                   |
| 2006                | 6.60*                   |
| 2005                | n/a                     |
| 5-yr avge (% p.a.)  | n/a                     |
| % p.a. over CPI     | n/a                     |

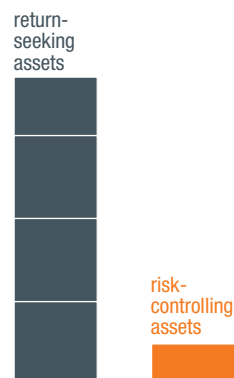
\* introduced 1 January 2006

**Total fees (2008/09)** 0.83%

See page 19 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.

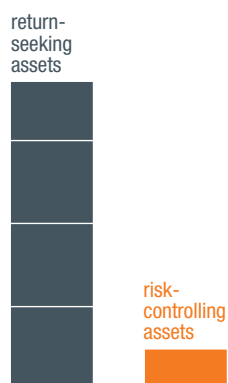
| Year ending 30 June | Pension accounts % p.a. |
|---------------------|-------------------------|
| 2009                | -16.46                  |
| 2008                | -5.84                   |
| 2007                | 17.60                   |
| 2006                | 17.03                   |
| 2005                | 14.67                   |
| 5-yr avge (% p.a.)  | 4.42                    |
| % p.a. over CPI     | 1.51                    |

**Total fees (2008/09)** 0.73%

See page 19 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 | Pension accounts % p.a. |
|---------------------|-------------------------|
| 2009                | -16.39                  |
| 2008                | 2.16                    |
| 2007                | 16.13                   |
| 2006                | 15.10                   |
| 2005                | 12.80                   |
| 5-yr avge (% p.a.)  | 5.24                    |
| % p.a. over CPI     | 2.33                    |

## Total fees (2008/09)

0.73%

See page 19 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 | Pension accounts % p.a. |
|---------------------|-------------------------|
| 2009                | -11.63                  |
| 2008                | -10.15                  |
| 2007                | 17.42                   |
| 2006                | 6.01*                   |
| 2005                | n/a                     |
| 5-yr avge (% p.a.)  | n/a                     |
| % p.a. over CPI     | n/a                     |

\* introduced 1 January 2006

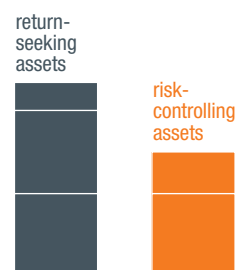
## Total fees (2008/09)

1.02%

See page 19 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 | Pension accounts % p.a. |
|---------------------|-------------------------|
| 2009                | -10.33                  |
| 2008                | -1.67                   |
| 2007                | 13.18                   |
| 2006                | 12.51                   |
| 2005                | 13.04                   |
| 5-yr avge (% p.a.)  | 4.88                    |
| % p.a. over CPI     | 1.97                    |

## Total fees (2008/09)

0.65%

See page 19 for detailed information on fees

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

# Conservative



## 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.

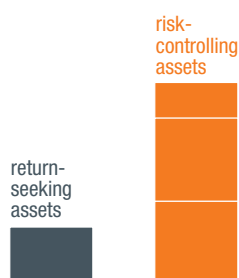
| Year ending 30 June | Pension accounts % p.a. |
|---------------------|-------------------------|
| 2009                | -5.34                   |
| 2008                | 1.46                    |
| 2007                | 10.32                   |
| 2006                | 9.62                    |
| 2005                | 10.95                   |
| 5-yr avge (% p.a.)  | 5.20                    |
| % p.a. over CPI     | 2.29                    |

## Total fees (2008/09) 0.61%

(includes 20% of 0.7% p.a. Australian Government bank guarantee charge)  
See page 19 for detailed information on fees.

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

# Defensive



## 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 | Pension accounts % p.a. |
|---------------------|-------------------------|
| 2009                | -0.64                   |
| 2008                | 3.92                    |
| 2007                | 7.50                    |
| 2006                | 2.38*                   |
| 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 19 for detailed information on fees.

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

# Cash



## 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 | Pension accounts % p.a. |
|---------------------|-------------------------|
| 2009                | 4.27                    |
| 2008                | 5.70                    |
| 2007                | 6.41                    |
| 2006                | 5.90                    |
| 2005                | 5.47                    |
| 5-yr avge (% p.a.)  | 5.55                    |
| % p.a. over CPI     | 2.64                    |

## Total fees (2008/09) 0.61%

(includes 0.7% p.a. Australian Government bank guarantee charge)  
See page 19 for detailed information on fees.

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

# → 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.

## 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.

## → Fees and other costs cont...

| 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.   |
| PLUS<br>Management costs       | 0.17% + 0.48% | AND,<br>for every \$50,000 you have in the fund you will be charged \$325.  |
| EQUALS<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.

### Tax

You can read about tax on page 22.

### 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 and Centrelink treatment

Take a look at the *How pensions are taxed* table below to get an idea of the tax rates that apply. For the latest details on how pensions are taxed upon payment contact LGsuper. Our tailored advice can show you how much pension you could receive and if you're under age 60, how much tax you're likely to pay.

## 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.

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.

## Centrelink treatment

If you apply for an age pension, 100% of your pension account balance will be included in the assets test.

Your pension payments, less an income deduction based on your life expectancy, are included in the income test.

We recommend you contact Centrelink for more information on super pensions and Centrelink benefits.

## → How pensions are taxed

| What may be taxed           | Tax rate  | How it applies   |
|-----------------------------|---|--|
| <b>Investment earnings</b>  | Nil   | Investment earnings on balances held in pensions are tax free.   |
| <b>Pension income</b>       | Tax free once you're over 60. PAYG with a tax offset of 15% between age 55–59 | If taken before age 60, pension payments are taxed in the same way as income tax on salary, with some concessions. Part of your payment will be tax free if you start your pension with a tax free component.<br>All of this means you can receive up to \$41,000 p.a. tax free from a super pension if you are under age 60 and retired (based on 2009/10 tax rates). |
| <b>Lump sum withdrawals</b> | Tax free once you're over 60. There may be some tax payable if taken earlier  | Taken before age 60, there is some tax payable on the taxable component, if the amount taken is above the tax-free threshold. Contact LGsuper for more details on tax.   |

# → 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 your:

- spouse — married, de facto or same sex partner
- children — including step-children, adopted children, mature-age children or the child of a 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*.

## How is a death benefit taxed?

Your death benefit will be tax free as long as it is paid to a spouse or another financially dependent person. If it is paid to someone who was not financially dependent on you at your time of death, the taxable component will be taxed at 16.5%.

## Nominating your preferred beneficiary

On your death, your spouse can receive your remaining pension payments in their own name, or take the remaining amount as a lump sum benefit. Your spouse can make this decision following your death.

If you do not have a spouse, you can nominate your preferred beneficiary/beneficiaries using the *Nomination of beneficiary form*, available from LGsuper. This person(s) should be a dependant. Only your spouse has the option of receiving a pension. All other dependants are paid a lump sum.

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.

## 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 and other Costs 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 page 23 of this PDS.

## Privacy

The Board respects the privacy of members. See page 23 of this PDS.

## Contacting a representative

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

# → Pension application form

Use this form to open a Pension account. We recommend you talk through your options with our staff before investing in this product.

## 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>Member number</b>          |
| <b>Address</b>   | <b>Date of birth</b> |                               |
| <b>Suburb</b>    | <b>Postcode</b>      | <b>Telephone number (b/h)</b> |
| <b>Email</b>     |                      |                               |

## Pension instructions

If you have recently finished employment, we cannot open your pension account until we have received all contributions. Please provide a certified photocopy of your driver's licence or passport as proof of identification.

### Transfer:

\$ \_\_\_\_\_ or \_\_\_\_\_ % of my total LGsuper benefit to the LGsuper Pension.

### Pension amount:

Indicate your preference for the first year's pension payment. LGsuper will confirm this after your application has been processed.

Minimum pension or  \$ \_\_\_\_\_ per year GROSS any amount above minimum

The pension amount will be a proportion of the full year amount you nominate. This is calculated based on the number of days between the date your pension is opened and next 30 June.

Tick this box if you would like to receive the full amount you have nominated i.e. not pro-rated.

## Bank account details It is your responsibility to check these details are correct.

|  |                       |
|--|-----------------------|
| <b>Bank name</b>                                   | <b>Branch</b>         |
| <b>BSB number (6 digits)</b>                       | <b>Account number</b> |
| <b>Account name (account must be in your name)</b> |                       |

### Investment option/s

Please invest my pension in the following option/s in the proportions indicated:  
(You may choose up to three options. Use whole percentages only.)

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

### Pension frequency

- Monthly       Quarterly (Aug, Nov, Feb, May)       Half-yearly (Aug, Feb)       Yearly in \_\_\_\_\_ (month)  
 Quarterly (Sep, Dec, Mar, Jun)       Half-yearly (Nov, May)

### Pension payment option/s

If you don't nominate a payment preference, your pension payments will be withdrawn from each of your investment options in proportion to their balance.  
Please withdraw my pension payments from the following option/s in the proportions 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 |
|-------------|--------|----------|----------------------|--------------|-----------|------|
|             |        |          |                      |              |           |      |

### Declaration

Having read and understood the Product Disclosure Statement outlining the conditions of the LGsuper Pension account, I hereby apply to become an LGsuper pensioner as per my instructions. I agree to be bound by the relevant LGsuper Pension rules. I understand the LGsuper Pension is also governed by statutory rules set by the Australian Government.

I declare that:

- I am over age 55 and permanently retired from the workforce  
 I am over age 55 but have not yet permanently retired—please complete *Pre-retirement Pension application form*.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### Important information

Once this application has been processed by LGsuper, you may be required to complete further forms concerning tax on pension payments. Only unrestricted, non-preserved monies can be used to purchase an LGsuper Pension account. You will be asked to advise us of your preferred pension amount and frequency of payments each year. An annual benefit statement at 30 June will be sent to you each year in August.

# → Pre-retirement Pension application form

Use this form to open a Pre-retirement Pension account.  
We recommend you talk through your options with our staff before investing in this product.

## 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>Member number</b>          |
| <b>Address</b>   | <b>Date of birth</b> |                               |
| <b>Suburb</b>    | <b>Postcode</b>      | <b>Telephone number (b/h)</b> |
| <b>Email</b>     |                      |                               |

## Pension instructions

LGsuper is required to wait until all contributions have been received up to the date we receive this form before opening your pension, if you are closing your defined benefit or if you are leaving less than \$3000 in the Accumulation Benefits Fund.

**Please provide a certified photocopy of your driver's licence or passport as proof of identification.**

### Transfer:

\$ \_\_\_\_\_ or \_\_\_\_\_ % of my total LGsuper benefit to the LGsuper Pre-retirement Pension.

### Pension amount:

LGsuper will confirm this after your application has been processed.

Minimum pension or  Maximum pension or  \$ \_\_\_\_\_ p.a. GROSS (between minimum and maximum)

The pension amount will be a proportion of the full year amount you nominate. This is calculated based on the number of days between the date your pension is opened and next 30 June.

Tick this box if you would like to receive the full amount you have nominated i.e. not pro-rated.

## Bank account details It is your responsibility to check these details are correct.

|  |                       |
|--|-----------------------|
| <b>Bank name</b>                                   | <b>Branch</b>         |
| <b>BSB number (6 digits)</b>                       | <b>Account number</b> |
| <b>Account name (account must be in your name)</b> |                       |

### Investment option/s

Please invest my pension in the following option/s in the proportions indicated:  
(You may choose up to three options. Use whole percentages only.)

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

### Pension frequency

- Monthly       Quarterly (Aug, Nov, Feb, May)       Half-yearly (Aug, Feb)       Yearly in \_\_\_\_\_ (month)  
 Quarterly (Sep, Dec, Mar, Jun)       Half-yearly (Nov, May)

### Pension payment option/s

If you don't nominate a payment preference, your pension payments will be withdrawn from each of your investment options in proportion to their balance.  
Please withdraw my pension payments from the following option/s in the proportions 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 |
|-------------|--------|----------|----------------------|--------------|-----------|------|
|             |        |          |                      |              |           |      |

### Defined Benefits Fund members only

If the amount you wish to transfer to the Pre-retirement Pension account exceeds the balance of your accumulation account, your defined benefit will be closed and transferred to the Accumulation Benefits Fund. If this happens, your remaining balance and all future contributions and transfers to LGsuper CANNOT be invested in the Growth Smoothed option. They will be invested in the default investment option for 'Accumulation — All other money', as outlined in the *Accumulation account guide (PDS)*, unless you select otherwise below:

#### Investment option:

- High Growth       Growth       Balanced       Socially Responsible  
 Conservative       Defensive       Cash

You should read the relevant LGsuper guide so that you can fully understand the effect of your decision.

### Declaration

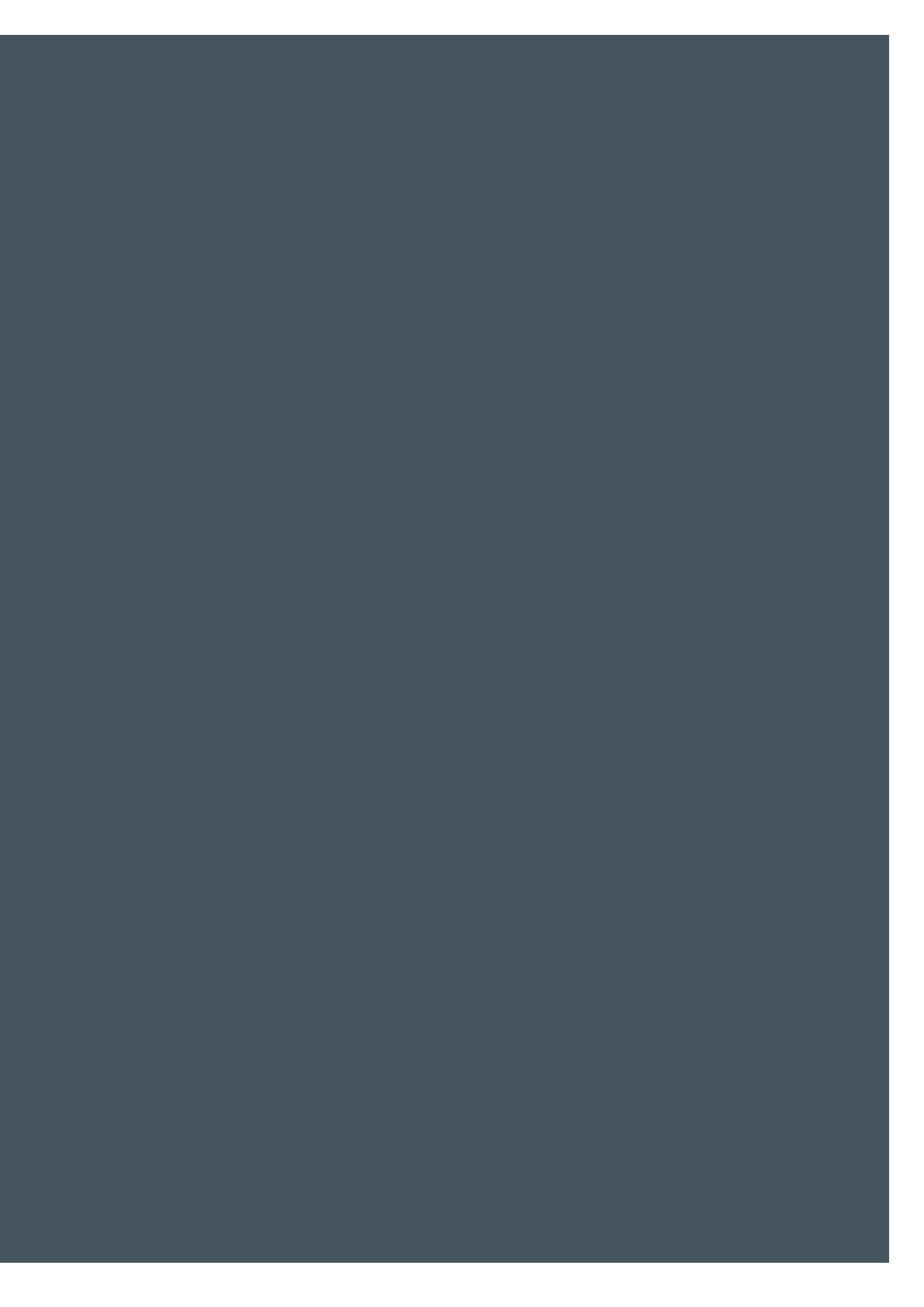
Having read and understood the product disclosure statement which outlines the conditions of the LGsuper Pre-retirement Pension, I hereby apply to become an LGsuper pensioner as per my instructions. I agree to be bound by the relevant LGsuper Pre-retirement Pension rules. I understand the LGsuper Pre-retirement Pension is also governed by statutory rules set by the Australian Government. I understand that the LGsuper Pre-retirement Pension **cannot** be commuted (apart from limited circumstances).

Signature

Date

### Important information

Once this application has been processed by LGsuper, you may be required to complete further forms concerning tax on pension payments. You will be asked to advise us of your preferred pension amount (within the prescribed limits) and frequency of payments each year. An annual benefit statement at 30 June will be sent to you each year in August.





**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