

10 June 2021

# Your super explained

## Employer Sponsored Member booklet

We know that super can sometimes feel complicated – and there are lots of rules and regulations you need to be aware of. But it's really important you understand the ins and outs of your super – which makes this booklet essential reading. If there's anything in here you don't understand, just get in touch or get some professional advice. Remember, we're here to help.

### First, the legal bit

This *Member Booklet (Product Disclosure Statement)* has been prepared by Aware Super Pty Ltd (referred to in this document as the 'trustee', 'we', 'us' or 'our') and it provides a summary of significant information for employer sponsored members of Aware Super (referred to in this document as 'Aware Super' or 'the fund'). It contains references to important information in the *Member Booklet Supplements* which also form part of this *Member Booklet*.

You'll need to consider all the information contained in this Member Booklet and the *Member Booklet Supplements* before making any decisions about Aware Super. The information in these documents is general information only, so it does not take into account your objectives, personal financial situation or needs. You should obtain financial advice that is tailored to your personal circumstances.

The information in this *Member Booklet* was accurate at the time of its preparation. Information which is not materially adverse is subject to change and may be updated from time to time. You can find the updated information on our website at [aware.com.au/pdsupdates](http://aware.com.au/pdsupdates). A paper copy of this *Member Booklet*, the *Member Booklet Supplements* and any update is available free of charge by contacting us on **1300 650 873**.

We sometimes have to change the information in this *Member Booklet* without member consent, but if it's about an increase in fees and charges, we'll notify members at least 30 days before any change occurs.

This offer is only made to persons receiving this *Member Booklet* (electronically or otherwise) in Australia.

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## 1 About Aware Super

We've been putting our members first as First State Super since 1992 and became Aware Super in September 2020. We're now one of Australia's largest industry funds and we're continuing to grow, providing superannuation, insurance, advice and retirement solutions to those who teach, nurse, care, respond and help others in our communities. We've made a commitment to our members: to do well for them by doing good for all.

You have automatically become a member because your employer has chosen us to receive compulsory superannuation contributions for employees who do not choose their own fund. We are authorised to accept these contributions under the government's MySuper arrangements. MySuper was introduced to give members who don't choose their own fund access to a simple, low-cost super option. Our latest MySuper product dashboards are available on our website at [aware.com.au/dashboards](https://aware.com.au/dashboards).

Our MySuper Lifecycle approach is where your contributions are invested by default – but you can choose from our 12 investment options if you prefer.

Important information about the fund and the trustee, including trustee and executive remuneration, is available on our website at [aware.com.au/policies](https://aware.com.au/policies).

## 2 How super works

### Super is compulsory retirement savings

So you're better placed to enjoy retirement, the federal government wants Australians to save for their retirement through super rather than rely solely on the age pension. That's one of the reasons why the Government has provided tax incentives to encourage people to contribute to superannuation. See **Section 7 – How super is taxed**.

For most people, superannuation is compulsory. Generally, employers are required to make superannuation guarantee (SG) contributions on behalf of employees earning \$450 or more (before-tax) per month – but some awards and enterprise agreements have different requirements.

### Choosing a super fund

Most employees can choose the superannuation fund into which their compulsory employer contributions will be paid. This *Member Booklet* highlights the key features of Aware Super so you can easily compare it with other super funds and make sure it's right for you.

### Accessing your super

There are limits on when you can access your super. Generally, you can access your super when you reach what's called your preservation age (between 55 and 60 depending on your date of birth) and permanently retire. You can draw income from your super account as a transition to retirement income stream once you reach your preservation age, and in some circumstances, such as severe financial hardship, you might be allowed early access to your super.

### Combining your super

If you have super with more than one fund, you'll probably be paying fees to each fund. If you have super with other funds, it's worth thinking about transferring it over to Aware Super (just check that you won't lose and will be able to get the equivalent type of insurance cover with us). You should also think about letting your employer know where you would like future employer contributions to be paid. You can look for lost super and combine multiple accounts using the **search and combine** tool on our website at [aware.com.au/combine](https://aware.com.au/combine).

### Learning about your super account

Your super is in an accumulation account. That means contributions and rollovers are added to your account, while withdrawals, insurance premiums, fees (except for investment fees) and taxes are deducted from your account.

### Contributing to your account

In addition to the SG contributions from your employer, there are other types of contributions that can be made to your super to help it grow. The types of contributions available to you depend on your age and employment status.

There are also limits on contributions, such as how much can be contributed to your super each financial year without incurring additional tax. See the *Member Booklet Supplement: How super works* for more information. The main types of super contributions are shown in **Table 1**.

**Table 1: Contribution types**

#### Concessional (before-tax) contributions

Employer SG, award and employer voluntary contributions

Salary sacrifice

Personal deductible contributions

#### Non-concessional (after-tax) contributions

Personal contributions

Spouse contributions

#### Other contributions

Government co-contribution

Low-income superannuation tax offset

Spouse contribution splitting

You should read the important information about how super works, tax savings, contributions and preservation rules before making a decision. Go to the fund's website at [aware.com.au/pds](https://aware.com.au/pds) and read the *Member Booklet Supplement: How super works*. The material relating to how super works, tax savings, contributions and preservation rules may change between the time when you read this Statement and the day when you acquire the product.

## 3 Benefits of investing with Aware Super



A super account with a fund that has low fees<sup>1</sup> and a history of delivering strong long-term returns<sup>2</sup>.



Helping you retire with more – our default MySuper Lifecycle investment approach adjusts your investments to match your stage in life.



An award winning mobile app<sup>3</sup> where you can manage your super 24/7.



Highly secure access to our website member portal and mobile app.



Advice at no additional cost from our superannuation advisers<sup>4</sup>.



Access to free educational webinars covering a range of super and financial topics.

<sup>1</sup> The total estimated annual fee (inclusive of administration and investment fees) for our Accumulation Growth option for members with a \$50,000 balance is 1.04%, versus an industry average of 1.38%, as published in the Chant West Super Fund Fee Survey, December 2020.

<sup>2</sup> Returns for the investment options that form part of our MySuper Lifecycle approach (High Growth, Growth and Balanced Growth) were in the top 10 of their respective categories over 3, 5 and 10 year periods, as published in the SuperRatings Fund Crediting Rate Survey for 31 March 2021 (High Growth: SR25 High Growth (91-100) Index, Growth: SR50 Balanced (60-76) Index, Balanced Growth: SR25 Conservative Balanced (41-59) Index). Past performance is not a reliable indicator of future performance.

<sup>3</sup> The Aware Super app was awarded Gold at the 2019 and 2020 Sydney Design Awards for the category Digital – New Service or Application.

<sup>4</sup> Your membership includes access to Simple advice about your super. Fees are payable for Comprehensive advice, including about your financial situation outside super.

You should read the important information about the benefits of investing with Aware Super before making a decision. Go to the fund's website at [aware.com.au/pds](https://aware.com.au/pds) and read the *Member Booklet Supplement: About Aware Super (Employer Sponsored, Police Blue Ribbon Super, Ambulance Officers' Super)* and *Nominating beneficiaries*. The material relating to the benefits of investing with Aware Super may change between the time when you read this Statement and the day when you acquire the product.

## 4 Risks of super

### What are the investment risks?

All investments carry some risk. The key short-term risk is markets rising and falling and the impact this can have on your account balance. The two main risks over the long term are that your savings (including contributions and returns) are not enough to provide adequately for your whole retirement, or don't keep up with the rising cost of living over time.

Your super will be invested in what's called 'asset classes' – things like shares, fixed income, property and cash – and each of these can rise or fall in value. The potential size and frequency of these rises and falls is what's called a 'risk profile'. In general, investments that are volatile over short periods of time such as Australian and international shares, grow more over longer periods. This means that assets with the highest long-term returns may also carry the highest level of short-term risk. On the other hand, investments like cash and fixed income tend to provide more stable, but lower returns, and so might not generate the returns you need to reach your retirement goals. This is often called the risk/return trade off and is important to keep in mind when choosing an investment option.

Different options may carry different levels of risk, depending on the assets that make up the option. When choosing an investment option, you should think about the level of investment risk that is right for you. Things to consider include your age, investment timeframe, where other parts of your wealth are invested, and your attitude to risk. A professional financial planner can help you choose the most suitable investment option if you're unsure.

Your investment is not guaranteed, and you may lose some of the money you have invested due to investment losses. The value of your investments and the level of returns will vary, and while past performance shows how an investment has performed in the past, future returns may differ.

### Other risks

Changes to laws and regulations can affect the value of your super, when and how you can add to or access your super, or how we manage your super – but we'll always let you know about any material changes.

The fund is also exposed to operational risks such as unit pricing errors, systems failures and fraud. However, the trustee maintains an Operational Risk Financial Requirement (ORFR) reserve to provide funding for any material losses arising from these types of events.

Fees, charges or insurance premiums may increase, or we may discontinue or significantly change an investment option you are invested in. We'll give you at least 30 days' written notice before an increase in fees takes effect. This notice period does not apply to Investment fees, as Investment fees may vary from year-to-year and cannot be known precisely in advance. For more information on fees and costs, take a look at the *Member Booklet Supplement: Fees and other costs* or our website at [aware.com.au/fees](http://aware.com.au/fees).

You should read the important information about the risks of investing in super before making any decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Investments*. The material relating to the risks of investing in super may change between the time when you read this Statement and the day when you acquire the product.

## 5 How we invest your money

### MySuper Lifecycle

If you don't make a choice, your super will be invested in our MySuper Lifecycle approach, which consists of three key phases:

**Grow, Manage and Enjoy.** MySuper Lifecycle automatically adjusts your investment mix as you get older, helping you strike a balance between risk and return that's best suited to your age.

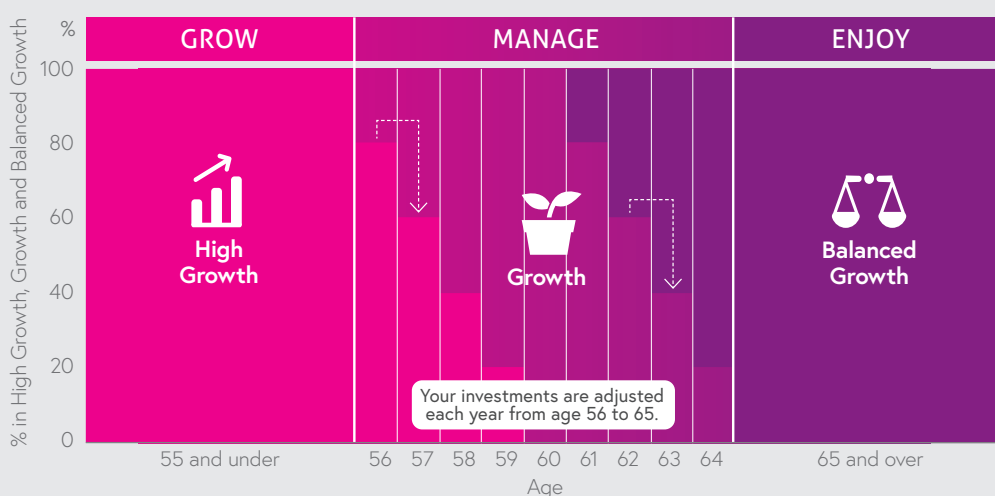
If you were born before 10 June 1961, because you may be nearing retirement you will be allocated to the Enjoy phase and your super balance and future contributions will be invested in the Balanced Growth investment option. If you were born on or after 10 June 1961, all of the MySuper Lifecycle phases will apply to you.

Our MySuper Lifecycle approach invests in three of our diversified investment options; High Growth, Growth and Balanced Growth (Table 2). Your investment allocation to each option will depend on your age. Up until age 55, you'll be invested in the High Growth option.

When you reach age 56, we'll begin making a series of annual adjustments, gradually transitioning your investments from High Growth into the Growth and Balanced Growth options as per the below diagram. This is completed by rebalancing your account each year on your birthday (or the following business day if your birthday falls on a non-business day) and a corresponding change to how your contributions are invested.

Starting from 10 June 2021, existing MySuper members will be transitioned to the enhanced Lifecycle approach. If you join as a MySuper member, or switch into MySuper during this period, you will be invested according to the transition stage for members your age. Your account balance will be invested in the target MySuper Lifecycle allocation at the end of the transition period, which we are aiming to complete by 5 September 2021. To see how your investments will be transitioned view the MySuper Lifecycle transition table available at [aware.com.au/lifecycle](http://aware.com.au/lifecycle).

### How we adjust your MySuper Lifecycle investments



Our MySuper Lifecycle approach means your investments gradually shift from mostly growth-focussed assets to a more balanced mix of growth and income assets. For further information on each of the investment options please see Table 2.

■ Growth assets  
■ Income assets

## Your super. Your choice.

If you want to custom build your investment strategy, we offer you a choice of 12 investment options, including five diversified options and seven single asset class options. You can choose to invest in one option or a combination and can switch your money to another investment option at any time for free.

⚠️ When choosing how to invest your super, you should consider the likely investment return, the risk and your investment timeframe. You should read the important information about how we invest your money and how you can switch your investment option before making a decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Investments*. The material relating to how we invest your money and how you can switch your investment option may change between the time when you read this Statement and the day when you acquire the product.

## Diversified investment options

These options invest your super across different asset classes, investment styles, and managers. The percentage allocated to each asset class varies, which means each diversified investment option has a different risk/return profile.

The diversified options are:

- High Growth
- Growth
- Diversified Socially Responsible Investment (SRI)
- Balanced Growth
- Conservative Growth.

Each diversified option has a target asset allocation, known as the strategic asset allocation, as well as asset allocation ranges,

**Table 2: MySuper Lifecycle approach**

	High Growth	Growth	Balanced Growth
<b>Summary</b>	Invests in a range of Australian and overseas investments with a strong bias towards capital growth via a large allocation to growth assets such as equities and private equity.	Invests in a wide range of Australian and overseas investments with a bias toward capital growth.	Invests in a diversified portfolio of income and growth assets with a slight bias towards growth assets.
<b>Investment objective<sup>1</sup></b>	CPI + 4.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.75% p.a. over rolling 10-year periods after taking into account fees, costs and tax.	CPI + 3.00% p.a. over rolling 10-year periods after taking into account fees, costs and tax.
<b>Growth/income allocation<sup>2</sup></b>	<b>Target</b> Growth assets 92% Income assets 8%	<b>Target</b> 75% 25%	<b>Target</b> 57% 43%
	<b>Range</b> 72% – 100% 0% – 28%	<b>Range</b> 55% – 95% 5% – 45%	<b>Range</b> 37% – 77% 23% – 63%
<b>Strategic asset allocation<sup>2</sup></b>	<b>Target</b> Australian equities 24% International equities 41% Private equity 8% Infrastructure & real assets 9% Property 7% Liquid alternatives (Growth) 3% Liquid alternatives (Defensive) 0% Credit income 3% Fixed income 0% Cash 5%	<b>Target</b> 19% 31% 6% 9% 7% 3% 0% 5% 10% 10%	<b>Target</b> 14% 22% 5% 8% 8% 0% 4% 10% 17% 12%
	<b>Range</b> 14% – 34% 31% – 51% 0% – 28% 0% – 29% 0% – 27% 0% – 23% 0% – 0% 0% – 23% 0% – 10% 1% – 15%	<b>Range</b> 9% – 29% 21% – 41% 0% – 26% 0% – 29% 0% – 27% 0% – 23% 0% – 0% 0% – 25% 0% – 25% 1% – 45%	<b>Range</b> 4% – 24% 12% – 32% 0% – 25% 0% – 28% 0% – 28% 0% – 24% 0% – 30% 0% – 35% 1% – 60% 0% – 32%
<b>Minimum suggested investment timeframe</b>	Long term (10 years)	Medium to long term (7 years)	Medium term (5 years)
<b>Standard Risk Measure<sup>4</sup></b>	6 – High	6 – High	4 – Medium
<b>Estimated number of negative annual returns over any 20 year period<sup>4</sup></b>	4 to less than 6	4 to less than 6	2 to less than 3
<b>Who might invest in this option?</b>	This option may suit investors who can accept significant fluctuations in returns, including years of negative returns, in order to maximise their long-term returns.	This option may suit investors who can accept fluctuations in returns, including years of negative returns, but are seeking strong long-term returns.	This option may suit investors who can accept fluctuations in returns, including some years of negative returns, but are seeking to moderate the level of risk through a more balanced approach to the delivery of long-term returns.

<sup>1</sup> The investment objectives do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

<sup>2</sup> We may vary the asset allocation for an investment option from time to time. Refer to our website for the latest asset allocations.

<sup>3</sup> These currency exposure targets and ranges refer to the proportion of assets that are subject to foreign exchange rate movements.

<sup>4</sup> For more information on the methodology used to determine risk measures and the estimated number of annual negative returns, refer to the 'Standard Risk Measures' section in the *Member Booklet Supplement: Investments* or our website at [aware.com.au/investmentandrisk](http://aware.com.au/investmentandrisk).

which are the minimum and maximum amounts we can invest in each asset class. The asset allocation targets and ranges, as at the date of this PDS, are shown in the investment option tables in the *Member Booklet Supplement: Investments*.

## Single asset class investment options

These options are invested in one asset class only, so you can have a greater degree of control over your investment mix. However, keep in mind that some asset classes are not available as a single asset class option (infrastructure and private equity, for example), so it can be difficult to achieve the same level of diversification as our diversified investment options.

The single asset class options are:

- Australian Equities
- Australian Equities Socially Responsible Investment (SRI)
- International Equities
- Property
- Australian Fixed Interest
- International Fixed Interest
- Cash.

## Socially Responsible Investment (SRI) options

We have two socially responsible investment (SRI) options, (Diversified SRI and Australian Equities SRI) which are designed for members wanting to avoid particular industries that don't align with their values. A key feature of these options is that they exclude investments considered to have a highly adverse environmental or social impact. In addition, the Diversified SRI option, which invests across a range of asset classes, seeks to invest in unlisted investments, such as property and infrastructure assets, that have a positive impact on the environment and community. For more information refer to the *Member Booklet Supplement: Investments*.



## 6 Fees and costs

### Did you know?

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

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

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

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

### To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

**Table 3** summarises the fund's fees and costs that may be charged to members for each account held in the fund. These fees and other costs may be deducted from your account, from the returns on your investment, or from the assets of the superannuation entity as a whole. Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. This information can be used to compare costs between different superannuation products. We may vary our fees

or introduce new fees at our discretion at any time without your consent. If we increase our fees or introduce new fees, we will let you know at least 30 days before the change occurs. This excludes investment fees which are estimates and the actual fees may be more or less than estimated.

Definitions of the fees and costs can be found in the *Member Booklet Supplement: Fees and other costs* and on our website at [aware.com.au/fees](http://aware.com.au/fees). Aware Super does not pay any commissions to financial advisers.

**Table 3: Fees and costs (Employer Sponsored)**

Type of fee	Amount	How and when paid
<b>Investment fee<sup>1,2</sup></b>	<b>MySuper Lifecycle approach:</b> High Growth option: 0.77% per year Growth option: 0.74% per year Balanced Growth option: 0.62% per year The investment fee for the other options varies according to which option you select.	Deducted from the assets of the option, or the assets of underlying investment vehicles, before the unit price is determined.
<b>Administration fee<sup>2</sup></b>	\$52 per year (\$4.33 per month) plus an asset-based administration fee of 0.15% per year (\$75 per \$50,000). The asset-based administration fee is capped at \$750 per year (\$62.50 per month).	Deducted from your account at the end of each month, or on exit. Fees for part of a month are calculated based on the number of days you were in the fund. The dollar-based administration fee is charged from the date you join the fund, whilst the asset-based administration fee is charged from the month your first contribution or rollover is received.
<b>Buy-sell spread</b>	Nil	The fund does not charge a buy-sell spread.
<b>Switching fee</b>	Nil	The fund does not charge a switching fee.
<b>Advice fee</b> relating to all members investing in a particular MySuper product or investment option	Nil	No advice fee is charged for providing general and simple advice limited to your Aware Super account.
<b>Other fees and costs<sup>3</sup></b>	Comprehensive financial advice  You will pay insurance premiums if you have insurance. In addition, to offset the costs of administering your insurance, for unit-based cover we retain \$1.20 per year per unit of death and total and permanent disablement (TPD) cover, and \$0.60 per year per unit of death only cover.	<b>i</b> Additional fees may be paid to a financial adviser. These will depend on how complex the advice might be. If you obtain complex financial advice from a planner in our financial planning business, we'll be open and upfront about the fee before you go ahead. If you are issued with a <i>Statement of Advice</i> , it will contain details of the fees, which may be deducted from your account when the advice is received (or you may need to pay the fee directly). See <i>Member Booklet Supplement: Fees and other costs</i> .  Deducted from your account at the end of the month or on exit, as part of the insurance premium. Fees for part of a month are calculated daily.
<b>Indirect cost ratio</b>	Nil	All indirect costs are included in investment fees.

<sup>1</sup> Investment fees may vary from year to year and cannot be precisely calculated in advance. These amounts are an estimate of the fees and costs of each option for the 12 months to 30 June 2020. Past costs are not a reliable indicator of future costs. The investment fees for all investment options are provided on page 2 of the *Member Booklet Supplement: Fees and other costs*.

<sup>2</sup> If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

<sup>3</sup> For more information on 'Other fees and costs' (also called 'Activity fees'), see the **Additional explanation of fees and costs** section in the *Member Booklet Supplement: Fees and other costs*.

## Example of annual fees and costs

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

Example – MySuper Lifecycle High Growth option		Balance of \$50,000
Investment fees <sup>1</sup>	0.77%	For every \$50,000 you have in the superannuation product you will be charged \$385 each year.
<b>Plus</b> Administration fees and costs	\$52 (\$4.33 per month) + 0.15%	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$75 in administration fees and costs, plus \$52 regardless of your balance.
<b>Plus</b> Indirect costs for the superannuation product	0.00%	<b>And</b> , indirect costs of \$0 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product <sup>2</sup>		If your balance was \$50,000, then for that year you will be charged fees of <b>\$512</b> for the superannuation product.

<sup>1</sup> This amount reflects the estimated investment fees for the 12 months to 30 June 2020. The actual amount you'll pay in future years will depend on the actual fees, costs and taxes incurred by us in managing the investment option.

<sup>2</sup> Additional fees may apply.

If you are invested in the MySuper Lifecycle approach, when you move from the Grow to Manage phase at age 56, your allocation to the High Growth option will decrease which is expected to result in a decrease in your investment fees in percentage terms. This example is illustrative only. What it costs you will depend on the investment option you choose.

ASIC provides a calculator on its MoneySmart website, [www.moneysmart.gov.au](http://www.moneysmart.gov.au) that can be used to calculate the effect of fees and costs on account balances.

You should read the important information about fees and costs before making a decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Fees and other costs*. The material relating to fees and costs may change between the time when you read this Statement and the day when you acquire the product.

## 7 How super is taxed

Tax concessions make super a tax-effective way to save for your retirement.

### Tax on contributions

Concessional contributions (before-tax contributions to your super including compulsory employer contributions, salary sacrifice contributions, and personal contributions claimed as a tax deduction), are generally taxed at 15%. A provision for this tax is deducted from your account. Additional tax may be payable under certain circumstances, read the *Member Booklet Supplement: Tax and super* for further information.

Contributions that exceed the concessional contribution cap for the financial year may be included in your assessable income and taxed at your marginal tax rate (with a non-refundable tax offset of 15%), plus an interest charge, on top of the 15% contributions tax deducted from your account.

Non-concessional contributions and other contributions to your super, which include spouse contributions, government co-contributions and contributions made from your after-tax salary or from your own savings, are not taxed.

The government has set limits on the amount that may be contributed before and after tax to super in a financial year without additional tax.

Contributions that exceed the annual concessional or non-concessional contribution limits may attract additional tax.

### Tax on investment income

Investment income is generally taxed at 15%, but deductions, tax credits and offsets may reduce the effective tax rate. Tax is deducted from investment income before daily unit prices are determined.

### Tax on your super benefits

Withdrawals from your super account may be taxed if you are aged less than 60 and any applicable tax will be withheld from your benefit payment and paid to the Australian Taxation Office (ATO). Once you turn 60, generally no tax applies to withdrawals, unless you are a temporary resident. Also death benefits may be taxed depending upon components of the benefit and whether the benefit is paid to a dependent or non-dependent for tax purposes.

#### You may wish to provide your tax file number (TFN).

It's not compulsory to provide your TFN, but if you don't you may pay additional tax on your contributions and benefits; and some contributions may not be accepted. It will also be more difficult to trace different superannuation accounts in your name. By providing your TFN, you can help ensure that you receive all your super benefits when you retire.

You should read the important information about tax and super before making a decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Tax and super*. The material relating to tax and super may change between the time when you read this Statement and the day when you acquire the product.

## 8 Insurance in your super

As an employer sponsored member in Aware Super, you might be eligible to receive what's called 'automatic cover' and 'optional cover'. You should check your eligibility for cover and any options to change or opt out of your cover.

**!** Information about eligibility, cancellation, conditions, and exclusions that may affect your entitlement to insurance cover can be found in the *Member Booklet Supplement: Insurance (Employer Sponsored)* available on our website and by contacting us. You should read this information before deciding whether the insurance is appropriate for you.

You should read the important information about insurance before making a decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Insurance (Employer Sponsored)*. You should read this information before deciding whether this insurance is appropriate for you. The material relating to insurance may change between the time when you read this Statement and the day when you acquire the product.

### Death and total and permanent disablement cover

If you already have automatic cover or early automatic cover, or previously had automatic cover or early automatic cover in your Aware Super account, you will not be eligible for automatic cover or to apply for early automatic cover again.

### Automatic cover

New employer sponsored members may receive three units of automatic cover for death (including terminal illness) and TPD cover subject to eligibility.

If you are a new employer sponsored member aged 25 years or over and less than 70, and have an account balance of \$6,000 or more, you are eligible for automatic cover if your Aware Super participating employer is making your SG contributions to the fund.

Your automatic cover will commence on the date you meet both the age and account balance eligibility requirements, provided we receive an SG contribution for you by your Aware Super participating employer within six months of this date. If we receive an SG contribution six months after this date, automatic cover will commence on the date we receive that SG contribution. In some cases, your automatic cover may be subject to limited conditions and other exclusions.

### Early automatic cover

If you are a new employer sponsored member and you don't meet eligibility for automatic cover, you can apply for early automatic cover by logging in to your account or by completing the *Application for early automatic cover* form within six months from the date your employer sponsored account opened, provided your Aware Super participating employer is making your SG contributions to the fund. Your application will not be accepted if it is received after six months from the date your employer sponsored account opened.

Your early automatic cover will commence on the date we receive your completed application provided you have enough money in your account or we receive a contribution or rollover into your account to pay for premiums within six months from the date your employer sponsored account opened – after this your application will no longer be valid. In some cases, your early automatic cover may be subject to limited cover conditions and other exclusions.

To apply for early automatic cover log in to your account or complete the *Application for early automatic cover* form available on our website or by contacting us.

Information in the *Member Booklet Supplement: Insurance (Employer Sponsored)* about eligibility for insurance cover and conditions and exclusions for cover may affect your entitlement to insurance cover. You should read this information before deciding whether the insurance is appropriate. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Insurance (Employer Sponsored)*.

### The cost and amount of your automatic or early automatic death and TPD cover

The cost of automatic or early automatic unit-based death and TPD cover is summarised in **Table 4**. Cost per unit includes an insurance administration fee of \$0.05 per month for death only cover and \$0.10 per month for death and TPD cover.

**Warning:** Insurance premiums are deducted monthly, in arrears, from your super account, if you do not cancel it. The cost of cover for part of a month is calculated on a daily basis. If there is not enough money in your account, your insurance cover will stop. The cost of cover may change in the future. Read the *Member Booklet Supplement: Insurance (Employer Sponsored)* for information about cancellation and lapsing of insurance cover.

**Table 4: Cost of unit-based cover**

Employer insurance category	Cost per unit per month	
	Death only	Death and TPD
Basic Plus	\$3.55	\$7.46
Public Service + White Collar	\$3.55	\$7.46
Health	\$3.37	\$7.08
Government Trading Enterprise + Light Manual	\$4.00	\$8.41
Education	\$4.24	\$8.92
Emergency Services + Manual / Heavy Manual	\$4.22	\$8.88
Police	\$16.11	\$33.88

The value of your insurance benefit will vary depending on your age and your employer insurance category. This category is given to your employer, based on the general nature of the duties of all its employees. If you are employed in a low-risk clerical or management occupation, you can apply to upgrade your automatic cover or early automatic cover to Basic Plus where you may receive a higher level of cover at no additional cost. You can also apply to be individually occupationally rated for all of your cover.

Cover per unit is up to a maximum \$129,190 at age 35, and reduces to \$0 at age 70. Insurance cover stops at age 70 (except terminal illness cover which stops at age 69) and a restricted definition of TPD applies from age 65.

You should read the important information about the cost and amount of your cover before making a decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Insurance (Employer Sponsored)*. The material relating to insurance may change between the time when you read this Statement and the day when you acquire the product.

### You can apply for more cover

Aware Super offers eligible members the opportunity to increase their cover in the fund, including:

- Start-up bonus cover and additional start-up bonus cover where eligible new members with automatic cover or early automatic cover can apply to increase their death and TPD cover – with only limited health and lifestyle information required (maximum cover limits apply).
- The option for members to apply for additional death and TPD cover, death only cover and/or income protection cover (see **Optional income protection cover** on page 8) at any time (but you'll need to provide information about your health, occupation, income and lifestyle). Death and TPD (and death only) cover is available as unit-based cover and/or fixed cover, which means the amount of cover is fixed regardless of your age.
- If you have insurance cover through Aware Super, the option of applying to transfer cover from another life policy to Aware Super.
- The option of applying for additional cover as a result of a life event.

### Maximum amount of death and TPD cover

The maximum amount of insurance cover is unlimited for death, \$5 million for terminal illness and \$5 million for TPD.

You should read the important information about the optional insurance cover and the start-up bonus cover available to you, including eligibility, the cost and amount of your cover and other significant matters before making a decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Insurance (Employer Sponsored)*. The material relating to insurance may change between the time when you read this Statement and the day when you acquire the product.

## Ready to apply?

If you're eligible to take up one or more of the start-up offers, complete and return the *Start-up bonus cover for employer sponsored members* form, ensuring we receive it within 180 days of:

- the date we receive your first SG contribution made by your Aware Super participating employer from the date you meet both the age and account balance eligibility requirements for automatic cover; or
- the date your employer sponsored account opened for early automatic cover.

To apply for any of the other options, complete and return the relevant application form: *Application for insurance* form or *Application to transfer insurance* form. These forms are available from our website or by contacting us.

When providing information for your application for insurance cover, you have a duty of disclosure to the insurer (see the *Member Booklet Supplement: Insurance (Employer Sponsored)*). Conditions apply and the insurer has the right to accept or reject your application. If accepted, any change to your cover starts on the date of the insurer's written acceptance.

Have a look at the insurance calculators on our website – they can help you decide how much insurance you might need.

### Your cover will end when any of the following occur (among other situations):

- there isn't enough money in your account to cover the cost of your cover;
- your account becomes inactive for a continuous period of 16 months or more and you haven't made an election;
- You cancel your cover with us.

## Opting out or reducing your cover

You can reduce your three units of automatic cover or early automatic cover to one or two units of death and TPD cover; to one, two or three units of death only cover, or you can opt out of cover at any time. To reduce or opt out of your automatic cover without costs being incurred you must notify us within 30 days of being notified of your automatic cover commencing, by completing the *Application to reduce or cancel insurance cover* form, available from our website or by contacting us.

You should read the important information about cancelling or amending your cover before making a decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Insurance (Employer Sponsored)*. The material relating to insurance may change between the time when you read this Statement and the day when you acquire the product.

## Optional income protection cover

Income protection insurance provides a monthly income benefit (usually a percentage of your pre-disability income) if you become sick or injured and are not able to work, as defined by the insurance policy. You have a choice of benefit payment periods.

Depending on your occupation, you can apply for income protection cover by completing and returning the Application for insurance form. If accepted, your cover starts on the date of the insurer's written acceptance.

Start-up bonus income protection cover options are also available. See the *Member Booklet Supplement: Insurance (Employer Sponsored)* available on our website and by contacting us for details.

You should read information about the optional insurance cover available to you, including eligibility, costs of cover, amount of cover and other significant matters before making a decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the *Member Booklet Supplement: Insurance (Employer Sponsored)*. The material relating to insurance may change between the time when you read this Statement and the day when you acquire this product.

## Other important information

Insurance cover is provided under policies issued to the trustee by TAL Life Limited (ABN 70 050 109 450, AFSL 237848).

A death, terminal illness or TPD benefit is paid as a lump sum. Definitions are explained in the **Glossary** sections of the *Member Booklet Supplement: Insurance (Employer Sponsored)*. To receive an insured benefit your claim must be accepted by the insurer and you must meet a condition of release under superannuation law.

## 9 How to open an account

Your employer has nominated Aware Super to receive compulsory superannuation contributions for all employees who don't choose their own fund – so you won't have to complete an application form. As an employee you're automatically nominated to become a member of Aware Super.

You can become an Employer sponsored member if you're a Personal member and we receive advice from one of our participating employers that you work for them.

If you are a new member, you do have a number of choices open to you, especially around your insurance and investment options. Of course, you don't have to make any of these choices but if you don't, the MySuper Lifecycle approach and automatic insurance arrangements will apply. What you definitely should do is make sure you're fully informed by reading all the information in this *Member Booklet* and the *Member Booklet Supplements*. If you'd like to make super contributions by payroll deduction, complete the *Contributions by payroll deduction* form and give it to your payroll manager.

If you're not sure which options are best for you, we strongly recommend that you seek financial advice. Our members have access to simple advice about their Aware Super account at no charge, and comprehensive advice on a fee-for-service arrangement, through our financial planning business.

## Cooling-off rights

Whilst standard employer sponsored members do not have cooling off-rights, employers who apply to participate in Aware Super have a 14-day cooling off period from the earlier of the date you receive your welcome letter/email or five business days after we accept you as a participating employer.

## Making a complaint

We can usually answer any questions you have about your account over the phone. If you're not satisfied with the response or need more help, please contact our Complaints Team:

<b>Email:</b>	complaints_officer@aware.com.au
<b>Phone:</b>	1300 650 873 Monday to Friday 8.30am to 6.00pm (AEST)
<b>International:</b>	+61 3 9131 6373
<b>Online:</b>	aware.com.au/contact
<b>In writing:</b>	Complaints Officer PO Box 1229 Wollongong NSW 2500

Once we receive your complaint, we will investigate and aim to resolve your concerns as soon as possible, generally within 30 days.

You should read the important information about the cooling-off provisions and making a complaint before making a decision. Go to the fund's website at [aware.com.au/pds](http://aware.com.au/pds) and read the sections, 'Cooling-off rights' and 'If you have a complaint' in the *Member Booklet Supplements: About Aware Super for Employer Sponsored, Police Blue Ribbon Super and Ambulance Officers' Super members*. The material relating to cooling-off and making a complaint may change between the time when you read this Statement and the day when you acquire the product.

## We're here to help.

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Email	enquiries@aware.com.au
Web	aware.com.au
Post	PO Box 1229, Wollongong NSW 2500