

# WA Super Member Guide V11.0

The information in this document forms part of the WA Super Product Disclosure Statement V11.0, 21 November 2016.

You should read the PDS in conjunction with this Member Guide.  
MySuper No. 18159499614451

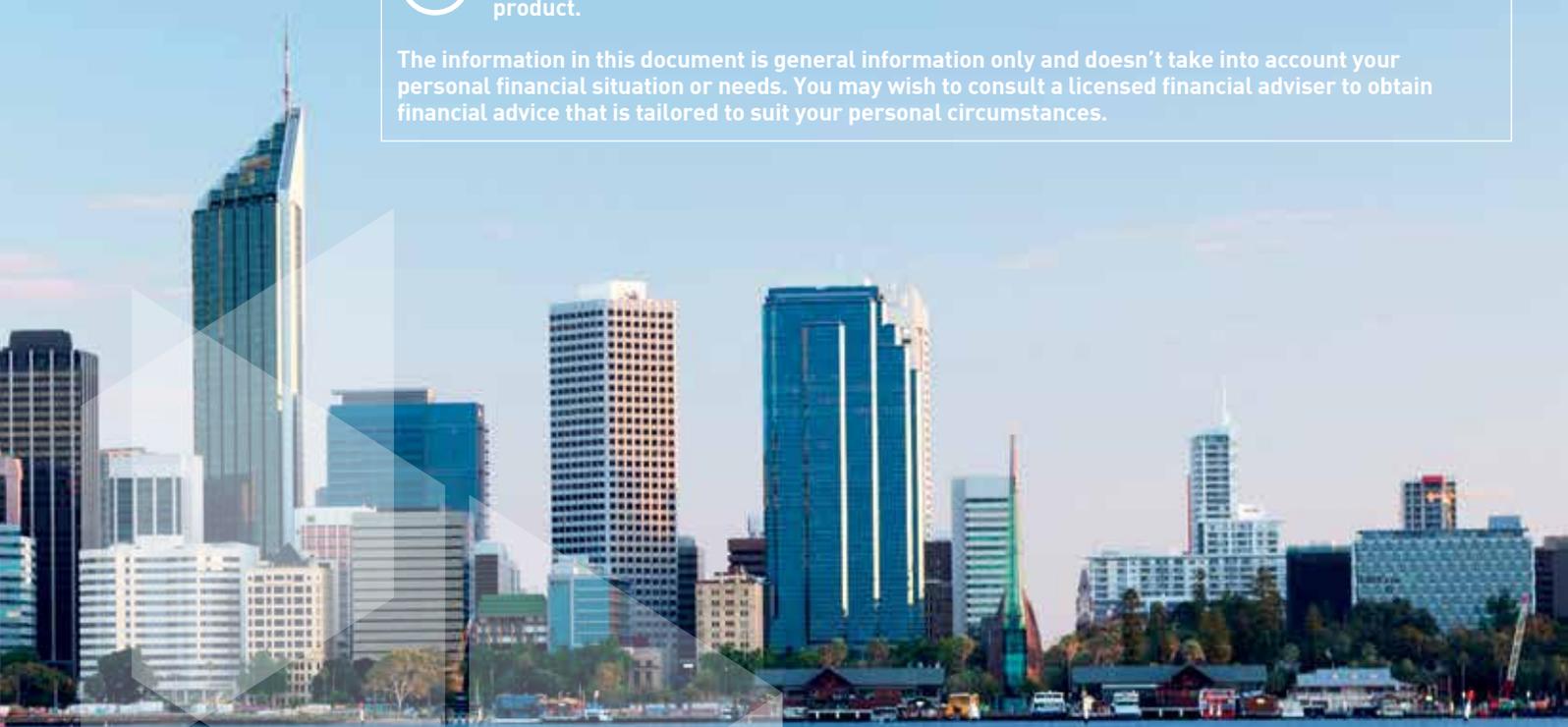
## Contents:

- 1) About WA Super
- 2) How super works
- 3) Risks of super
- 4) How we invest your money
- 5) Fees and costs
- 6) How super is taxed
- 7) How to open an account
- 8) Other important information



You should consider the important information contained in the WA Super PDS, the WA Super Member Guide and the WA Super Insurance Guide before making a decision to invest in this product.

The information in this document is general information only and doesn't take into account your personal financial situation or needs. You may wish to consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.



# 1) About WA Super

The Western Australian Super Fund that always has Western Australians' interests at heart.

We're an industry fund that's been looking after Western Australians' super for decades, managing over \$2.5 billion of their savings. That's why we can offer thorough knowledge of superannuation as well as flexible choices and low fees, so that each member can tailor their super to their own needs and plan for the retirement income they want.

Originally established to service Local Government employees, WA Super is now available to all Western Australians. This means even if you leave your current Local Government role you can stay with the fund right through your retirement.

Unlike some other super funds, WA Super isn't run to make a profit for shareholders. Our only goal is to help our members retire comfortably. The way they always imagined they would.

WA Super holds a MySuper licence from APRA, which means employers can nominate WA Super as their default super fund. Our MySuper option is our My WA Super investment option.

WA Super is the trading name for the WA Local Government Superannuation Plan. It is issued by WA Local Government Superannuation Plan Pty Ltd ABN 64 066 797 162, AFSL 269006, as Trustee of WA Local Government Superannuation Plan ABN 18 159 499 614 USI: WAL0001AU

We are located at Level 11, 105 St Georges Terrace, Perth, WA 6000

If you have any questions about this product please contact us:

Phone (08) 9480 3500 or 1300 99 85 42 (Country Callers)

Fax: (08) 9480 3501 Email: [info@wasuper.com.au](mailto:info@wasuper.com.au)

Web: [www.wasuper.com.au](http://www.wasuper.com.au)

## 2) How super works

Super is all about saving for retirement. It's a partly compulsory plan introduced by the Government and can be summarised in seven key points.

1. You open a super account or one is opened for you.
2. You and your employer may make contributions.
3. The super fund invests the money according to your investment option.
4. You may elect to have insurance to protect you and your family in the event that you die or cannot work.
5. Investment returns, which can be positive or negative are added to or taken from your account along with administration and investment fees, insurance costs and taxes.
6. You receive periodic information about the status of your account and you can log in to your online WA Super account at any time to check the balance.
7. Once you meet a condition of release, such as retirement on or after your preservation age, you can withdraw some or all of your savings.

### CONTRIBUTIONS

#### CONCESSIONAL (BEFORE-TAX) CONTRIBUTIONS

Concessional contributions are sometimes called 'before-tax contributions'. They include:

- compulsory super guarantee contributions made by your employer
- salary sacrifice contributions
- any personal contributions you notify your fund you intend to claim as an income tax deduction.

#### EMPLOYER CONTRIBUTIONS

If you're eligible for compulsory super guarantee contributions, your employer must pay them into a complying super fund.

Generally, you're entitled to super guarantee contributions from an employer if you're 18 years old or over and paid \$450 or more (before tax) in a month. It doesn't matter whether you're full time, part time or casual, and it doesn't matter if you're a temporary resident of Australia.

If you're under 18 you must meet these conditions and work more than 30 hours per week to be entitled to super contributions. If you're a contractor paid wholly or principally for your labour, you're considered an employee for super purposes and entitled to super guarantee contributions under the same rules as employees.

If you're eligible for super guarantee contributions, at least every three months your employer must pay into your super account a minimum of 9.5% of your ordinary time earnings, up to the maximum contribution base. These contributions are in addition to your salary or wages. See [www.ato.gov.au](http://www.ato.gov.au) for eligibility criteria.

#### SALARY SACRIFICING CONTRIBUTIONS

You can enter an agreement with your employer to have some of your salary or wages paid into your super fund instead of to you. This may have tax benefits for you because the standard 15% tax on super may be less than the tax you would have paid if you had taken the money as salary.

#### PERSONAL CONTRIBUTIONS

You can boost your super by adding your own contributions to any contributions an employer may be making for you. Personal contributions are non-concessional or 'after-tax' contributions unless you have claimed a tax deduction for them. If you're an employee you generally can't claim a tax deduction for personal super contributions, though you may be eligible for a government contribution.

#### NON-CONCESSIONAL (AFTER-TAX) CONTRIBUTIONS

Non-concessional contributions are generally the after-tax contributions you make to a super fund. They include personal contributions you make from your after-tax pay.

#### GOVERNMENT SUPER CONTRIBUTIONS

You may be eligible for either the government co-contribution or the low income super contribution or both, which means the Australian Government also contributes to your super account. See [www.wasuper.com.au](http://www.wasuper.com.au) for detail about the latest rates.

#### SPOUSE CONTRIBUTIONS

WA Super can accept contributions from your after-tax salary for your spouse. You may be able to claim an 18% tax offset on super contributions of up to \$3,000 you make on behalf of your non-working or low-income-earning spouse. See [www.ato.gov.au](http://www.ato.gov.au) for eligibility criteria.

## CONTRIBUTION ELIGIBILITY

The table below details the criteria upon which WA Super is able to accept contributions.

Condition	Contributor			
	Member personal	Employer mandated	Employer non-mandated	Spouse or other
Work test*	Yes	No	Yes	Yes
Age limit	75	None	75	70
TFN required	Yes	No**	No**	Yes

\*Work test: For members aged 65 to 74 at the time of contribution, the member must have been gainfully employed for at least 40 hours during 30 consecutive days in that financial year. The work test must be met prior to the contribution being made.

\*\* Please note that if we do not have your tax file number, we can still accept employer contributions and salary sacrifice, however, those contributions will be subjected to further tax, which means that these concessional contributions will effectively be taxed at 49%.

## CONTRIBUTION LIMITS

The government has imposed limits on the amount you can contribute to your super account. These are known as concessional and non-concessional contributions caps.

### CONCESSIONAL CONTRIBUTIONS

Concessional contributions include employer contributions (super guarantee and any extra employer amount), salary sacrificed contributions and personal deductible contributions. The concessional contributions cap is \$30,000 for those under age 49 as at 30 June 2016 and \$35,000 for those aged 49 years and over as at 30 June 2016.

Prior to 1 July 2013, if you exceed your concessional contributions cap an extra tax of 31.5% applies to the excess.

From 1 July 2013, if you exceed your concessional contributions cap the excess contributions are included in your taxable income. You will receive a non-refundable tax offset equal to the 15% tax paid by your fund on this amount.

### NON-CONCESSIONAL CONTRIBUTIONS

Non-concessional contributions are contributions made from after-tax money. The non-concessional contribution cap is currently \$180,000 per year. Subject to recently announced Budget measures, if you are under age 65 you can contribute up to \$540,000 in one year by bringing forward two years of contributions. You then cannot make another non-concessional contribution for two years. Given recent Budget announcements (see below), we recommend that if you intend to make non-concessional contributions, you should speak to your financial adviser, before doing so.

If you exceed your non-concessional contributions cap penalties may apply.

## 2016 FEDERAL BUDGET PROPOSED CHANGES

The Federal Government has proposed a number of changes to the superannuation system as part of the 2016 Budget. These changes are proposals and are not yet law, however some of these proposals may influence your decision to invest in a particular product. In particular you may wish to consider the following proposals due to take effect from 1 July 2017 (unless otherwise indicated):

- the reduction of the concessional contributions cap to \$25,000 per annum;
- allowing those with account balances below \$500,000 to make catch-up concessional contributions by making further concessional/salary sacrifice arrangements up to the value of any unused concessional contributions, over the previous 5 years from 1 July 2018;
- lowering the high income earner threshold so that members with adjusted earnings of above \$250,000 will pay 30% tax;
- allowing those who are partly self-employed to claim an income tax deduction on personal concessional contributions;

- lowering the annual non-concessional contributions cap to \$100,000 for those with super balances below \$1.6 million with a 3 year bring forward rule available for individuals under age 65;
- the introduction of a \$1.6 million cap on the amount of superannuation that can be transferred into a retirement account;
- the increase in access to the low income spouse superannuation tax offset by raising the income threshold from \$10,800 to \$40,000; and
- removing the ability for beneficiaries to claim anti-detriment payments on a death benefit.

It is important to note, these budget proposals are just that, proposals.

## HOW TO MAKE EXTRA CONTRIBUTIONS

To make spouse contributions, salary sacrifice contributions or additional after-tax contributions deducted directly from your pay, simply ask your employer.

A \$200,000 limit applies on one off or periodic personal contributions using BPAY. To obtain your BPAY details, log into the secure member online section to access your account or contact us.

For larger one off lump sum contributions please contact us for direct transfer details or you can send us a cheque with documentation detailing the payment.

### CONTRIBUTION SPLITTING

Contribution splitting is another way to boost your spouse's account balance. Restrictions do exist, however.

The maximum amount of taxed splittable contributions you can apply to split is the lesser of 85% of the concessional contributions for that financial year and the concessional contributions cap for that financial year.

Contributions that can't be split include:

- Rollovers from Australian super funds or from overseas pensions including KiwiSaver accounts
- Previous split contribution amounts
- Employment termination payments
- Amounts split or flagged under Family Law arrangements, and
- Non-concessional contributions.

Call us for more information, or complete the ATO's Contribution Splitting Form available on their website at [www.ato.gov.au](http://www.ato.gov.au). Forms must be submitted before the end of the financial year following the one when the relevant contributions were made.

## ACCESSING YOUR SUPER

### PRESERVATION

Super is a long-term investment and is only meant to be accessed when you retire.

The Government has placed restrictions on when you can access, or withdraw, your super. It's called "preservation" and it aims to make sure everyone saves for their retirement. Your specific "preservation age" depends on when you were born:

#### Preservation Ages

After 30 June 1964	60
1 July 1963 to 30 June 1964	59
1 July 1962 to 30 June 1963	58
1 July 1961 to 30 June 1962	57
1 July 1960 to 30 June 1961	56
Before 1 July 1960	55

To access your super you will need to meet at least one of the following conditions of release:

- Reach 65 years of age
- Retire permanently on or after your preservation age
- Leave employment or change employers on or after age 60
- Become permanently disabled
- Meet the legal requirements for severe financial hardship
- Meet the compassionate grounds requirement as assessed by the Department of Human Services
- Leave employment and your super has a restricted non-preserved component
- Leave employment and your preserved benefit is less than \$200
- Are a temporary resident holding an eligible class of visa and have permanently left Australia
- Suffer from a terminal medical condition
- You have an unrestricted/unpreserved amount.

## RETIREMENT

Once you retire and provided you have met your preservation age you may either withdraw some or all of your money, leave your money in your WA Super account or roll it into an Income Stream.

If you are approaching retirement we suggest you speak to one of the Western Financial, Financial Planners to discuss your options. Fees may apply for personal financial advice.

## TRANSITION TO RETIREMENT

Under the transition to retirement rules, if you have reached your preservation age, you may now be able to reduce your working hours without reducing your income. You can do this by topping up your part-time income with a regular 'income stream' from your super savings.

Under these rules you can only access your super benefits as a 'non-commutable' income stream. A non-commutable income stream is one that cannot be converted into a lump sum. This generally means you cannot take your benefits as a lump sum cash payment while you are still working. You must take your super benefits as regular payments.

You do not have to reduce your working hours to start a Transitional Income Stream. There may be tax advantages to using a Transitional Income Stream to boost your retirement savings. We suggest you speak to one of the Western Financial, Financial Planners to discuss your options. Fees may apply for personal financial advice.

## THE RIGHT TO CHOOSE

If you change jobs you generally don't have to change super funds. Most employees have the right to choose the super fund to which their employer makes contributions on their behalf.

Simply fill out a standard choice form (which your employer is obliged to provide to you) and nominate WA Super as your choice of fund. Because WA Super has a MySuper licence, employers may make default contribution payments into the fund on your behalf.

## WHO GETS MY SUPER IF I DIE OR ARE TERMINALLY ILL?

Legislation defines a person as being terminally ill if two medical practitioners (at least one of these must be a specialist) certifies that the person is suffering from an illness which in the normal course would result in death within a period of 24 months.

If you are diagnosed with a terminal medical condition as defined above, you can withdraw your super as a lump sum.

Please note that under our Insurance Policy Terminal Illness means:

Where the Insured Person:

- Is diagnosed by two medical practitioners as being terminally ill;
- The terminal illness stops them from working; and
- In the opinion of a medical practitioner the insured person is not expected to live more than 12 months (Note: not 24 months as is the case to access your account balance).

Please contact the Fund to discuss your options if claiming a terminal illness benefit, so we can assist with your claim to best suit your needs.

In the unfortunate event of your death while you're a member, a death benefit will be paid to one or more of your dependants according to superannuation law and/or the legal personal representative of your estate. Your legal personal representative can distribute your super in accordance with your will or the intestacy laws of each state, whichever is applicable.

A death benefit is your superannuation account balance plus any insurance benefit you may have.

If your entire account balance is invested in the My WA Super investment option, then no changes will be made to your investments and any further transactions to the account balance will continue to be made to the My WA Super investment option.

If your account is invested otherwise (including only partially in the My WA Super investment option) then upon notification of your death your entire account balance will be moved to the Cash investment option and any further transactions will be made to the Cash investment option.

Your dependants include any of the following:

- Your spouse (including legal, de facto and same sex couples);
- Your children (including step, ex-nuptial, adopted and your spouses' children);
- Any person who was financially dependent on you at the time of your death; and
- Any person who was in an interdependency relationship (see below) with you at the time of your death.

An "interdependency relationship" exists where two people:

- Have a close personal relationship and live together; and
- One or both of them provides the other with financial support, domestic support and personal care.

An interdependency relationship also exists if two people have a close personal relationship and the other requirements are not met because one or both suffer from a physical, intellectual or psychiatric disability.

## BENEFICIARY NOMINATIONS

You can make a binding or non-binding beneficiary nomination in the event of your death.

The difference between binding and non-binding is described below. To make a change to your nominations, you can obtain the form from the Fund's website at [www.wasuper.com.au](http://www.wasuper.com.au) or contact the Fund to obtain a form.

With both non-binding and binding beneficiary nominations, you must nominate one or more of your dependants or legal personal representative. Beneficiaries can receive your money either as a lump sum or, in certain circumstances, as an income stream.

### NON-BINDING BENEFICIARY

If you nominate a non-binding beneficiary, the Trustee will always consider your wishes as regards to your nominated beneficiary but the Trustee is NOT bound to follow your nomination.

A non-binding death benefit nomination can be made on your Super Solutions Application form, using a Non-binding Beneficiary nomination form or online in the secure member log in area at [www.wasuper.com.au](http://www.wasuper.com.au).

## BINDING BENEFICIARY

Provided it is valid, a binding nomination instructs the Trustee how to pay your death benefit in the event of your death. If your nomination is valid, the Trustee must follow it no matter how your circumstances have changed. For example, if you nominate your husband or wife and you later separate, but have not yet obtained a divorce, your nomination remains valid and binds the Trustee unless you change or cancel it, or it expires.

An invalid binding nomination means the Trustee will consider your wishes, but will also use its discretion when paying out the benefit.

Examples of an invalid nomination include:

- the nomination form not being correctly signed and witnessed;
- your nomination being made more than three years ago;
- the person nominated on the form has died or otherwise no longer qualifies as a dependant at the time of your death.

A binding death benefit nomination must be made on a Binding Beneficiary nomination form and signed and dated by you in the presence of two witnesses. This nomination can be changed at any time.

A valid binding death benefit nomination remains in effect for three years and must be renewed before the expiry for it to remain valid. If a binding death benefit nomination expires, it will revert to a non-binding death benefit nomination and the Trustee will exercise its discretion when determining to whom your benefits are paid.

## TEMPORARY RESIDENTS

If you are a temporary resident working in Australia, your employer has to make super guarantee contributions for you if you're eligible.

You can claim super benefits you accumulated while working in Australia if all of the following apply:

- you visited on a temporary visa (excluding visa subclasses 405 and 410)
- your visa has ceased to be in effect
- you have left Australia.

Your claim is generally for a 'departing Australia superannuation payment' (DASP).

WA Super will be requested to transfer your super money to the ATO if you haven't claimed it after a minimum period of six months since you left Australia and your visa ceased to be in effect. The ATO will hold your unclaimed super for you until you claim it.

If we pay your super to the ATO you will not receive an exit statement. If you contact us however, we will inform you of the payment details.

## NEW ZEALAND KIWISAVER SCHEMES

If you have a New Zealand KiwiSaver scheme, you may be able to roll your account into WA Super.

If you have permanently moved to Australia from New Zealand, you may transfer your retirement savings from a KiwiSaver scheme to WA Super.

Once the savings in your KiwiSaver scheme have been transferred to WA Super, it is generally subject to Australia's superannuation rules.

However, there are some rules that apply only to money transferred from a KiwiSaver scheme and held in an Australian super fund – for example:

- it can only be transferred to, and held in, a complying super fund regulated by APRA although not all funds choose to participate in the Kiwisaver transfer scheme
- it cannot be transferred to a self-managed super fund
- it cannot be moved to a third country
- it cannot be used to purchase property
- it can be accessed when the member reaches New Zealand's retirement age (currently 65)

Transactions are subject to exchange rates and bank charges.

If you move to New Zealand you can transfer your WA Super to a New Zealand KiwiSaver scheme. Once the savings in your WA Super fund have been transferred to your KiwiSaver scheme, it is generally subject to New Zealand's retirement savings rules. Contact your Kiwi Saver fund for more information.

It is important to note, KiwiSaver transfers count towards the non-concessional cap.

For more information on transfer requirements visit [www.ato.gov.au](http://www.ato.gov.au).

## INSURANCE

With WA Super, there are three types of insurance:

- Death cover: in case of death or terminal illness, you/or your dependants may receive a lump sum.
- Total and Permanent Disablement (TPD) cover: you may receive a lump sum if you become totally and permanently disabled.
- Income Protection cover: this helps to protect your monthly income if you become temporarily or permanently disabled.

Details of the insurance offering are outlined in the Insurance Guide, which also forms part of the WA Super PDS.

## FAMILY LAW AND SUPERANNUATION

Recent changes ensure the laws regarding divorce or permanent separation apply to all couples: married or de facto. They may also apply to same sex couples in respect of assets held outside of WA.

If a divorce or permanent separation occurs, the super is treated as property. The division of your super can be done through "splitting" or "flagging".

- Splitting: the money is divided between the two parties.
- Flagging: neither party may cash in or transfer the money until the flag has been lifted either by court order or a superannuation agreement between the parties.

Often the first step is a request for information by one of the parties. This request must be in the form required by legislation. The request is confidential and WA Super is not permitted to advise the member about the request or to provide the members address to the person making the request.

These matters can be complicated, and it may be best to speak to a family lawyer or financial adviser should these circumstances arise. There are fees for splitting, flagging and requesting information, please refer to the fees and costs section.

## MEMBER IDENTIFICATION

There may be occasions when WA Super will require certified proof of identification. This is to protect your benefits and to satisfy requirements under anti-money laundering and counter-terrorism financing legislation.

The ATO has introduced an identity checking system for superannuation known as SuperTICK, using your TFN. If possible, WA Super will use this system to verify your ID if you request to transfer your super to another regulated superannuation fund. If it is not possible to use this system or the records we hold do not match we will require certified proof of ID from you before we process the transfer.

See [www.wasuper.com.au](http://www.wasuper.com.au) for information about what documents can be used for identification and who can certify them.

## 3) Risks of super

All investments, including superannuation, carry some risk.

Exactly how you choose to invest in your super is really up to you. You may want to protect your money if you're close to retirement, or you may wish to try and make your money grow as much as possible if you have more time. Different investment options may carry different risks. Generally, going for higher returns involves greater risk of short term losses. A more conservative strategy will have lower risk and may lead to your savings not keeping up with inflation over time. It's important that you know, however, that there are risks to every type of investment and to every type of strategy. Over time, there will almost certainly be some fluctuations that make your money increase and decrease in value.

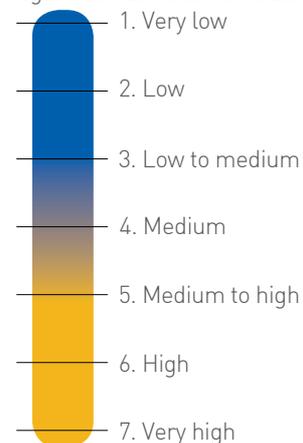
When considering super, please bear the following in mind:

- The value of investments go up and down;
- Previous returns don't guarantee future returns, as performance varies over time;
- Superannuation laws may change in the future;
- The amount you contribute and the returns you get may not be enough to provide adequately for your retirement;
- No investment can guarantee returns. You may lose some of your money;
- Significant risks may include: inflation, market fluctuations, currency exchange rates, interest rate changes, liquidity and security specific risk; and
- The level of risk appropriate for you will depend on your age, investment time frame, where other parts of your wealth are invested, how comfortable you are at the possibility of losing some of your super in some years.

### STANDARD RISK MEASURE (SRM):

The standard risk measure (SRM) is an investment risk classification system developed to enable you to compare investment options across superannuation funds. The SRM contains 7 risk levels from very low to very high, with each level based on the estimated number of negative annual returns over any 20-year period. For example, a very low risk investment option means less than 0.5 negative annual returns in a 20-year period, while a very high risk option means 6 or more negative annual returns in a 20-year period.

Risk band	Estimated number of negative annual returns over any 20 year period	Risk label
1	Less than 0.5	Very Low
2	0.5 to less than 1	Low
3	1 to less than 2	Low to medium
4	2 to less than 3	Medium
5	3 to less than 4	Medium to high
6	4 to less than 6	High
7	6 or greater	Very high



The SRM for each investment option is listed in the table in section 4 titled Investment Options.

The Trustee does not suggest or imply that the SRM is a realistic or reliable measure of investment risk. In particular, the Trustee points out that:

- it contains no estimate of the potential size of an estimated negative return;
- it provides no measure for the risk that a positive return might be less than you need to meet your investment objectives;
- there is no sound reason to assume that investment markets in the future will mirror projections or actual risk – performance in the past;
- it is not clear that there is sufficient reliable information to make a 20 year projection in circumstances that have, and continue to, emerge following the global financial crisis; and
- from time to time, due to market conditions an investment option may move from its designated risk band to another – eg from “low to medium” to “medium” – until such time as remedial steps can be taken that move the Investment option back to its designated risk band. If this occurs, we will provide updated information on the Fund's website at [www.wasuper.com.au](http://www.wasuper.com.au). A paper copy of any updated information will also be available without charge on request.

### YOUR RISK PROFILE

How much risk you're prepared to take when you invest is known as your “risk profile”. Everyone's risk profile is different and it's important you pick an investment option or options that match your profile. If you're not sure, talk to our Member Services team for general advice.

### TYPES OF INVESTMENT RISK

There are different types of risk that can affect your investment at any time. These include:

- The risk that inflation may be higher than the return on your investment;
- Market risk (e.g. economic, technological, political and legal factors);
- Currency exchange risk (i.e. if the investment invests overseas);
- The risk that an individual investment may fall in value;
- Interest rate risk – changes in interest rates can have a positive or negative impact on investment returns, for example, income returns on fixed interest security can become less or more favourable;
- Liquidity risk – the risk of being unable to convert an investment into cash with little or no loss of capital and minimum delay;
- Security-specific risk – the risk that an individual company or asset falls, for example through bankruptcy, causing the value of the investment to fall sharply;

- Volatility risk – is the risk of instability of a particular investment;
- Negative returns risk – the risk that your investment options have negative returns and that you do not receive the repayment of capital or have a reduction in the amount invested.
- Other risks include:
  - Changes to superannuation – the risk that your benefit is affected or access to your benefit is affected by changes to the law;
  - Changes to taxation – the risk that taxation of superannuation occurs, which may affect the value of your investment;
  - Insurance – the risk that insurance arrangements do not cover you to the extent you require, or that your insurance claim is not accepted.

## RISK AND RETURN

Whenever you invest, there’s a trade-off between risk and return. We define risk as both the chance of a negative return on your investment and how large that negative return can be. For the Diversified options including the My WA Super option we present:

- The chance of a negative return as ‘Expected Frequency of a Negative Return’ or Standard Risk Measure.
- How large the negative return could be as ‘Expected Magnitude of Severe Negative Return’

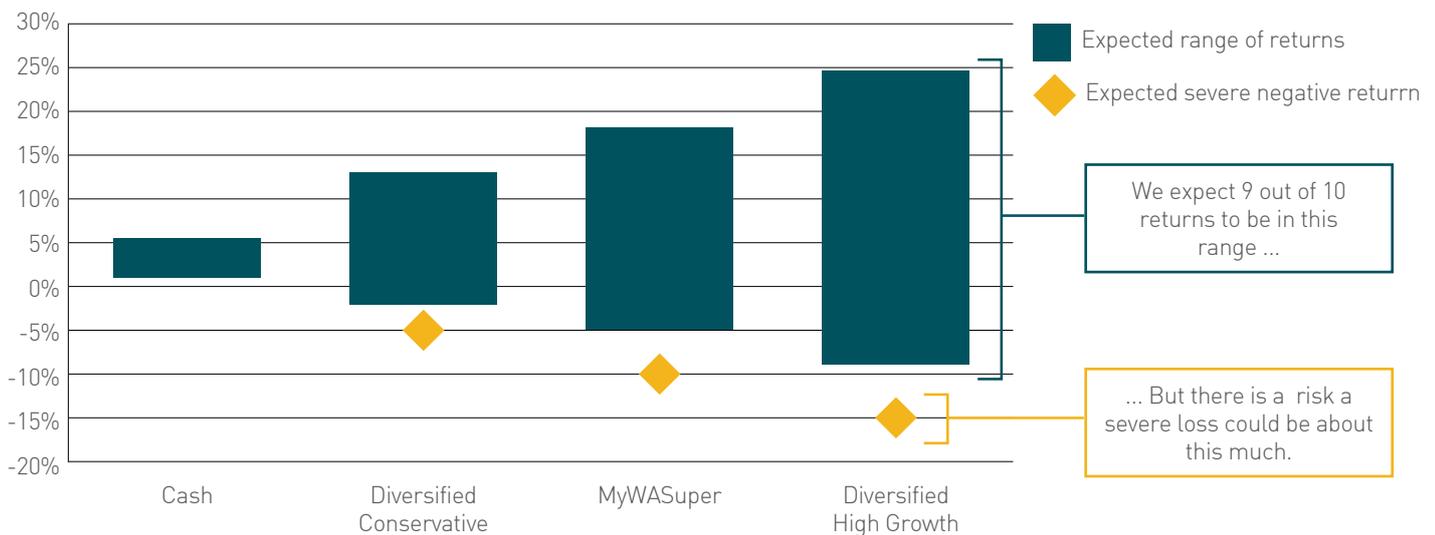
The Expected Magnitude of Severe Negative Return is reflective of our best estimate of the average return in the worst 5% of years (or worst out of 20) going forward. Whilst what we present in this document and the accompanying Member Guide are our best estimate, a severe negative return could be significantly worse (for example in the Global Financial Crisis).

There are other types of risk you need to know about and we’ve highlighted these in the above section.

Return is the amount of money you get back from your investment. Generally, the higher the risk, the higher your expected return, especially over longer time periods.

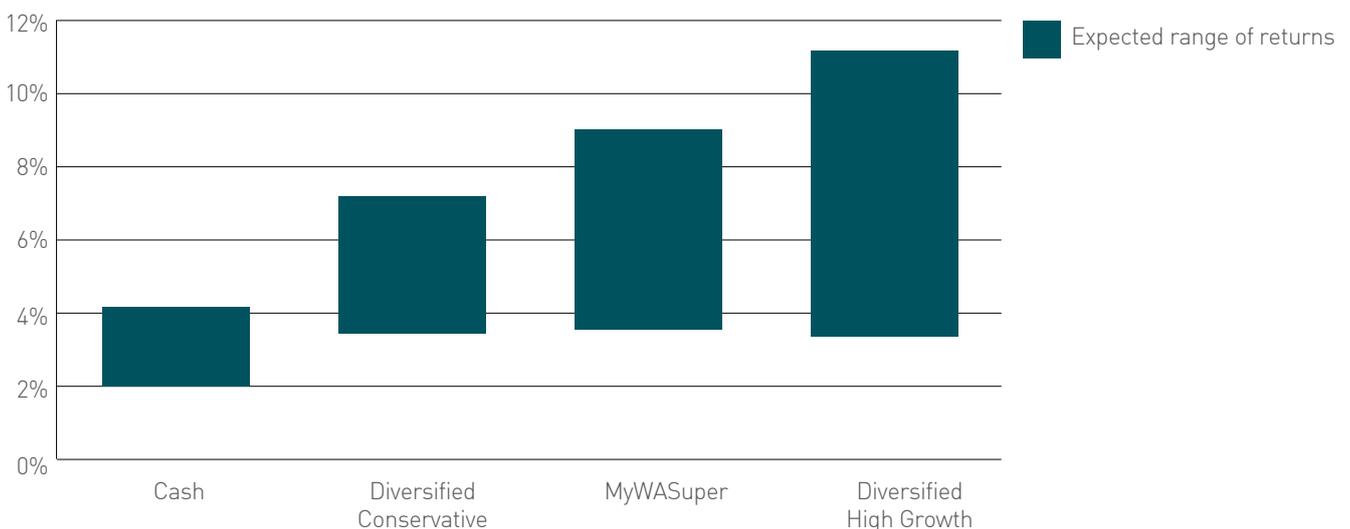
Each of the Fund’s investment options has a different risk / return trade-off, depending on how much of a certain asset class they’re invested in. The following graphs provide indicative examples of what we mean:

### 1 YEAR EXPECTED RANGE OF RETURNS



The bars in the above graph show the range of returns we expect in 9 out of 10 years whilst the yellow dot is our estimate of the magnitude of a severe negative return in the worst 5% of years. This shows that for the options with a higher allocation to less risky asset classes, such as the Cash or Diversified Conservative option, the range of returns over one year is much narrower than for the Diversified High Growth option.

### 20 YEAR EXPECTED RANGE OF RETURNS



Over 20 years, as shown in the chart above, the range of annual returns over this period is expected to be narrower, and more likely to be positive, including for higher risk / higher return options such as the Diversified High Growth option. Even if it might be a bumpy ride along the way, it is unlikely that the average annual return over 20 years of a diversified option will be negative. On the same note, over a long time period, it is unlikely, although possible, that Cash will have a higher annual return than a well-diversified option.

Remember, how an investment performed in the past doesn't mean it's going to perform the same way in the future. Its returns might be higher or they might be lower. What we have shown here is our best estimate of what future returns might be. As with all things investment related, there are no guarantees and the actual returns experienced by a member may be much higher or much lower than what we have shown here.

## DIVERSIFICATION

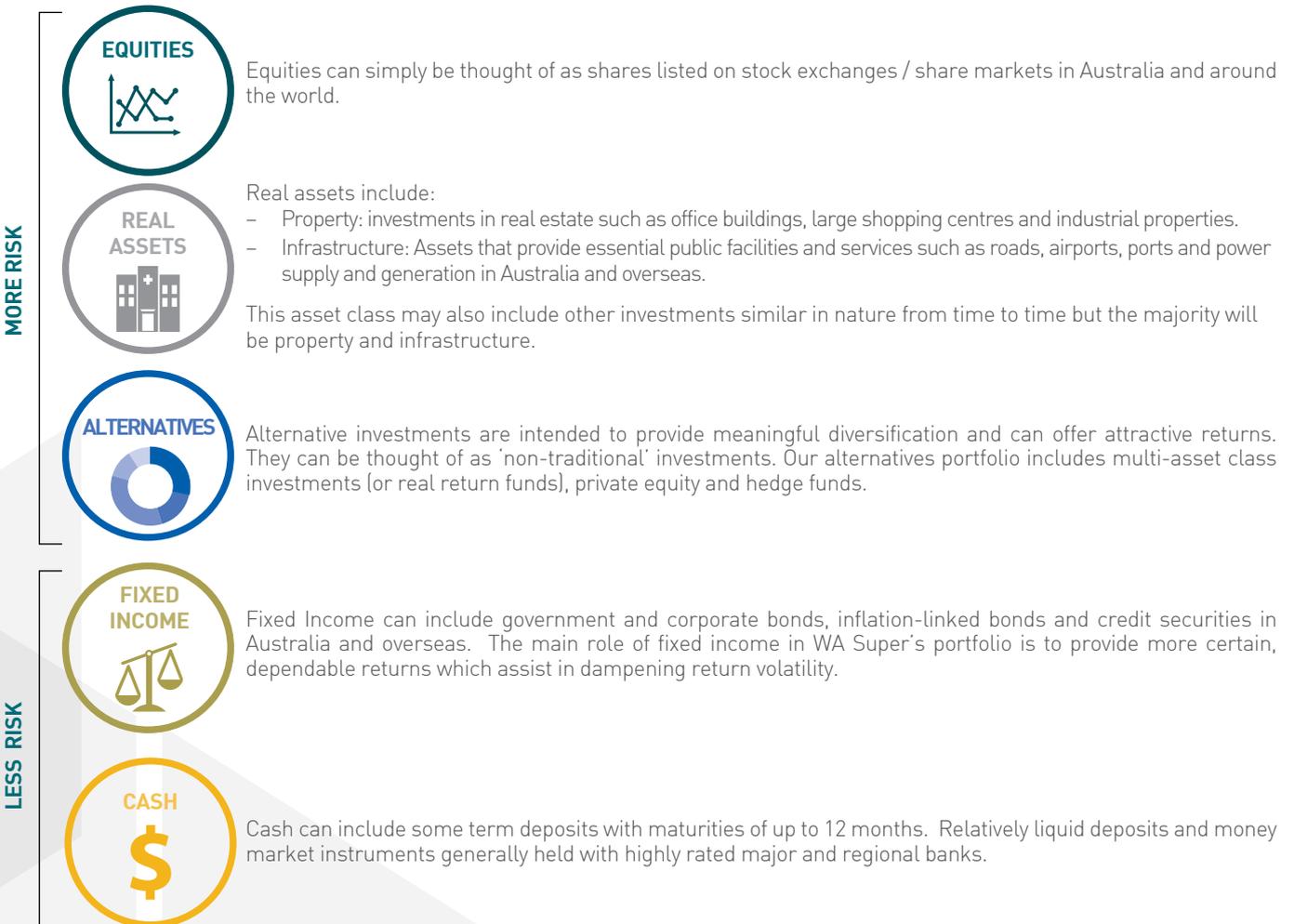
Investing across different asset classes and risk factors at the same time is called diversification. Diversification means not having "all our eggs in one basket" and is used as WA Super's primary strategy for managing investment risk.

Our diversified options [see section 4] have exposures across different asset classes and risk factors to help ensure there is adequate diversification in these options.

By investing in more than one asset class at one time, you can help to smooth out the overall return. For example, let's assume you invested 50% in Equities and 50% in Fixed Income. If Equities performed really badly, but your Fixed Income investments performed well, you wouldn't have lost as much money as if you'd only invested in Equities.

## ASSET CLASSES

WA Super has adopted a structure involving 5 high level asset classes, consistent with our desire to avoid unnecessary complexity in our investment arrangements. These 5 asset classes are:



All of these asset classes can go up or down, those asset classes that are higher risk can go down more frequently and can generally fall more than lower risk asset classes. The Fund's investment options invest in these asset classes in different amounts.

# 4) How we invest your money

## YOUR RIGHT TO CHOOSE INVESTMENT OPTIONS

Our range of options means you have a great range of choices. We have an extensive range of investment options, so you can tailor your choices around your exact requirements. WA Super's 9 investment options are:

### DIVERSIFIED OPTIONS

- My WA Super
- Diversified High Growth
- Diversified Conservative

### SECTOR-SPECIFIC OPTIONS

- Australian Shares
- Global Shares
- Sustainable Future

- Property and Infrastructure
- Bonds
- Cash

The My WA Super option and the other diversified options are pre-built investment options where the Trustee has determined the risk and return objectives and associated asset allocation. These options are automatically rebalanced and regularly reviewed by the Trustee. The other options provide the opportunity for members to blend their own tailored asset mix.

When you set up your WA Super account, your investment will be placed into the default option, which is My WA Super, unless you specify a different choice. If you wish to switch investment options later, you can do so by completing a Change in Investment Options form available at [wasuper.com.au](http://wasuper.com.au) or by accessing your account online at <http://online.wasuper.com.au>. Fees may apply, see the section on Fees and Costs.

### WARNING

You can choose one option or you can choose a combination. When making your choice, you should consider the different levels of risk and returns you're likely to encounter with each of these options, as well as the time frame of your investment.

A switch is when you change your investment selection. All switches are effective either from a date nominated by you or five days from our receipt of your duly completed form (including online), whichever is the latter.

You can opt to change where your existing account balance and future contributions are invested online, at no cost.

## OUR INVESTMENT APPROACH

WA Super has a number of investment beliefs which drive our strategy and how we pursue and assess investment opportunities. Below is a summary of our key beliefs:

### GOVERNANCE

- Strong governance will increase the likelihood of achieving investment success.
- While the Board will retain decision making on key strategic matters, other areas of investment strategy will be delegated to the Investment Committee.

### RISK AND RETURN OBJECTIVES

- There is always a trade-off between risk (those factors which may impair our ability to achieve our long term investment goals) and return (that which we seek to ultimately achieve for our members). WA Super will generally seek to prioritise its risk objectives over its return objectives.
- Return objectives, the basis upon which we measure our investment success, are expressed in terms of a margin over the cost of living. Risk objectives (those factors or events we seek to avoid) are expressed in terms of both the frequency of negative annual returns, as well as the magnitude of negative annual returns.

### INVESTMENT STRATEGY

- Strategic asset allocation (i.e. the mix of investment strategies into which we invest) decisions are expected to be the primary determinant of investment outcomes.
- Diversification will be used as WA Super's primary strategy for managing investment risk.
- Making incremental shifts away from our strategic asset allocation can be used to improve expected member outcomes, but only where markets significantly deviate from fair value.
- Successful investing requires consideration of both quantitative measurement (those areas which can be modelled and mathematically assessed) and qualitative views (based on judgement and experience) to understand investment themes and make informed decisions.
- No one risk measure fully describes the risks inherent in the investment portfolio therefore scenario analysis and stress testing are useful for preparing for the uncertainty that faces investors.

### LIQUIDITY

- WA Super believes there can be benefits of holding illiquid investments (for example, an office building) and while WA Super may hold some illiquid assets, we will seek to have sufficiently liquid assets to meet expected cash flow requirements.

### ACTIVE MANAGEMENT

- Investment markets may exhibit ongoing, or less persistent, pricing inefficiencies (where we believe the price of an investment does not reflect its fair value). WA Super believes that active management can add value where such market inefficiencies exist (by either buying investments which trade below their fair value or selling investments which trade above their fair value).
- WA Super will seek to appoint and retain managers which have a sustainable long term competitive advantage.

### IMPLEMENTATION

- WA Super will seek to avoid unnecessary complexity and cost in its investment arrangements.
- WA Super believes it must have an open and honest understanding of its competitive investment position and will seek to exploit its competitive strengths.

### RESPONSIBLE AND SUSTAINABLE INVESTING

- WA Super will have regard to environmental, social and governance factors in its investment arrangements, but only to the extent that such factors are expected to make an improvement to the risk-adjusted returns for members.
- The exception is the Fund's Socially Responsible Investment (SRI) option – the Sustainable Future option. It differs from our other sector-specific options as the managers engaged to manage the investments in this option actively look for companies and investments that meet certain sustainability and socially responsible criteria, including those that consider labour standards and environmental, social and ethical issues in how they grow and sustain their business.

## HOW ARE INVESTMENT EARNINGS ALLOCATED TO MY ACCOUNT?

WA Super uses a crediting rate process to allocate investment earnings on your chosen investment option(s). Investment earnings can either be added or taken out of your account, after the deduction of fees and taxes.

Investment earnings are calculated daily, and allocated retrospectively to your account on a monthly basis, from the date we have received all the required information to determine the monthly investment earnings. This is currently done towards the end of the following month to which the earnings apply. For the month of June, this process takes a little longer and earnings are usually allocated during mid to late August. These monthly rates are known as Declared Rates.

If you switch investment options, partially withdraw money or leave the Fund, Interim Rates may be used to calculate your investment earnings, from the date that the last Declared Rate was applied to your account to the date of the transaction.

An Interim Rate is an estimate based on available information at the time and movement in market indices. Interim rates may be greater than or less than Declared Rates.

The use of interim or declared rates is at the discretion of the Trustee.

## HOW YOUR INVESTMENT CHOICE WORKS

When you make a choice, the Trustee does not actually acquire an interest on your behalf in the investment option. As a member you are notionally invested in the investment option.

As part of the Trustee's investment strategy it determines the amount it will invest with any particular investment manager. Consequently, the Trustee has pre-existing contractual relationships with its underlying investment managers. The Trustee selects managers and invests money with them via direct investment mandates or pooled trusts. Members do not have a contractual relationship with the investment managers.

As a member of the Fund you receive the notional net investment earnings allocated to your member account. This is made up of a combined earning rate of all the underlying investment manager(s) of your selected investment option less any applicable fees and taxes.

For example, the Trustee might have invested \$10 million in Bonds. A member then exercises investment choice, and directs the Trustee to invest \$10,000 of their account balance in that investment option. The Trustee does not invest a further \$10,000 (on top of the \$10 million already invested) but notionally allocates the net investment earnings received from that investment option to the members account on the basis the member had notionally invested \$10,000 in that investment option.

## HOW IS YOUR ACCOUNT INVESTED IN THE UNFORTUNATE EVENT OF YOUR DEATH

If your entire account balance is invested in the My WA Super investment option, then no changes will be made to your investments and any further transactions to the account balance will continue to be made to the My WA Super investment option.

If your account is invested otherwise (including only partially in the My WA Super investment option) then upon notification of your death your entire account balance, will be moved to the Cash investment option and any further transactions will be made to the Cash investment option.

## ASSET LIQUIDITY

Under the Corporations Act, a trust is illiquid if it has less than 80% liquid assets (cash and marketable securities).

Illiquid Assets are Assets which cannot be readily converted to cash. The potential for capital loss may be increased for an illiquid asset because it might not be possible to quickly sell the asset at a price reflecting what the seller believes to be its value. Direct property is an example of an illiquid asset.

Liquid Assets are Assets that can be readily converted into cash, for example short term bank bills. The ability to rollout or switch within 30 days may not always be possible if an asset is illiquid.

## LABOUR STANDARDS AND ENVIRONMENTAL, SOCIAL OR ETHICAL CONSIDERATIONS

To manage and implement the Sustainable Future option, WA Super seeks to appoint external fund managers that specifically integrate Labour Standards and/or Environmental, Social and Governance considerations in their investment decision making and portfolio construction processes.

This may be in the form of a 'negative screen' where companies involved in activities such as:

- mining uranium for the purpose of weapons manufacturing
- production of alcohol or tobacco
- manufacturing or providing gaming facilities
- manufacturing weapons armaments
- manufacturing or distribution of pornography
- have been subject to environmental, workplace health and safety, anti-discrimination, equal opportunity, trade practices, or industrial relations prosecutions

could be excluded from potential investment in the portfolio.

Alternatively it can be in the form of a fund manager that integrates ESG factors in the investment decision making process to proactively invest in companies with more focus on these areas.

In some instances, where WA Super has appointed multiple external fund managers, one may exclude a specific company but another may still invest in it where it hasn't been excluded from their specific labour standards, ethical or ESG criteria.

## CUSTODIAN

A custodian holds and safeguards assets of the trust on behalf of its investors.

The Trustee has appointed a custodian and fund accounting services provider.

## INVESTMENT OPTIONS

The following tables provide detail about each investment option. This information will assist you to make a choice that is right for you. The information is current as at 30 June 2016.

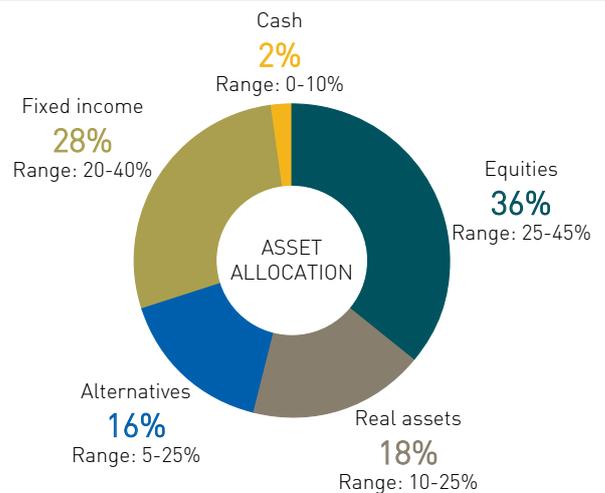
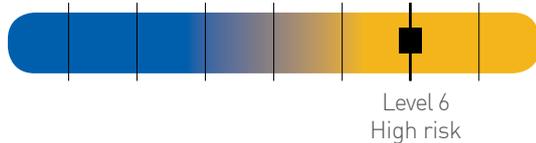
The Trustee of WA Super reserves the right to vary the asset allocations of all or any of the options and to introduce new options or discontinue existing options without prior notice.

The objectives are not guaranteed and past performance is not a predictor of future performance. You should consider seeking professional financial advice before making an investment decision.

### MY WA SUPER (DEFAULT OPTION)

<b>Description</b>	Invests in a wide range of assets and asset classes with a balanced approach between generating return and reducing risk.
<b>Investment may suit</b>	Members who are seeking a diversified portfolio, which invests predominantly in growth assets and who are comfortable with a medium level of volatility in returns.
<b>Recommended minimum time frame</b>	7-10 years
<b>Return objective#</b>	CPI + 2.5% P.A.
<b>RISK</b>	
<b>Estimated Frequency of a Negative Return</b>	4 to less than 6 times in 20 years
<b>Expected Magnitude of a Severe Negative Return</b>	-10%

#### Standard Risk Measure

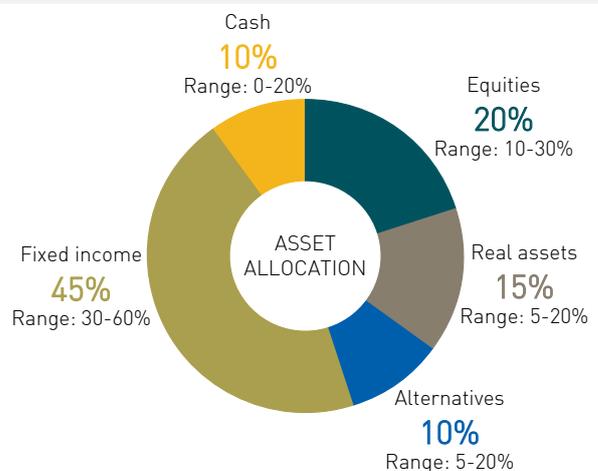


#We estimate that there is a 60% probability of achieving or exceeding the return objective over a rolling 10 year period.

### DIVERSIFIED CONSERVATIVE

<b>Description</b>	A lower return and risk option than MyWASuper with a higher proportion invested in Fixed Income and Cash.
<b>Investment may suit</b>	Members who are seeking a conservative portfolio, which invests predominantly in defensive assets and who are comfortable with low volatility in returns and lower long term earnings.
<b>Return objective#</b>	CPI + 1.5% P.A.
<b>Recommended minimum time frame</b>	3-5 years
<b>RISK</b>	
<b>Estimated Frequency of a Negative Return</b>	2 to less than 3 times in 20 years
<b>Expected Magnitude of a Severe Negative Return</b>	-5%

#### Standard Risk Measure



#We estimate that there is a 60% probability of achieving or exceeding the return objective over a rolling 10 year period.

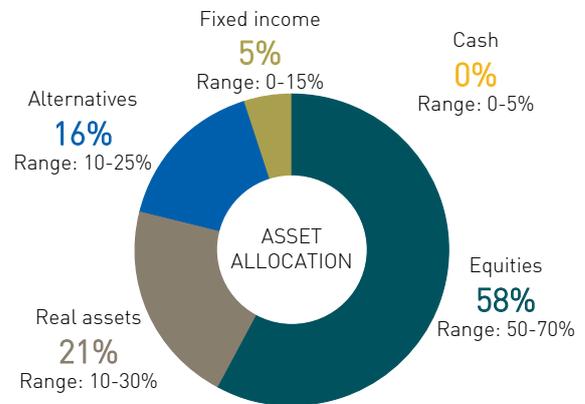
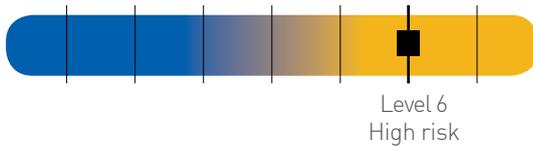
## DIVERSIFIED HIGH GROWTH

<b>Description</b>	A higher return and risk option than MyWASuper with a higher proportion invested in Equities.
<b>Investment may suit</b>	Anyone seeking a highly growth-oriented, aggressive, diversified portfolio and who is comfortable with a high level of volatility in returns.
<b>Return objective<sup>#</sup></b>	CPI + 3.5% P.A
<b>Recommended minimum time frame</b>	10 years

### RISK

<b>Estimated Frequency of a Negative Return</b>	4 to less than 6 times in 20 years
<b>Expected Magnitude of a Severe Negative Return</b>	-15%

### Standard Risk Measure



<sup>#</sup>We estimate that there is a 60% probability of achieving or exceeding the return objective over a rolling 10 year period.

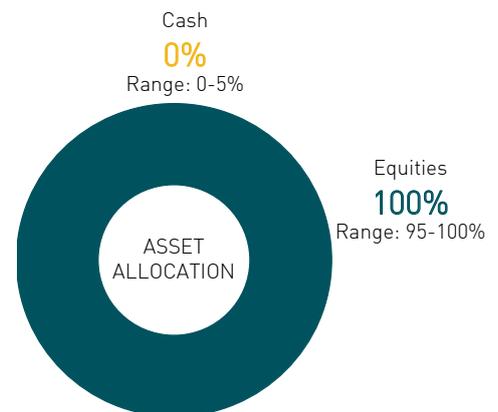
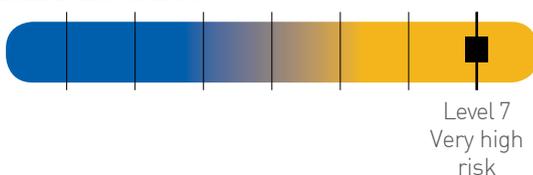
## AUSTRALIAN SHARES (Formerly Australian Listed Equities)

<b>Description</b>	Invests in Australian shares
<b>Investment may suit</b>	Members who wish to invest in a diverse range of listed Australian companies.
<b>Return objective</b>	S&P/ASX 300 Accumulation Index
<b>Recommended minimum time frame</b>	10 years

### RISK

<b>Estimated Frequency of a Negative Return</b>	6 or greater times in 20 years
---	--------------------------------

### Standard Risk Measure



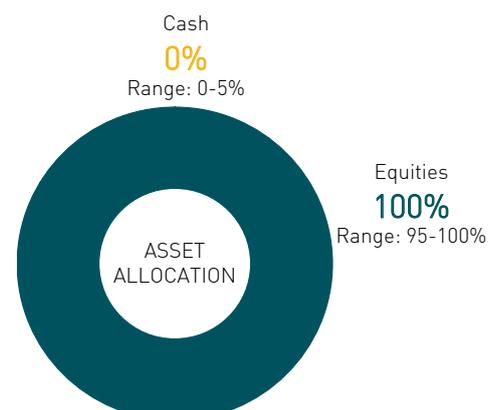
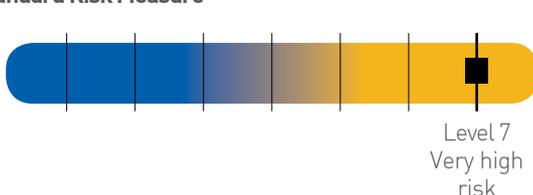
## GLOBAL SHARES (Formerly Global Listed Equities)

<b>Description</b>	Invests in Global shares
<b>Investment may suit</b>	Members who wish to invest in a diverse range of listed companies throughout the world.
<b>Return objective</b>	MSCI All Country World Index (Developed and Emerging Markets) (20% Hedged to \$A)
<b>Recommended minimum time frame</b>	10 years

### RISK

<b>Estimated Frequency of a Negative Return</b>	6 or greater times in 20 years
---	--------------------------------

### Standard Risk Measure



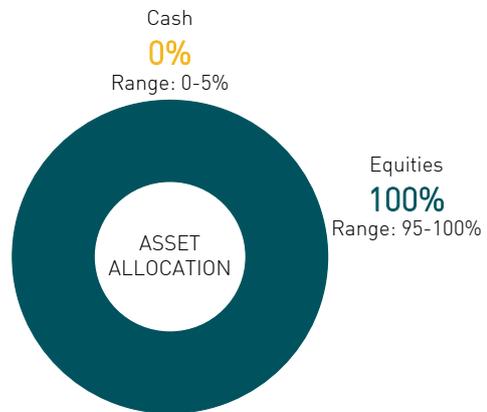
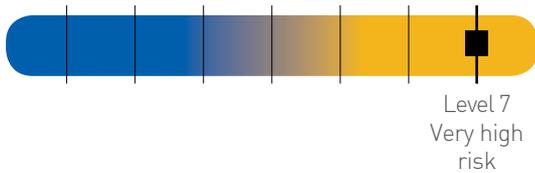
## SUSTAINABLE FUTURE

<b>Description</b>	Invests predominantly in Australian share funds that are operated on 'socially responsible' or 'sustainability' criteria.
<b>Investment may suit</b>	Members who wish to invest in Australian companies that operate within socially responsible criteria.
<b>Return objective</b>	Match the ASX 300 Accumulation Index (before fees & tax) over rolling 7 Year periods whilst maintaining a tracking error not exceeding 2% over rolling 3 Year periods.
<b>Recommended minimum time frame</b>	7 years

RISK

<b>Estimated Frequency of a Negative Return</b>	6 or greater times in 20 years
---	--------------------------------

**Standard Risk Measure**



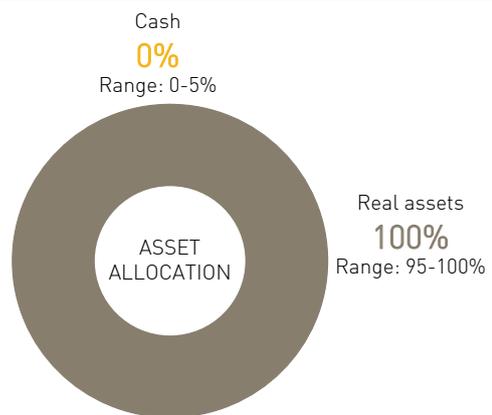
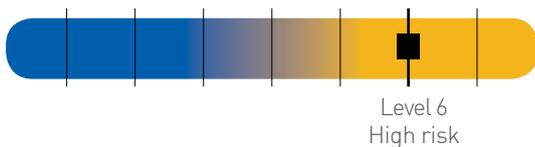
## PROPERTY AND INFRASTRUCTURE

<b>Description</b>	Invests in property, infrastructure and potentially other Real Assets.
<b>Investment may suit</b>	Members who wish to invest in a diversified mix of Australian and international property and infrastructure.
<b>Return objective</b>	CPI + 3.5% P.A
<b>Recommended minimum time frame</b>	10 years

RISK

<b>Estimated Frequency of a Negative Return</b>	4 to less than 6 times in 20 years
---	------------------------------------

**Standard Risk Measure**



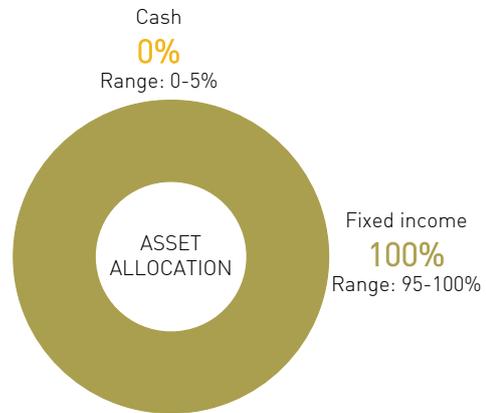
## BONDS

<b>Description</b>	Invests in fixed income instruments such as bonds, this option is lower risk than the shares options but aims to provide a higher long-term return than cash.
<b>Investment may suit</b>	Members who want a lower risk investment that provides potentially higher returns than those offered by cash investments. Members who want to invest in a diversified mix of Australian and international fixed interest securities.
<b>Return objective</b>	45% Bloomberg Ausbond Composite Index, 25% Citigroup's WGBI index (AUD Hedged), 15% Bloomberg Ausbond Inflation Government Index and 15% CPI.
<b>Recommended minimum time frame</b>	5 years

### RISK

<b>Estimated Frequency of a Negative Return</b>	2 to less than 3 times in 20 years
---	------------------------------------

### Standard Risk Measure



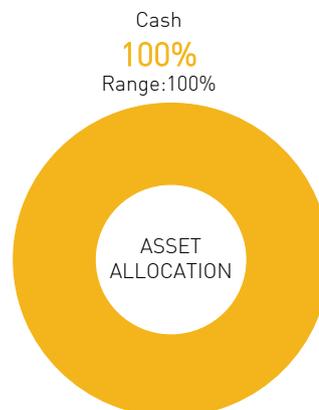
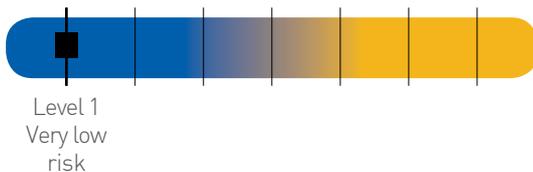
## CASH

<b>Description</b>	Invests in internally and/or externally managed cash products. The option may invest in term deposits with maturities of up to 12 months.
<b>Investment may suit</b>	Members wishing to preserve their capital and who are not comfortable with any level of volatility. This option also suits those members wanting to access their capital in the short term.
<b>Return objective</b>	Bloomberg Ausbond Bank Bill Index
<b>Recommended minimum time frame</b>	1 year

### RISK

<b>Estimated Frequency of a Negative Return</b>	Less than 0.5 times in 20 years
---	---------------------------------

### Standard Risk Measure



## 5) Fees and costs

Please note: the fees and costs disclosure, contained in this PDS, is in accordance with the requirements of ASIC Class Order [CO 14/1252].



### CONSUMER ADVISORY WARNING

#### 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 fee calculator to help you check out different fee options.

The Consumer Advisory Warning above is prescribed by legislation. Administration fees are not negotiable at WA Super.

## FEES AND OTHER COSTS

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you.

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

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

### Fees and Costs for Super Solutions

Type of fee	Amount	How and when paid
Investment fee	Investment fees are different for each investment option and range from 0.12% to 0.81% pa. See the Investment Management Costs table for details of each option on page 15.	The investment fee is an estimate of investment costs which are not charged as a fee but are deducted from the Fund's investment returns (similar to the indirect cost ratios). Please note that because the investment fee is only an estimate of investment costs, the investment fee may actually be higher than what is disclosed in this document.
Administration fee	\$72.80 pa (\$1.40 per week) plus 0.08% pa of your account balance.	Deducted from your account at the end of each month.
Buy/sell spread	Nil	Absorbed as part of the asset cost at the time of the transaction. All buy/sell spreads incurred by WA Super in managing your investment are included in the Indirect Cost Ratio below.
Switching fee	Nil for the first two switches, \$50 per switch thereafter. No fee if completed online.	Deducted from your account at the time of the switch.
Exit fee	\$80	Deducted from your account at the time of the transaction.
Advice fees relating to all members investing in a particular MySuper product or investment option		Further information on advice fees is available in the Member Guide under 'Additional explanation of fees and costs'.
Other fees and costs		Refer to the section 'Additional explanation of fees and costs' in the Member Guide.
Indirect cost ratio	Indirect cost ratios are different for each investment option and range from 0% to 0.36% pa. See the Investment Management Costs table for details of each option on page 15.	Deducted from the Fund's investment returns before the crediting rate is applied to your account.

## ADDITIONAL EXPLANATION OF FEES AND COSTS

Fees and costs related to investment costs are deducted from your investment earnings before the earnings are applied to your account. Fees and costs related to the administration of your account are deducted directly from your account before earnings are added and the amounts will be shown on your annual account statement. There are also activity fees, advice fees and insurance premiums which may be charged to you depending on which of these services or products you use. Taxes are explained in section 6 titled 'How super is taxed' and insurance fees are detailed in the Insurance Guide.

## FEE CHANGES

We try not to increase fees but if we have to, we will provide 30 days notice in advance (unless the increase is an increase in the investment fee that arises from increases in costs - under law, we may notify you of these after the increase). Investment management fees are constantly reviewed and will change as Investment managers change and the amounts allocated to those managers. Investment fees are estimates for future fees based on historical data.

## INVESTMENT MANAGEMENT FEES AND COSTS

Investment management fees and costs are made up of two components:

- 1) Investment fees; and
- 2) Indirect cost ratio.

### INVESTMENT FEE

An investment fee is a fee that:

- a member pays (or is paid out of a member's account balance) that relates to the investment of the assets of a superannuation entity; and/or
- fees in payment for the exercise of care and expertise in the investment of the assets of a superannuation entity (including performance fees) that are not paid out of a member's account balance, but are deducted from the investment returns, before these are attributed to member accounts.

WA Super's investment fee is an estimate of investment costs which are not charged as a fee to members but are deducted from the Fund's investment returns (in a manner similar to the indirect cost ratio). Because the investment fee is only an estimate of investment costs, and is based on the costs incurred in the 2015-16 Financial Year, the investment fee may actually be higher or lower than what is disclosed in this document.

The investment fee includes internal investment staff fees and costs (such as custody, asset consulting, and external investment manager fees and associated performance fees) paid by WA Super to third parties directly out of WA Super and are most commonly fees which would not be incurred if you invested directly in an asset. Transactional costs and other expenses that are deducted from the returns on assets that are held by a fund manager, for example, are considered to be indirect costs because these amounts are deducted from investment returns before these are paid back to WA Super by the fund manager.

Each investment option has more than one investment manager who may charge different fees. This means that the actual amount deducted from any earnings on a particular option can vary.

A number of the Fund's professional fund managers within the investment options are paid Performance Based Fees, if the manager exceeds an agreed performance target. If applicable, the fee is generally based on a percentage of earnings above an agreed benchmark. Performance Based Fees are included in investment fees and/or indirect costs, dependent upon the nature of their payment (for example if WA Super pays these directly, or if a manager deducts them from investment returns before paying WA Super a dividend, for example) and are not an additional fee.

### INDIRECT COST RATIO (ICR)

The ICR for a MySuper product or an investment option is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of WA Super attributed to the MySuper product or investment option, to the extent that these costs are not reported as an "investment fee". The ICR represents amounts that are not deducted directly from member accounts, but are deducted from the investment returns, before these are attributed to member accounts.

Certain components of the ICR are disclosed as "investment fees", as required by legislation, even though these amounts are not deducted directly from member accounts. Therefore, ICR includes all other indirect costs that are not included in the investment fee. Many of these costs included in the ICR would be incurred by you to varying degrees if you invested directly in the asset.

Investment fees and the indirect cost ratio will include certain transactional and operational costs such as brokerage, buy-sell spreads, settlement expenses, stamp duty, risk analysis, legal and tax due diligence. These costs arise when investments are bought and sold and can vary depending on how many and how often assets are bought and sold. All of these costs are disclosed as part of either the investment fee or indirect cost ratio. These expenses are an amount that can be paid to either the product issuer or an external investment manager or both.

The Investment Management costs in the table below are based on the actual costs incurred in the 2015-16 Financial Year as an estimate of fees for the forthcoming period and are intended to be indicative only. Future actual Investment Management costs will vary depending on the managers used and the performance of the market.

### INVESTMENT MANAGEMENT COSTS

Investment Option	Indirect Cost Ratio (ICR)	Investment fee (IF)	Total (ICR + IF)
My WA Super	0.22%	0.80%	1.02%
Diversified High Growth	0.20%	0.81%	1.01%
Diversified Conservative	0.24%	0.74%	0.98%
Australian Shares (Formerly Australian Listed Equities)	0.14%	0.12%	0.26%
Global Shares (Formerly Global Listed Equities)	0.12%	0.12%	0.24%
Sustainable Future	0.03%	0.59%	0.62%
Property and Infrastructure	0.36%	0.68%	1.04%
Bonds	0.22%	0.47%	0.69%
Cash	0.00%	0.13%	0.13%

## TAX BENEFITS

For administration fees, the Fund passes on any tax deductions to you in the form of reduced fees or costs. A tax deduction is not passed onto members by way of higher returns on investments.

For investment management costs including both investment fees and indirect costs outlined above, the fees and costs are disclosed excluding the impact of tax. The tax deductions are then passed on to you in the form of higher returns net of fees and tax returns (crediting rates).

## EXAMPLE OF ANNUAL FEES AND COSTS FOR MY WA SUPER

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

<b>Example - My WA Super (Default option)</b>		<b>BALANCE of \$50,000</b>
Investment fees	0.80%	For every \$50,000 you have in the superannuation product you will be charged \$400 each year.
<b>PLUS</b> Administration fees	\$72.80 pa (\$1.40 per week) plus 0.08% pa of your account balance	<b>And</b> , you will be charged \$72.80 in administration fees regardless of your balance plus \$40.
<b>PLUS</b> indirect costs for the superannuation product	0.22% pa	<b>And</b> , indirect costs of \$110 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product		If your balance was \$50,000 then for that year you will be charged fees of <b>\$622.80</b> for the superannuation product.

**Note:** Additional fees may apply. **And**, if you leave the superannuation entity, you may be charged an **exit fee** of **\$80** and a **buy/sell spread** which also applies whenever you make a contribution, exit, rollover or investment switch. The **buy/sell spread** for exiting is **0%** (this will equal to **\$0** for every \$50,000 you withdraw).

## ADDITIONAL FEES AND COSTS

Type of fee/cost	Amount	How and when paid
Non-Intrafund personal advice fee	Agreed with your Western Financial, Financial Planner.	As agreed with Western Financial.
*Contribution splitting fee	Nil for split paid to another WA Super account. \$80 for splits to external fund.	Deducted from your account at the time the contribution split is made.
*Family law fees	\$480 for enquiries and the supply of information. \$160 for splitting, flagging or unflagging.	Paid by the enquirer at the time of the enquiry. Deducted at the time the split or flag is made or lifted and is paid in equal parts by both parties.
*Financial Hardship Application	\$160	Payable if you request access to your funds on the basis of financial hardship. The fee is payable on application, regardless of the decision as it is required to cover the cost of conducting the assessment. If all information is not received with the initial application additional costs based on the hourly charge rate may be payable.
*Release on compassionate grounds (assessed by the Department of Human Services)	\$160	Deducted from your account at the time of transaction.
*Dishonoured cheque fee	\$35	Deducted from your account if a cheque is dishonoured.
Insurance fee		See Insurance Guide.
Tax		See section 6 of this guide.

The above fees marked \* are activity fees.

## DEFINED FEES

### ACTIVITY FEES

A fee is an activity fee if:

- 1) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
  - (a) that is engaged in at the request, or with the consent, of a member; or
  - (b) that relates to a member and is required by law; and
- 2) those costs are not otherwise charged as an administration fee, an investment fee, a buy/sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

### ADMINISTRATION FEE

An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs, other than indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product that:

- (a) relate to the administration or operation of the entity; and
- (b) are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

### ADVICE FEE

A fee is an advice fee if:

- (a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
  - (i) a trustee of the entity; or
  - (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

#### BUY-SELL SPREADS

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

#### EXIT FEE

An exit fee is a fee to recover the costs of disposing of all or part of members' interests in the superannuation entity.

#### INDIRECT COST RATIO

The indirect cost ratio (ICR), for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

#### INVESTMENT FEE

An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:

- (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- (b) costs, other than indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product that:
  - (i) relate to the investment of assets of the entity; and
  - (ii) are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

#### SWITCHING FEE

A switching fee for a MySuper product has the meaning given by subsection 29V(5) of the SIS Act and, for superannuation products other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

You can find these defined terms on the Fund's website at [www.wasuper.com.au/defined-fees](http://www.wasuper.com.au/defined-fees).

### OTHER FEES AND COSTS

#### PERSONAL ADVICE FEE

Fees may be payable for personal advice received. Personal advice is advice that is tailored to your specific financial objectives, situation or needs.

Personal financial advice is provided by financial planners employed by WA Local Financial Services Pty Ltd (Western Financial), a wholly owned subsidiary of WA Local Government Superannuation, as authorised representatives of Quadrant First Pty Ltd AFSL 284443.

#### INSURANCE FEE

A fee is an insurance fee if:

- (a) the fee relates directly to either or both of the following:
  - (i) insurance premiums paid by the trustee of a superannuation entity in relation to a member or members of the entity;
  - (ii) costs incurred by the trustee of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and
- (b) the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and
- (c) the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee.

## 6) How super is taxed

### CONTRIBUTIONS:

Concessional contributions are sometimes called 'before-tax contributions' because the contributor can usually claim an income tax deduction. They include:

- compulsory super guarantee contributions made by your employer
- salary sacrifice contributions
- any personal contributions for which you notify us of your intention to claim as an income tax deduction.

Concessional contributions are taxed at 15% in the super fund.

#### WARNING

There are limits on how much you can contribute and if you exceed these limits you may pay extra tax.

If you exceed your concessional contributions cap the excess contributions are included in your taxable income. You will receive a non-refundable tax offset equal to the 15% tax paid by your fund on this amount. Further, an interest charge is also payable to recognise that tax on excess contributions is collected later than normal income tax.

Non-concessional contributions are generally after-tax contributions. They include personal contributions you make from your after-tax pay. They aren't usually taxed if you do not exceed your contributions cap.

You are able to withdraw superannuation contributions that are in excess of the non-concessional cap plus 85% of the associated earnings for those contributions. The associated earnings will be taxed at your marginal tax rate. If you do not elect to release these excess amounts from superannuation, a tax of 49% will apply to the amount that exceeds your non-concessional contributions cap.

Individuals with income greater than \$300,000 will have the tax concession on their contributions reduced from 30% to 15% (excluding the Medicare levy). Refer to the 2016 Federal Budget proposed changes on page 2.

The definition of 'income' for the purpose of this measure will include taxable income, concessional superannuation contributions, adjusted fringe benefits, total net investment loss, target foreign income, tax-free government pensions and benefits, less child support. If this is likely to affect you, we suggest you seek advice from one of our Financial Planners. See [www.ato.gov.au](http://www.ato.gov.au) for details.

## INCOME PROTECTION BENEFITS

Income Protection benefits are regarded as taxable income and attract PAYG (the same tax that applies to your salary or wages). The tax will be deducted and remitted to the ATO before you receive the benefit. If we do not have your TFN any income protection benefits will be taxed at the highest marginal tax rate plus the associated levies.

## TAX OFFSET

If you make contributions on behalf of your spouse (married or de facto) who is earning a low income or not working, you may be able to claim a tax offset.

You will be entitled to a tax offset of up to \$540 per year if you meet all of the following conditions:

- the sum of your spouse's assessable income, total reportable fringe benefits amounts and reportable employer superannuation contributions was less than \$13,800 (Subject to 2016 Federal Budget proposed changes).
- the contributions were not deductible to you
- the contributions were made to a superannuation fund that was a complying superannuation fund for the income year in which you made the contribution
- both you and your spouse were Australian residents when the contributions were made
- when making the contributions you and your spouse were not living separately and apart on a permanent basis.

## WITHDRAWALS

If you're 60 or over, you can withdraw your super as either a lump sum or an income stream and not pay any tax.

If you are under 60, your benefit may consist of two components – a tax-free and a taxable component.

A tax-free component is the part of a benefit that is tax-free and does not count towards your assessable (or taxable) income.

A taxable component is the part of the benefit that is taxable. It may include two parts - one where tax has been paid and one where tax has not yet been paid. These are called taxed and untaxed elements respectively.

To work out how your super payout is taxed, you only need to understand how the taxed and untaxed elements of the taxable component are taxed. The tax-free component is not taxable.

- A taxed element is the super that has already had tax paid on it in the fund. It may or may not need to have additional tax paid on it once it is paid out. You may still need to include the taxed element in your tax return.
- An untaxed element is the part of your payout that hasn't had any tax paid on it in the fund, but which is still taxable. It must be included in your tax return as assessable income.

## TAX ON DEATH BENEFITS

Death benefits are tax-free if paid to a dependant. A dependant includes any of the following:

- Your spouse (including legal, de facto and same sex couples);
- Children under 18 (including step, adopted and your spouses' children);
- Any person who was financially dependent on you at the time of your death;
- Any person who was in an interdependency relationship with you at the time of your death;
- An interdependency relationship exists where two people have a close personal relationship and live together; and one or both of them provides the other with financial support, domestic support and personal care.
- An interdependency relationship also exists if two people have a close personal relationship and the other requirements are not met because one or both suffer from a physical, intellectual or psychiatric disability.

Maximum tax rate for lump sums paid to non-dependants:

- Taxed element of the benefit - 15% plus Medicare levy
- Untaxed element of the benefit - 30% plus Medicare levy



### WARNING PROVIDING YOUR TFN

No one likes paying more tax than they have to, so please make sure we have your Tax File Number (TFN).

If we don't have your TFN the ATO will make us deduct 49% on all your concessional contributions and, we won't be able to accept any non-concessional contributions from you.

Providing your TFN is optional, but it could save you a lot of money. If you decide to give us your TFN, we'll only use it for lawful purposes such as tracking down any lost super for you, calculating any tax payable on contributions or payments, reporting to the ATO, co-contribution matching, providing it to another super fund or Retirement Savings Account provider if you've rolled your super out.

These purposes may change in the future if required by law.

## ANTI-DETRIMENT PAYMENT

WA Super offers anti-detriment payments. This means that upon your death, if your beneficiary receives a lump sum death benefit payment, they will effectively receive a refund of all contributions tax paid on your superannuation contributions while you have been a member of the fund.

To be eligible for an anti-detriment payment, the beneficiary must be a spouse, former spouse or child at the time of your death. This anti-detriment payment will be made automatically to beneficiaries who meet the eligibility requirements at the time the lump sum death benefit payment is made.

Anti-detriment payments are not made if the death benefit payment is taken as an income stream and any terminal illness benefit payments are not eligible for anti-detriment payments.

Please note the Budget proposals, on page 2, which may impact our ability to make anti-detriment payments in the future.

## TAX ON TERMINALLY ILL PAYMENTS

Terminally ill persons who suffer from a 'terminal medical condition' are able to receive lump-sum super payments tax free.

## TAX ON TPD BENEFITS

If you receive a TPD benefit and you are age 60 or more, you can access the benefit tax free. If you are under 60, part of your normal taxable component will be recalculated to form part of the tax free component. Generally the tax free component is increased to reflect the period where you would have been expected to be gainfully employed had the disability not occurred. This amount is calculated based on your age, length of service and the amount of your benefit.

## TAX DEDUCTIONS

Employers, self-employed and substantially self-employed (i.e. less than 10% of assessable income is generated by wages or salary) individuals can claim a full tax deduction on all concessional contributions. Refer to the 2016 Federal Budget proposed changes on page 2.

Whilst the tax deduction can be claimed for an unlimited amount of contributions, remember that amounts exceeding the annual contribution limits are included in your taxable income.

---

# 7) How to open an account

## HOW TO OPEN AN ACCOUNT

To join, you'll need to:

- Read the PDS and satisfy yourself that you're well informed
- Complete an application form. There is one attached to the PDS. You may have joined via your employer but we would still like to have an application form so that we have all your correct details.
- Review all your choices, like investment options and insurances.
- Send the completed application by post, email or fax to the Fund.

You and your employer can then begin to make contributions.

You have the right to change your mind.

## COOLING-OFF PERIOD

If you apply for this product, you're entitled to a 14-day cooling-off period, during which time you can cancel your membership or transfer to another fund without penalty.

The cooling-off period starts either when you receive confirmation of your membership, or at the end of the fifth day after your investment is accepted by us, whichever is earlier.

To cancel your membership, just write to us and let us know.

## 8) Other important information

### ELECTRONIC COMMUNICATIONS

The Fund will provide information to you electronically where possible, unless you choose otherwise. This information includes your annual statement, and any changes to your account and information about WA Super. You will receive a notification to let you know that the information is available by accessing the secure member online area of our website, or, in the future, via a mobile app.

### WHEN YOUR DETAILS CHANGE

It is really important that WA Super has your up to date contact details. If you move or change your name you should inform us as soon as possible. This will help keep you in touch with your super and avoid the risk of becoming a lost member or having your super declared unclaimed.

### LOST SUPER

If you've ever changed your name, address or job, you may have some lost super and be listed on the ATO lost members register. The ATO may also be holding, on your behalf, amounts paid by employers, super funds or the government.

To find out if you have any lost or ATO-held super, use the free online search tool at <http://my.gov.au/>.

### UNCLAIMED SUPER

In certain circumstances, a super account will be classified as Unclaimed super and must be transferred to the ATO.

If you are age 65 or older, have not made a contribution to your account in the last two years and we have not been able to contact you for five years after making reasonable efforts, your super will be considered unclaimed and transferred to the ATO.

A non-member spouse who has a super benefit as a result of a family law split may also be classified as unclaimed if we are unable to pay the amount to the non-member spouse or their legal representative.

### PROTECT YOUR SUPER FROM GOING TO THE AUSTRALIAN TAX OFFICE (ATO)

Under government legislation, inactive or lost superannuation accounts will be closed and balances transferred to the ATO.

The good news is, you can opt out of any automatic transfer to the ATO and ensure your money remains in your WA Super account.

To opt out, tick the box in the 'Super Solutions Application form' and ensure your money remains in your WA Super account. By doing so, we will ensure your money will never be transferred to the ATO without your permission, unless required by legislation.

### SMALL OR INSOLUBLE LOST MEMBER ACCOUNTS

A lost member account is considered to be unclaimed super if the member is a lost member, and:

- the balance of the lost member account is less than \$4,000\* (small lost member account), or
- the lost member account has been inactive for a period of 12 months and we are satisfied that it will never be possible to pay an amount to the member (insoluble lost member account).

A person is taken to be a lost member if they are either uncontactable or inactive (as defined in regulations).

\*Increasing to \$6,000 from 31 December 2016.

### UNCONTACTABLE

For a member to be considered uncontactable, WA Super must not have received a contribution or rollover for them within the last 12 months and:

- either WA Super has never had an address for the member or WA Super has made at least one attempt to send written communications to the member at the member's last known address, and WA Super believes, on reasonable grounds, that the member can no longer be contacted at any address known to WA Super; and
- the member has not contacted WA Super within the last 12 months of the member's membership of WA Super; and
- the member has not accessed details about his or her interest in WA Super within the last 12 months of the member's membership of WA Super.

### INACTIVE ACCOUNTS AND SMALL BALANCES - AUSFUND

We may transfer your benefit to an eligible rollover fund (ERF) if the balance of your account is less than \$1,000 and either:

- your employer has advised us that your employment has been terminated; or
- we have not received contributions to your account for six months.

Before transferring a benefit, we will advise you in writing. Unless you advise us within 28 days that you wish your benefit to be rolled over to another complying superannuation fund, your benefit will be transferred to the fund's nominated ERF, which is currently AUSfund.

## EFFECT ON YOUR BENEFITS - AUSFUND

If your benefit is rolled over to AUSfund, any insurance cover you may have will cease, and you will also cease to be a member of WA Super. AUSfund has consented to the inclusion of statements which relate to their services. Contact AUSfund or visit [unclaimedsuper.com.au](http://unclaimedsuper.com.au) for more details.

AUSfund is operated by Industry Funds Investments Limited (ABN: 17 006 883 227, AFSL 229881) as trustee of AUSfund, Australia's Unclaimed Super Fund (ABN 85 945 681 973). A Product Disclosure Statement is available on their website at [unclaimedsuper.com.au](http://unclaimedsuper.com.au). You should consider the Product Disclosure Statement in deciding whether to acquire, or continue to hold, the product.

To contact AUSfund for further information:

AUSfund, Australia's Unclaimed Super Fund

(ABN 85 945 681 973). Trustee/issuer - Industry Funds Investments Limited (ABN: 17 006 883 227, AFSL 229881)

Contact address:

The AUSfund Administrator  
AUSfund  
PO Box 543  
CARLTON SOUTH VIC 3053

## IMPORTANT INFORMATION

Neither the Trustee, its service providers or their associates guarantees the performance of the Fund, the repayment of capital or any particular rate of return.

The information contained in this PDS is general advice only and doesn't take into account your individual objectives, financial situation or needs. Before making a decision to invest in the Fund, you should read this PDS from cover to cover and work out whether the options and features are right for your personal financial circumstances. If in doubt, you should always talk to a financial adviser.

While we've gone out of our way to make sure the contents of this PDS are accurate, no representation, warranty or undertaking is made in relation to its accuracy or the currency of this information. In addition, no liability, whether in negligence or otherwise, will be accepted for any error or inaccuracy. Accordingly, the Trustee reserves the right to make any appropriate amendments.

## RESOLVING COMPLAINTS

### How do we manage your complaints?

WA Super aims to provide the highest level of service to you at all times. However, if you have a complaint about the services provided to you, you should take the following steps:

- 1) Contact the Client Contact Manager on (08) 9480 3500 or 1300 99 85 42 (Country Callers).
- 2) If your complaint is not satisfactorily resolved within five working days using this method, you can write to:  
Complaints Officer  
WA Super  
PO Box Z5493  
St Georges Terrace  
PERTH WA 6831
- 3) If you are still not satisfied with the outcome or have not heard from the Complaints Officer within 90 days, you have the right to contact the Superannuation Complaints Tribunal (SCT) on 1300 884 114.

The SCT is an independent body, which was established by the Federal Government to consider superannuation related complaints by existing and former members and their beneficiaries. The SCT's jurisdiction includes an ability to hear complaints in relation to Trustee decisions. You may only approach the SCT if you have first been through the WA Super's internal dispute resolution procedure as described above.

You may also have the right to take your complaint to the:

Financial Ombudsman Service (FOS)  
GPO Box 3  
MELBOURNE VIC 3001  
Tel: 1300 780 808

FOS is an external dispute resolution scheme that was established to provide advice and assistance to consumers to help them in resolving complaints in relation to the financial service industry, including the provision of financial advice and products.

You may be eligible to take your complaint to FOS if:

- You do not receive a response to your non-SCT complaint within 45 days.
- You are not satisfied with the response received after going through the WA Super's internal complaints procedure.

Both the SCT and FOS are a free service to you.

## YOUR PRIVACY RIGHTS

Your privacy is important to us. We ensure that your personal information is kept secure in accordance with our Privacy Policy.

### COLLECTION OF PERSONAL INFORMATION

Personal information is collected from you to enable us to accept you as a member of the Fund and to administer your account, as well as providing you with services and benefits.

We may also collect information from your employer if you are an employer sponsored member.

Without the collection of your personal information we may not be able to accept you as a member of the Fund, or provide you with benefits and services.

### DISCLOSURE OF YOUR PERSONAL INFORMATION

Your personal information may be disclosed to third parties to enable us to administer the Fund and provide you with related services. These include parties such as the Funds administrator and insurer. We do not send your personal information overseas unless required by law in administering your requests to transfer funds from overseas, such as the United Kingdom and New Zealand.

### MARKETING

Where we believe that there may be products and services that are relevant to you, including those of third parties, we may use your personal information to inform you of these. You can elect to opt out of receiving marketing material at any time by contacting us. Further information is available in our Privacy Policy.

### OUR PRIVACY POLICY

Our Privacy Policy is available on our website at [www.wasuper.com.au/privacy/](http://www.wasuper.com.au/privacy/) or you can contact us to obtain a copy. The Policy details how we collect, use, manage and disclose your personal information along with how you can make a complaint in relation to a breach of your privacy. You are also able to access and seek correction of your personal information, subject to the Privacy Act 1988 (Cth).

Issued by WA Local Government Superannuation Plan Pty Ltd ABN 64 066 797 162, AFSL 269006, as Trustee for WA Local Government Superannuation Plan ABN 18 159 499 614  
USI: WAL0001AU

Level 11, 105 St Georges Terrace, Perth, Western Australia 6000  
T/ 08 9480 3500 F/ 08 9480 3501 Country Call/ 1300 99 85 42

PO Box Z5493, St Georges Terrace, Perth, Western Australia 6831  
E/ [info@wasuper.com.au](mailto:info@wasuper.com.au)

---

