

Your Defined Benefit & Member Savings

Employee Members



Date of Preparation 1 July 2017

Australia Post Superannuation Scheme
(ABN 42 045 077 895)

Issuer: PostSuper Pty Ltd
(ABN 85 064 225 841)

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About this Product Disclosure Statement

This Product Disclosure Statement (PDS) has been prepared for eligible Employees of Australia Post or an Associated Employer who have Defined Benefit entitlements in the Australia Post Superannuation Scheme (APSS) and may also have Member Savings invested in the APSS (or at least have the choice to invest Member Savings if they wish to). Such Employees are referred to as 'Employee Members' of the APSS. Please note that this PDS does not cover benefit details for certain special case Members, such as Members of the Commonwealth Super Scheme (CSS) entitled to the APSS Employee Productivity Superannuation Contribution. CSS Members should visit css.gov.au for more information.

This PDS was prepared by PostSuper Pty Ltd (ABN 85 064 225 841), Trustee of the Australia Post Superannuation Scheme (ABN 42 045 077 895). It contains general information about the APSS Defined Benefit and APSS Member Savings accounts, and doesn't take into consideration your personal financial situation or needs. It is not financial product advice, and should not be relied upon as such.

Before making any decisions on the basis of the information contained in this PDS, you should obtain independent advice that takes into account your particular circumstances. The Trustee of the APSS (PostSuper Pty Ltd) is not required to and does not hold an Australian Financial Services Licence. Therefore, it is not licensed to provide you with financial product advice regarding your investment in the APSS.

Information in this PDS is current as at the date of preparation shown on the front cover. Subject to relevant law, information in this PDS may change from time to time. Updated information can be found at apss.com.au or you can have a hard copy mailed to you free of charge by calling SuperPhone on **1300 360 373**. If the changes are materially adverse, we will replace this PDS. You will also be notified by mail of other material changes and significant events that affect your APSS membership.

While this PDS explains how your benefits are generally calculated, your actual benefit is always determined in accordance with the Trust Deed for the APSS; not necessarily in accordance with this PDS.

Note that words and expressions capitalised in this PDS are defined on apss.com.au in the *Glossary* under the *Publications & Forms* tab.

❗ Extra information on the APSS website

The APSS website includes Trustee and executive remuneration details and other documents and information that must be disclosed by law. Read the *APSS Governance* page in the *About the Scheme* section under the *About* tab at apss.com.au for details and links to this information and documents. If you would like further information, or to see a glossary of terms used in this document, go to apss.com.au or contact us.

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How you can contact us

Call *SuperPhone* **1300 360 373** Monday – Friday 9.00am – 5.30pm (Sydney time)

Visit us online at **apss.com.au**

Write to APSS, Locked Bag A5005, Sydney South NSW 1235

Email sr@apss.com.au

Fax (02) 9372 6288

It's a good idea to have your Member number and member details handy when contacting us online or by phone.

About your super in the APSS

As an Employee Member of the APSS, your employer provides you with a Defined Benefit that is not exposed to investment risk. You also have the opportunity to save and invest extra money for your retirement in an APSS Employee Member Savings account. Your super in the APSS may be made up of three main components:

1. Super your employer provides for you – Your APSS Defined Benefit

The core part of your super in the APSS is a Defined Benefit provided by your employer and based on a formula which uses information about your super salary and how long you're an Employee to 'define' the amount of benefit you are entitled to. Generally no fees apply to Members' Defined Benefits, because your employer subsidises the costs, although Family Law fees will apply where relevant. You also have more certainty around how much you are entitled to because your Defined Benefit is not influenced by the investment performance of APSS assets or financial markets.

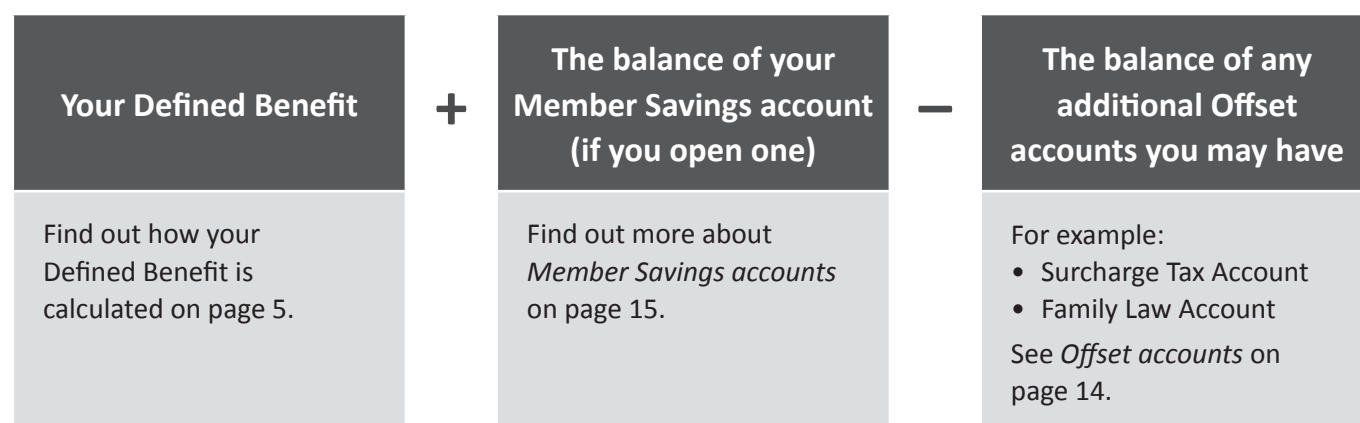
2. Super you save for yourself – Your APSS Member Savings account

This account is made up of additional money you choose to invest in the APSS yourself to add to your own super savings. The balance of your APSS Member Savings account will be added to your Defined Benefit when you resign or retire. However, unlike your Defined Benefit, your Member Savings account is an 'accumulation' style account (like a bank account) and influenced by investment performance and financial markets. Positive or negative investment returns, plus or minus your contributions or withdrawals, will determine the balance of your Member Savings account.

3. Deductions from your benefits if applicable – Your APSS Offset accounts

You may have an APSS Offset account; for example, if you have to pay Surcharge Tax, and/or you are subject to a Family Law order or agreement. If applicable, then the balance of any Offset account will be deducted first from the balance of any APSS Member Savings account you have, and then from your Defined Benefit if necessary.

The following diagram shows how your super is calculated when you retire or resign, with references to pages where you can read more:



What is a Defined Benefit?

Most super accounts are Accumulation accounts. With an Accumulation account (like a Member Savings account), the balance is made up of the money contributed, less fees, taxes and insurance costs, plus (or minus) Investment returns less any amounts paid. This means that a Member carries the investment risk, and cannot predict exactly how much they'll get from their super.

A Defined Benefit is calculated using a formula that determines how much a Member will get paid. This means you don't rely on Investment returns for your super to grow. So you don't carry the investment risk, your employer does.

Calculating your Defined Benefit

Your Defined Benefit is worked out using a formula

This PDS covers two different categories of Defined Benefit entitlements in the APSS:

- **14.3% Defined Benefit** - for permanent Employees who are not on probation
- **SG Defined Benefit** - for contract Employees, or for certain Employees, notably permanent Employees while they are (or were) on probation and a relatively small number of Members who are permanent Employees of StarTrack.

The way that these different Defined Benefit entitlements are calculated is explained below:

Accrual rate	X	Final Average Salary (FAS)	X	Years of full-time service
<p>Your accrual rate will depend on how you are employed:</p> <p>Permanent Employees* - your accrual rate is 14.3%. During probation, the rate is the Superannuation Guarantee rate that applied during the probation period (currently 9.5%).</p> <p>Contract Employees - your current rate is 9.5% and will increase in line with changes to the Superannuation Guarantee rate.</p> <p><small>*Excludes a relatively small number of StarTrack permanent Employees whose accrual rate is the same as for contract Employees.</small></p>		<p>Final Average Salary (FAS) is generally the average of your Superannuation Salaries on your last three birthdays.</p>		<p>This starts on your first day of work and ends on your last day of work. Years of service are adjusted for part-time work (refer to page 7) and part years of service.</p>

Example

John has worked for Australia Post for 10 years full time and as a permanent Employee and maintains his membership of APSS all this time. He decides to leave Australia Post, and on the date he resigns, John has a Final Average Salary of \$50,000.

John's Defined Benefit is:

14.3% x FAS x years of full-time service = Defined Benefit

14.3% x \$50,000 x 10 years = \$71,500.

Calculating your Defined Benefit (continued)

Your Superannuation Salary

Your Superannuation Salary is generally your full-time equivalent (before-tax) salary as at your last birthday. It includes recognised allowances and will be different to your pay because of this.

If you were not a Member of the APSS on your last birthday, your Superannuation Salary is your full-time equivalent (before-tax) salary on the date you joined the APSS.

If you stay with your employer until you retire and leave employment on the last working day before turning 65, your Final Average Salary used to work out your final benefit will be calculated using the Superannuation Salaries on your 63rd and 64th birthdays and your last day of work.

As your FAS is made up of the average of your Superannuation Salaries on your last three birthdays, your benefit will generally keep pace with Inflation.

Your Superannuation Salary is based on payroll information provided to the APSS by your employer.

Your Employer has adopted procedures to make sure that, should your take home pay decrease, your Superannuation Salary will generally not decrease.

Minimum Final Average Salary

A minimum Final Average Salary (MinFAS) applies if you retire on or after your 55th birthday. It will also apply to any benefit accrued during probation and/or SG Defined Benefit service if you leave your employer before age 55. The minimum Final Average Salary is indexed on 1 July each year in line with general wage increases within Australia Post. At 1 July 2017, MinFAS was \$49,550.

What happens during probationary employment?

If you are a permanent Employee and you have spent time on probation, your Defined Benefit during the period spent on probation is calculated using the Superannuation Guarantee rate multiplied by Final Average Salary for the length of the probation. The Superannuation Guarantee rate that currently applies is 9.5%*, but it used to be lower and this difference is reflected in the examples below. Once your probationary period of employment finishes your Defined Benefit will be 14.3% multiplied by your Final Average Salary for the length of your full-time service with your employer.

* This rate is scheduled to remain at 9.5% until 30 June 2021, then gradually increase by 0.5% each financial year from 1 July 2021 until it reaches 12% from 1 July 2025 onwards.

Example

Michael has worked at Australia Post for 10 years full-time as a permanent Employee. His Final Average Salary is \$50,000. When he started work he was on probation for three months. During that time the SG rate was 9%.

Michael's Defined Benefit is:

	Rate	x	Final Average Salary	x	Years of full-time service	=	Defined Benefit
Probation	9%	x	\$50,000	x	0.25 years	=	\$1,125
PLUS							
Rest of employment	14.3%	x	\$50,000	x	9.75 years	=	\$69,713
Total Defined Benefit						=	\$70,838

How the Defined Benefit is calculated for part-time work

During part-time work, the Defined Benefit you accrue is calculated as:

Rate x Final Average Salary x Years of part time service x (Days of part-time work/5 days)

Even during periods of part time work, your Final Average Salary is based on your full-time equivalent salary.

Example

Sarah works three days a week for four years as a contract Employee. Her Final Average Salary (FAS) is \$50,000. Her Defined Benefit for her part-time work is:

Rate	x	Final Average Salary	x	Years of part-time service	x	Days of part-time work /5 days	=	Defined Benefit
9.5%		\$50,000	x	4	x	3 days/5 days	=	\$11,400

What happens if you take leave without pay?

If you take periods of employer-approved leave without pay that commence on or after 1 July 2014, you will still be considered to be an active Member of the APSS and your years of service will continue to increase so that your Defined Benefit will continue to grow (at the full or part-time rate that applied immediately before you started your leave) for the following amount of time (whichever applies to you):

- 28 days for most approved leave without pay, or
- a maximum of 12 months in total for approved maternity, paternity or adoption leave, including both paid and unpaid leave.

You will still be eligible for additional Death or Total & Permanent Disablement (TPD) cover while on Employer-approved leave without pay, up to a maximum of 12 months. If your approved leave without pay goes beyond 12 months, you will no longer be eligible for Death or TPD cover.

Your leave status (including the type of leave you are on and whether it has been approved) is based on information provided to the APSS by your employer.

Superannuation Guarantee top up

Employers generally have to provide a minimum amount of super for their Employees. This is called the minimum Superannuation Guarantee benefit.

To ensure that your super always meets the minimum Superannuation Guarantee requirements, a top up may be calculated for you. This will be the amount by which the minimum Superannuation Guarantee benefit exceeds your Defined Benefit.

If you are entitled to a Superannuation Guarantee top up, it can go up or down when your Defined Benefit changes and when the Superannuation Guarantee changes. Currently the Superannuation Guarantee rate is 9.5%.

Visit the website at apss.com.au or call *SuperPhone* on **1300 360 373** if you would like to find out whether you would have a minimum Superannuation Guarantee top up entitlement if you accessed your benefit today.

Calculating your Defined Benefit (continued)



How is the Superannuation Guarantee top up calculated?

The minimum Superannuation Guarantee benefit is calculated using this formula:

Superannuation Guarantee rate
x Final Average Ordinary Time Earnings
x years of full-time service
x 1.11
x age based discount factor

Where:

- years of full-time service is the period while you are eligible for the minimum Superannuation Guarantee benefit.
- Final Average Ordinary Time Earnings is generally the average of your Ordinary Time Earnings received over the years ending on your last three birthdays while employed at Australia Post or an Associated Employer. There are also special rules that apply where you have not yet had three birthdays while employed by Australia Post or an Associated Employer.
- the age based discount factor is based on your age. The factor is 1 at age 65, and reduces by 1.5% for each full year (and pro rata for each month) before age 65, with a minimum factor of 0.7 at ages 45 and under.

Note that a different formula applied for service prior to 1 July 2008.

Ordinary Time Earnings

Ordinary Time Earnings is the total of an Employee's earnings for ordinary hours of work plus over-award payments, shift loading and commission. It does not include lump sum payments made on termination of employment in lieu of unused annual leave, long service leave or sick leave. Ordinary Time Earnings used for calculating your minimum Superannuation Guarantee benefit is subject to a legislated upper limit called the Maximum Contribution Base – it is indexed each year. Your Ordinary Time Earnings is based on payroll information provided to the APSS by your employer.

When your Years of Service stop increasing

Your Defined Benefit won't increase with additional years of service when:

- you reach age 65, unless you are employed on at least a part-time basis (at least 40 hours in a period of 30 days in a row during the most recent financial year), or
- you reach age 75.

The minimum Superannuation Guarantee benefit will continue to accrue after age 75 if you are still working for Australia Post or its Associated Employers.

Total & Permanent Disablement (TPD) and Death cover



Death cover means your family could have financial support if you die, and if you are entitled to a 14.3% Defined Benefit, you are also covered if you become totally and permanently disabled. You're covered 24 hours a day, 7 days a week at no cost to you.

Cover for Members entitled to the 14.3% Defined Benefit

If you are a Defined Benefit Member who is entitled to a 14.3% Defined Benefit, and you die or become totally and permanently disabled, you or your Dependents will receive a payment made up of:

Your accrued Defined Benefit (calculated as at the date you become disabled or die).



An extra amount to cover what you would have been eligible to receive if you'd worked to age 60. This is calculated as:

14.3% x Final Average Salary x Years from date of Total and Permanent Disablement or death to date Member would have turned 60.

To calculate your death and Total and Permanent Disablement benefit, your FAS is determined as if your Superannuation Salary remained unchanged from the date you become totally and permanently disabled or die to the date you would have reached age 60.

A top up may be applied to ensure that your super meets the minimum death benefit requirements under Superannuation Guarantee law.

Please see *Choose your Beneficiaries* on page 35 for an explanation of who will receive your benefits when you die.

TPD and Death cover (continued)

Example

Michelle has worked for Australia Post for 10 years as a permanent Employee. She has an accident and becomes totally and permanently disabled at age 35. Michelle's Superannuation Salary is \$54,000, which we assume will remain unchanged to age 60 in this example. Her payment is:

Rate	x	Final Average Salary	x	Years of full-time service	=	Defined Benefit
14.3%		\$54,000	x	10	=	\$77,220
PLUS						
Rate	x	Final Average Salary	x	Years from Total and Permanent Disablement to age 60	=	Defined Benefit
14.3%		\$54,000	x	25	=	\$193,050
Total Defined Benefit					=	\$270,270

Who is eligible for Death and TPD cover?

To be eligible, you must be:

- under 60, and
- not on probation.

From age 60, if you become totally and permanently disabled or die, the amount paid is your Defined Benefit calculated as at the date you became disabled or die. There is no extra TPD or death payment.

You will only be eligible for cover while you are employed by an employer who participates in the APSS.

No death or TPD payment will be payable if you are on approved leave without pay beyond one year.

Death cover while on probation

During probation, you are provided with a fixed amount of Death cover based on your age. If you die, this fixed amount is paid to your Dependents in addition to your Defined Benefit.

For the amount paid, see the table on the right titled *Fixed Death cover payments*. If you are on probation and become disabled, you will not be eligible for an additional TPD payment.

Cover for SG Defined Benefit Members

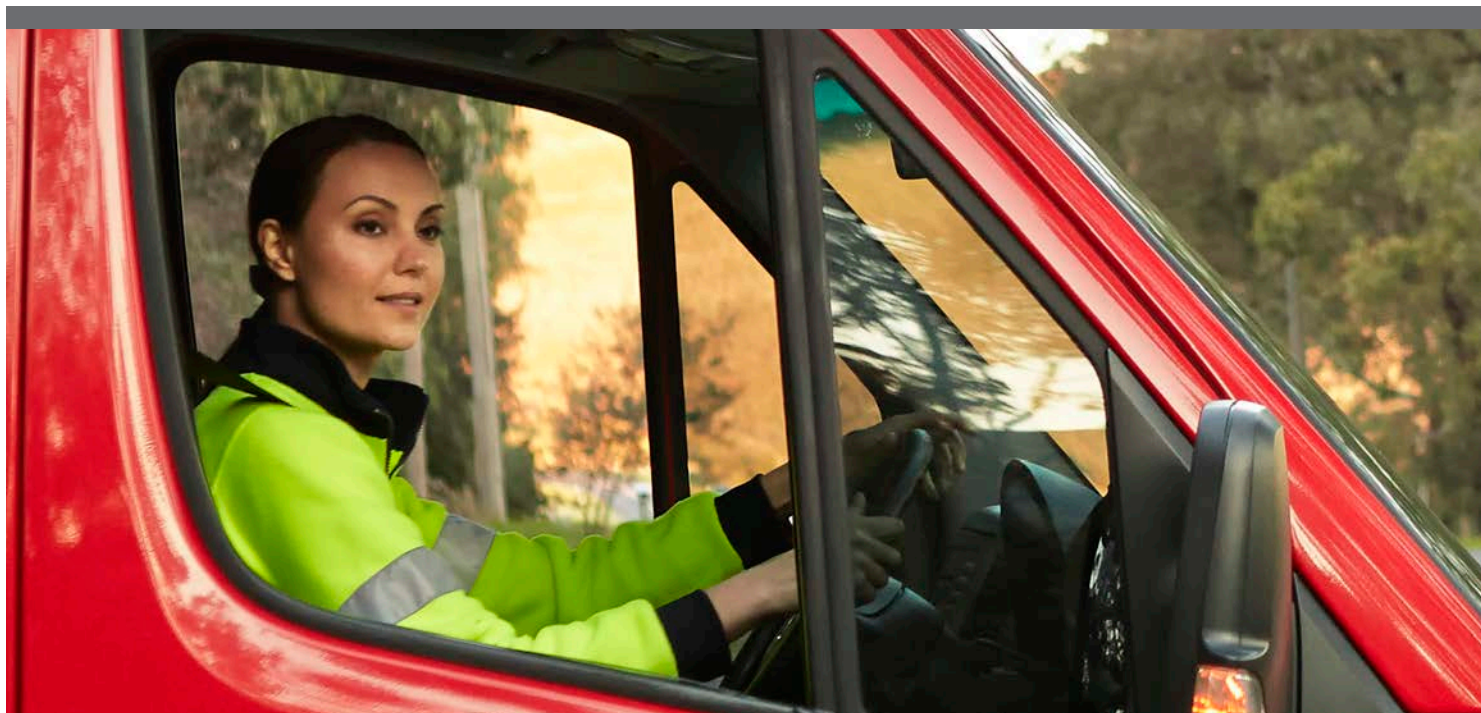
If you are an SG Defined Benefit Member (e.g. a contract Employee) you are not eligible for an additional TPD payment. If you suffer Permanent Incapacity (as defined in superannuation law), you will be paid your accrued Defined Benefit.

If you die, your Dependents will be paid an extra amount in addition to your Defined Benefit. The extra amount is fixed and depends on your age when you die.

Fixed Death cover payments

Age	Amount of payment
under 20	Nil
20 to 34	\$50,000
35 to 39	\$35,000
40 to 44	\$20,000
45 to 49	\$14,000
50 to 55	\$7,000
56 or older	Nil

Please see *Choose your Beneficiaries* on page 35 for an explanation of who will receive your benefits when you die.



When are you considered totally and permanently disabled?

How Total and Permanent Disablement (TPD) is defined depends on when you became a Member of the APSS:

You last became a Member on or before 30 June 2014

Total and Permanent Disablement is defined as disablement due to illness or injury as a result of which the Member has suffered, while a Member, the loss of two limbs or the sight of both eyes or the loss of one limb and the sight of one eye (where limb is defined as the whole hand or the whole foot).

OR

Disablement due to illness or injury as a result of which:

- the Member has been continuously absent from work for a period of not less than six months or such lesser period (if any) as may be agreed between Australia Post and the Trustee from time to time either generally or in any particular case; and
- the Trustee receives a certificate signed on behalf of the Claims Assessor to the effect that, in the opinion of the Claims Assessor, the Member is incapacitated to such an extent as to render the Member unlikely ever to engage in regular employment for which the Member is, for the time being, reasonably qualified by reason of education, training or experience.

You became a Member on or after 1 July 2014

Total and Permanent Disablement is defined as ill-health (whether physical or mental) where the Trustee is reasonably satisfied that the Member is unlikely, because of ill-health, to engage in gainful employment for which the Member is reasonably qualified by education, training or experience.

What is not covered by TPD?

TPD will not include disablement as a result of illness or injury which in the opinion of the Claims Assessor (or the Trustee, if there is no Claims Assessor) has been inflicted, incurred or aggravated for the purposes of obtaining a payment from the APSS.

If the Trustee considers that an insurer would have declined or reduced any death or TPD benefit available to you, it may reduce any additional payment by an amount it believes the insurer would have declined. For more information see *Making a claim* on page 12.

The Claims Assessor is a specialist claims assessment person appointed by the Trustee, with the approval of Australia Post, under the Trust Deed.

Being retired from your employer on the grounds of ill health does not automatically qualify you for a TPD payment. The decision to retire Employees on the grounds of ill health is a matter for your employer. The Claims Assessor (or the Trustee if there is no Claims Assessor) will consider your claim separately.

TPD and Death cover (continued)

Terminal medical condition

If you suffer a Terminal medical condition, your super can be paid before your death. The Trustee must establish the following before releasing any payment:

- two registered medical practitioners have certified (jointly or separately) that you suffer from an illness or have incurred an injury that is likely to result in your death within 24 months from the date of the certification (the certification period), and
- at least one of the registered medical practitioners is a specialist practising in an area related to the illness or injury suffered by the Member, and
- the certification period for each of the certificates has not ended.

In the event of Terminal illness, a tax-free lump sum benefit would be payable, equal to your APSS Defined Benefit.

Making a claim

Evidence of disablement or proof of death is required before any payment can be made.

When you join the APSS, the Trustee does not require information about your current state of health. However, the Trustee may rely on information you supply to your employer on your employment, or information provided by a doctor, to determine your eligibility when a claim is made. If you or your personal legal representative do not provide consent for your employer to provide this information to the Trustee, you or your Dependants may not be eligible for a death and TPD payment.

If the Trustee considers that an insurer would have declined or reduced any death or TPD benefit available to you, it may reduce any additional payment by an

amount it believes the insurer would have declined. This may occur if your death or TPD was a result of a pre-existing illness or injury at the time your death or TPD cover started (for many Members, this is at the date you started work; for Members who have opted out of the APSS Defined Benefit and back in again, it will be at the date you opted back in).

The Trustee will only assess your eligibility for a TPD payment after your employment has ceased.

Anti-detriment payments

An anti-detriment payment is an extra amount paid on top of an APSS death benefit, the extra amount being broadly equal to the 15% contributions tax that would have applied to contributions made to fund the deceased Member's APSS benefit. The APSS Trust Deed allows the Trustee to make such payments in respect of Members who die after 31 August 2016, provided that the Trustee is satisfied that it will be able to claim a tax deduction in relation to that payment. However, a legislative change will preclude the Trustee from claiming this tax deduction where the death occurs on or after 1 July 2017 (or because of a death occurring before that date if the death benefit is paid on or after 1 July 2019). The effect is that anti-detriment payments will only be available for a very limited time. Where payable, anti-detriment payments are paid to an eligible dependant of the deceased Member (such as a Spouse, former Spouse, or a Child). Generally, death benefits paid to an Estate are not eligible for an anti-detriment payment unless the Trustee of the APSS is shown evidence that the Estate has distributed the assets to an eligible dependant.

How we invest your Defined Benefit

The Trustee of the APSS invests the funds contributed by your employer to provide the Defined Benefit for Employees. Your employer takes on the investment risk, not you.

Investment objective for Defined Benefit assets

The Trustee's investment objective for Defined Benefit assets is to implement an investment strategy that has a high probability of allowing the APSS to pay benefits as well as other costs as needed. The strategy aims to achieve a long-term average Investment return of 5.0% each year (after taxes and costs). This is measured over rolling five year periods.

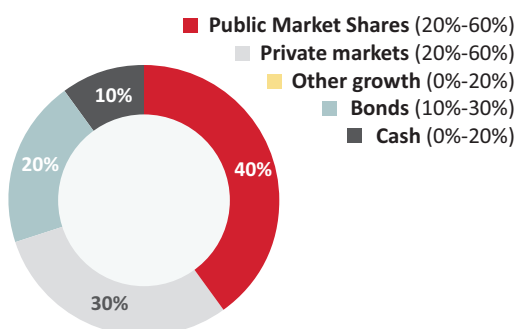
In order to achieve a relatively high long-term Investment return, this means that returns each year are likely to vary more. The frequency of a negative return is likely to be 2-3 years in every 10 years. In addition, the APSS Vested Benefits Index is likely to fluctuate between 90% to 110%, but could fluctuate more than this.

Investment strategy

The Trustee's investment strategy is to allocate the Defined Benefit assets of the APSS in a way that is most likely to achieve the investment objective.

The Trustee's investment strategy involves investing across different Asset classes that have different levels of risk (and therefore different levels of expected return). Investing in a range of different assets also helps reduce the overall impact if some investments don't perform well.

The Defined Benefit assets are invested in the following Asset classes:



The actual percentages shown in this chart may vary from time to time within the allowable ranges (shown in brackets).

^Private market assets include private equity, Property, infrastructure and private debt.

Managing currency risk

We invest in all major financial regions of the world as well as Australia. This introduces currency risk – the risk that the value of overseas investments will be affected by movements in exchange rates. The Trustee has appointed a currency risk manager, to manage the effect of exchange rate movements.

Labour standards and environmental, social and ethical issues

Other than as set out below, the Trustee does not take into account labour standards, environmental, social or ethical considerations in the selection, retention or realisation of the Fund's investments or in the appointment or termination of the investment managers.

However, the Trustee does exclude any direct APSS investments in the Shares of companies that produce tobacco products. This policy does not apply to APSS investments in pooled funds managed by third parties.

Our investment managers do not take into account any other labour standards, environmental, social or ethical considerations in the selection, retention or realisation of investments. These considerations may be taken into account if they have the potential to materially affect the value of investment, but no specific methodology is applied.

Offset accounts



Because your Defined Benefit is calculated at the time it is to be paid based on a specific formula, it is not possible to deduct amounts from your Defined Benefit until it is paid to you. So we may need to set up an Offset account to record the amounts that need to be deducted from your benefit payment in the future. There are different types of Offset accounts that can decrease the total amount of your super.

Surcharge Tax Account

A Surcharge Tax Account will be set up if the APSS had to pay a surcharge debt to the ATO for you in respect of periods before 1 July 2005 when Surcharge Tax was in force.

The balance of your Surcharge Tax Account will be made up of any assessment received from the ATO plus interest. Surcharge Tax Accounts have interest charged each year at the 10-year Commonwealth Bond rate.

The balance of a Surcharge Tax Account will be deducted from your super when it is paid.

Family Law Offset account

A Family Law Offset account may be set up if you are required to split your super with a former Spouse or partner as the result of a Court Order or registered Family Law agreement.

The balance of any Family Law Offset account will be made up of the amount of super that was allocated to a former Spouse or partner plus interest at 2.5% above the percentage change in full-time adult Average Weekly Ordinary Time Earnings (AWOTE).

The balance of a Family Law Offset account will be deducted from your super when it is paid.

Other Offset accounts

An Offset account will also be opened for you if part of your Defined Benefit was paid to you on compassionate grounds or due to severe financial hardship, or if you used some of your Defined Benefit to commence an APSS Pension while still in employment. Interest will be charged on this Offset account at the same rate as the Crediting Rate calculated from the Investment return of the Defined Benefit assets.

Save more with Member Savings



Warning

Make sure you consider the likely Investment return, risk and your investment time frame when choosing an investment option.

You can add more to your super by contributing to a Member Savings account.

A Member Savings account is an Accumulation account that can sit alongside your Defined Benefit in the APSS. Any Member Savings account is in addition to the Defined Benefit provided by your employer, and can be a great way to add extra to your super. And with a Member Savings account, you get to choose how your money is invested.

The balance of a Member Savings account includes:

- contributions you make from your before or after-tax income
- contributions made by your partner, Government co-contributions and any money you transfer from another super account
- Investment returns (either positive or negative) based on the investment option you choose
- any tax, payments or rebates.

To open a Member Savings account, complete the application form at the back of this document.

Contributing to your account

You can only contribute to your Members Savings account if:

- you are under 65, or
- you are between 65 and 74 and in paid employment for at least 40 hours in a period of 30 consecutive days in the current financial year.

Choose how your Member Savings account is invested

You can select just one option, or any combination of options to suit you. For an explanation of each option, go to pages 18-19.

If you don't make an investment choice when you open your account, we'll invest your account in the Balanced investment option. You can change this at any time.

Different types of assets

An asset is something you invest in. This may include Property, Shares, Bonds or putting cash in the bank. There are two main types of assets:

- 1) Income assets** are typically lower risk and more stable over the short term, but tend to produce lower returns over the long term. Cash and Bonds are examples of Income assets.
- 2) Growth assets** typically are higher-risk investments and more volatile in the short term, but tend to produce higher returns over the long term. Shares and Property are examples of Growth assets.

The four investment options you can choose from have different combinations of Growth and Income assets.

The table on the next page describes the types of assets that make up our investment options.

Save more with Member Savings (continued)

Asset type	Investment description
Cash	Cash in the APSS portfolio can include bank deposits, bills or securities with very high credit quality, held either directly or via a managed investment trust. Cash investments provide capital security (meaning the value of the original investment is less likely to drop) and stable returns.
Bonds	Bonds (also known as debt securities) are a type of Financial asset that is essentially an 'I owe you' issued to investors from governments, corporations and other large institutions seeking to raise money. Investing in Bonds basically involves acquiring the right to receive interest and a repayment of the original amount of the money raised by the borrower. In the underlying portfolios of the APSS Conservative, Balanced and High Growth investment options, the Bonds Asset class includes fixed, floating or Inflation-linked interest securities and Cash. Returns can fluctuate over the short term but are usually more stable than Shares.
Public Markets	Public Market refers to investments in Shares and Bonds traded on public exchanges like the Australian Securities Exchange. They can be bought and sold readily and are therefore referred to as liquid. This also means that their value can change very quickly if investor demand rises or falls, a characteristic referred to as Volatility.
Private markets	Private markets refers to investments in a wide range of managed funds that invest in privately-traded assets, such as unlisted companies (or private equity), infrastructure, Property and commercial loans. These investments are usually locked in by long-term contracts which mean that they cannot be bought or sold readily. However, because their value is not set by trading on Public Markets, Private market investments don't generally display much Volatility over short periods.
Other growth opportunities	From time to time, the APSS may invest in other types of assets. These may include investments in 'absolute return' funds that actively trade investments to earn returns in both rising and falling markets. They may also include investments in alternative income sources, such as insurance and royalties.
Shares	Shares (also known as equity or equities) are Public Market Financial assets that assign ownership of companies to investors, giving them an interest in the management of the company. Ownership of Shares in a company entitles investors to their proportional 'Share' of the company's profits. The company's profits may be distributed to Shareholders in the form of dividends or invested back into the company to increase its future profits.

Spread your risk

By investing in a mix of Growth and Income assets, you spread your investment risk. APSS' Conservative and Balanced options each invest in a range of assets. The High Growth option has some spread of assets, but mainly invests in Growth assets. The Cash option is only invested in one type of asset, but is expected to provide a low and steady level of risk and return.

You can also create your own unique investment portfolio by blending the four investment options; for example, a 75%/25% split between two options (i.e. 75% in High Growth and 25% in Cash) if you want more growth with some capital protection. Or you could flip that to 25%/75% if you wanted some growth potential but also wanted to protect more of your capital.

Investment return

The return on an investment is the amount of value an investment earns or loses over time.

Some of the returns can be from investment income (interest for example). The value of some assets can also increase over time – this is called a capital gain. For instance, the price of a Share may increase providing a capital gain.

A return can also be negative. If an investment loses value over time, this is called a capital loss. For example, the value of Property may fall, providing a capital loss. The total return you receive on an investment depends on both investment income and any capital gains or losses. Investment returns are normally shown as a percentage of the total amount invested.

Short term investment risk	Long term investment risk
<p>Short term investment risk is the potential for your savings to fluctuate (go up and down) in value over time.</p> <p>If the returns from an investment are likely to change a lot over the short term, it is called a 'high risk' investment. If the returns are quite stable and don't change much over the short term, it's called a 'low risk' or 'stable' investment.</p> <p>Over the short term, Growth assets can change in value a lot when compared to Income assets, which tend to be more stable. But over the long term, Growth assets have generally earned more than Income assets.</p>	<p>Long term investment risk is the risk of not having enough money in retirement.</p> <p>Putting money into investments like the Cash investment option seems safer, and it is in the short term because you don't have the risk of capital losses, and your money can still grow.</p> <p>But over the long term, investing in this option might mean that your savings do not provide you with enough money in retirement or keep up with Inflation. That's a risk too.</p> <p>The Conservative option is expected to produce returns marginally above the rate of Inflation in the medium term. The Balanced and High Growth options are more likely to produce returns that significantly beat Inflation over the long term.</p>

Investment risk

Investment risk means different things to different people. To most though, it is the chance that Investment returns may go up or down over time. But risk can also mean not having enough money in retirement – and how you view risk depends on whether you are looking at your investment over a short or long time frame.

How much risk are you comfortable with?

When you're investing, risk and return go hand in hand. You cannot consider investment risk without Investment return. Generally, the higher the risk, the higher the potential return over the long term, and vice versa.

The level of risk you can cope with can change through your working life. For instance if you are closer to retirement, you may decide to choose a lower-risk investment option and not be too concerned about returns, if the most important thing to you is protecting your money.

However, if you have many years to go before you need to access your super, you may decide to choose a higher risk option and seek higher, long term returns.

How long should you invest for?

You need to think about how long your super will be invested before you retire, as well as how long you want your savings to last once you do retire. You may live another 30 or more years after you retire. Take a look at the table on the right to see how long you might

need to keep your savings invested in super based on how old you are now and your current life expectancy. These time frames are averages so you may well live beyond these ages!

Current age	Male life expectancy	Female life expectancy
25	81	85
35	81	85
45	82	85
55	83	86
65	84	87

Source: Australian Bureau of Statistics, Table 1: Life tables, States, Territories and Australia - 2013-2015 (27 October 2016 release). See: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3302.0.55.0012013-2015?OpenDocument>. Note that life expectancies above have been rounded down to the final expected birthday.



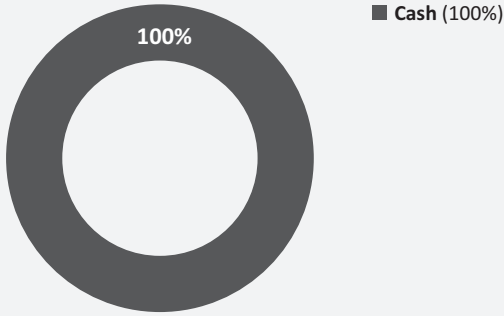
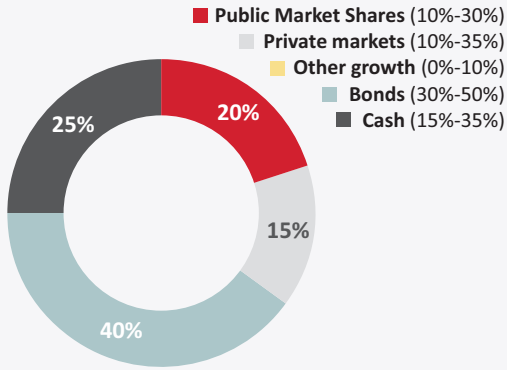
How we invest your money

We offer a choice of four investment options to cater for different types of investors, as summarised in the table on the following pages.

You can pick one or a combination of these options. You can also choose one strategy for your existing balance, and make another choice for your future contributions.

If you don't make an investment choice when you open your account, we'll invest your account in the Balanced investment option. You can change this at any time.

Save more with Member Savings (continued)

	 Cash	 Conservative
Suitability	Designed for Members seeking to avoid any capital loss and yield a rate of interest that closely tracks Australia's official cash interest rate, adjusted for tax as applicable.	Designed for Members seeking to grow the value of savings marginally in excess of Inflation in the medium-term, with a relatively low tolerance for volatile or negative short-term Investment returns.
Return objective The return that we aim to achieve for an option over a given time frame.	AusBond Bank Bill Index, net of tax	CPI* + 1.5% pa
Minimum suggested investment time frame The minimum number of years you should invest in the option before expecting it to meet its objective.	0 - 3 years	3 - 5 years
Strategic Asset Allocation The pie chart shows the assets each option is invested in. These may be adjusted within ranges (figures in brackets).	 <p>100% ■ Cash (100%)</p>	 <p> ■ Public Market Shares (10%-30%) ■ Private markets (10%-35%) ■ Other growth (0%-10%) ■ Bonds (30%-50%) ■ Cash (15%-35%) </p> <p>25% 20% 15% 40%</p>
Risk Level The number of times a negative annual return may occur within a 20-year period. See Standard Risk Measure on page 20 for more details.	Very low (Risk Band 1) Protected by a Capital Guarantee, which means that the Crediting Rates for Cash cannot be negative.	Medium to high/High (Risk Bands 5-6) The estimated number of negative annual returns is expected to be 3 to 4 in every 20 years.

*See footnote on the next page.



Balanced



High Growth

Suitability

Designed for Members seeking to grow the value of savings significantly in excess of Inflation in the medium to long-term, with a moderate tolerance for volatile or negative short-term Investment returns.

Designed for Members seeking to grow the value of savings very significantly in excess of Inflation in the long-term, with a high tolerance for volatile and frequently negative short-term Investment returns.

Return objective

The return that we aim to achieve for an option over a given time frame.

CPI* + 3% pa[^]

CPI* + 4% pa

Minimum suggested investment time frame

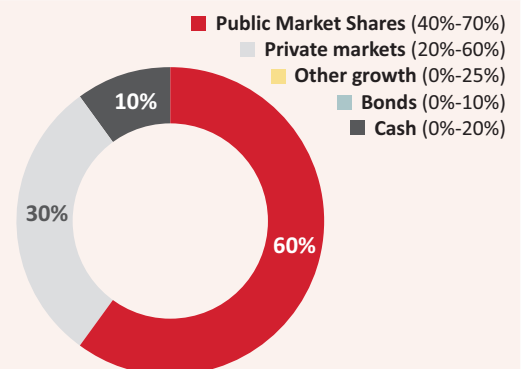
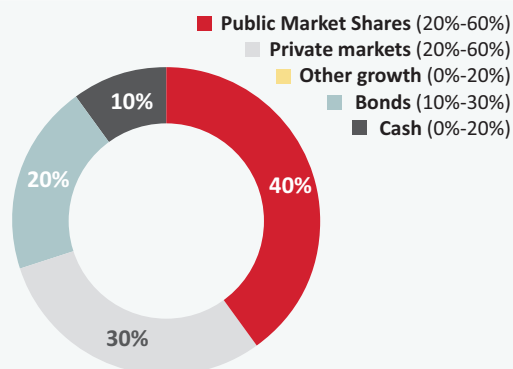
The minimum number of years you should invest in the option before expecting it to meet its objective.

5 - 10 years

10+ years

Strategic Asset Allocation

The pie chart shows the assets each option is invested in. These may be adjusted within ranges (figures in brackets).



Risk Level

The number of times a negative annual return may occur within a 20-year period.

See Standard Risk Measure on page 20 for more details.

High (Risk Band 6)

The estimated number of negative annual returns is expected to be 5 in every 20 years.

Very high (Risk Band 7)

The estimated number of negative annual returns is expected to be 6 in every 20 years.

*CPI stands for Consumer Price Index. CPI measures changes in prices over time of a standard basket of goods and services. It shows the impact of Inflation.

[^]The former APSS Market Return Member Savings option, which had the same Strategic Asset Allocation as the Balanced option, was measured against the 'Cash' Crediting Rate rather than CPI, and had a margin of 3% to 4%, rather than 3%.

Save more with Member Savings (continued)

The Standard Risk Measure

Based on industry information, the Standard Risk Measure (SRM) helps you compare investment options within and across superannuation funds.

For each investment option, the SRM forecasts the expected number of negative annual returns over any 20-year period. But keep in mind that it doesn't represent all forms of investment risk. For example, it doesn't show the potential size of a negative return, or when a positive return may be less than you need for your investment objectives. It also doesn't take into account the impact of any administration fees or tax (if any).

The SRM for each of the investment options is reviewed annually, or more often if there's been a material change to the underlying risk and return characteristics of a specific investment.

It's important to make sure that you are comfortable with the risks and potential losses associated with the investment options you choose.

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

Risk Bands 1, 5, 6 and 7 above apply to the four APSS investment options, as noted in the Risk Level row on pages 18-19.

Save super for your Spouse

You can open another APSS Member Savings account in your Spouse's name if your Spouse is eligible.

Both you and your Spouse can then contribute to it. See the separate *Your Member Savings PDS* and *Guide to your Member Savings* for Spouse and Rollover Members available at apss.com.au.

Changing your investment option

It's easy to change how your super is invested. Just log into your account or complete a *Change your investment choice* form which can be downloaded from apss.com.au, on the *Print a form* page under the *Publications & Forms* tab.

When choosing an investment option, you should consider the likely Investment return, risk and your investment time frame.

You can change your investment option fortnightly. The table below explains when your instructions must be provided.

Method	Cut off times
Paper form	Your completed form must be received on the Thursday before the start of the fortnight (if there are public holidays prior to the start of the fortnight, the APSS will need to receive the form earlier).
Online	You need to submit your instructions by the Friday before the start of the fortnight.

If you change your investment option more than once in the same fortnight, only your last choice will apply.

If the APSS is notified of your death, any Member Savings you have that is not already invested in the Cash investment option will be automatically switched to the Cash investment option at the end of the fortnight in accordance with the normal APSS switching time frame. This will usually be the next fortnight, based on Australia Post's payroll dates, but in some instances may be the following fortnight.

Suspension of switches

Subject to superannuation law, in certain circumstances the Trustee may temporarily suspend switches between the APSS' investment options. For example, this may happen if it is believed that to continue to make switches would materially disadvantage some Members relative to other Members.

In certain circumstances the Trustee may temporarily suspend payments or withdrawals – for example, if it believed that to continue to make benefit payments or withdrawals would materially disadvantage some Members relative to other Members.



Crediting Rates

Crediting Rates are used to allocate Investment returns to your account, and there are different rates for each investment option. Rates can be positive or negative depending on investment performance, although the Crediting Rates for the Cash option can't be negative because it is protected by a Capital Guarantee.

Crediting Rates are declared fortnightly. The Crediting Rate fortnights are generally the same as Australia Post's payroll dates.

Crediting Rates are also used to work out your account balance when you move money between investment options.

Interim Crediting Rates

Interim Crediting Rates are worked out for each business day. They are generally applied when payments are made to Members from the APSS. If a partial payment is made, Interim Crediting Rates are

used from the beginning of the previous fortnight for the portion of the account paid out.

You can view past Crediting Rates at apss.com.au under the *Investments* tab. As three new investment options were introduced on 1 July 2017, there are no past Crediting Rates for the Conservative, Balanced or High Growth options. Rates for these options will be published on the APSS website from mid-July 2017.

Warning

Investment returns are not guaranteed.
Past Crediting Rates are not an indicator of future Crediting Rates.

For more information

For more information about investing, read our *Investment basics* fact sheet at apss.com.au on the *Fact sheets* page under the *Publications & Forms* tab.

Risks associated with your super

APSS-specific risks of your Defined Benefit

With a Defined Benefit your employer carries the investment risk rather than you. So, the risk of low or negative returns on money contributed by your employer to provide your Defined Benefit is carried by your employer.

There is a risk that your Defined Benefit may not grow as quickly as Inflation if your Superannuation Salary does not increase in line with Inflation.

There is also no guarantee that the assets of the APSS will be sufficient at all times to pay the benefits of Members. If there is a shortfall, your employer may not meet the shortfall. In that case, the actual payment made to or in respect of you may actually be less than the Defined Benefit as calculated in accordance with the formula.

Your Employer also has the right, following consultation with the Australian Council of Trade Unions, to reduce, terminate or suspend its future contributions to the APSS.

Many of the costs of running the APSS are borne by Australia Post and Associated Employers. These arrangements may be stopped or change in the future. The APSS governing rules or our policies may also change from time to time and this may impact your super.

The APSS may also terminate in accordance with the procedures of the Trust Deed.

Risks of investing in a Member Savings account

All investments, including super, carry some level of risk that varies according to the assets that make up the investment portfolio and whether you take a long or short term view.

The level of risk you face depends on a range of factors:

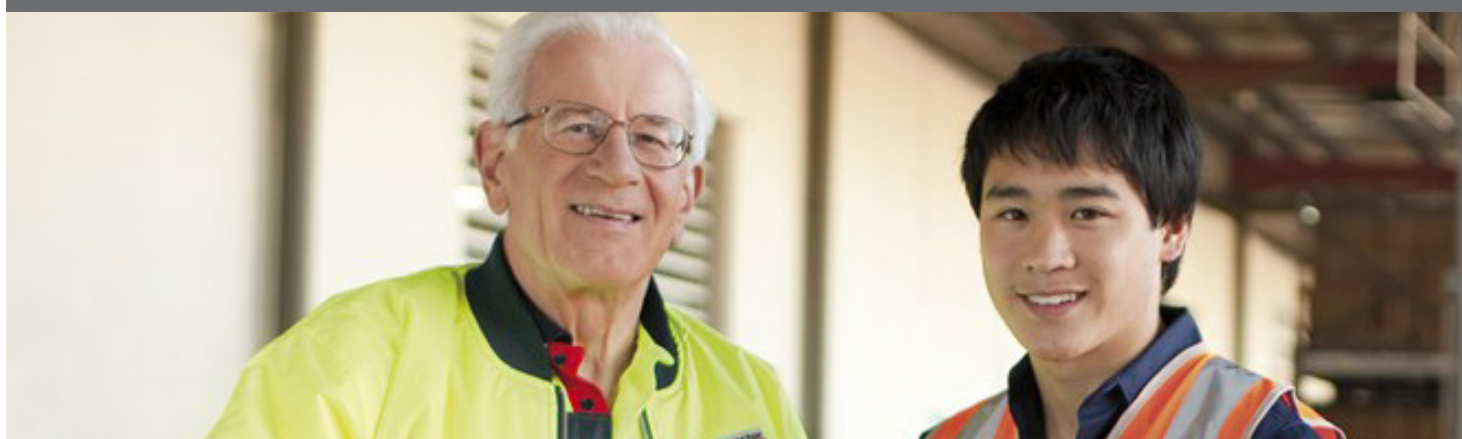
- your age
- your investment goals
- your investment time frame
- whether you have other investments and the nature of those investments
- your tolerance to investment risk, including how comfortable you are with the possibility of poor or negative Investment returns from time to time.

When considering your investment in APSS Member Savings, it's important to understand that:

- Investment values and returns will vary over time.
- Generally, investments with the potential for the highest return over the long term also have the highest risk of losing value over the short term. The reverse is also true.
- Crediting Rates for the Conservative, Balanced and High Growth investment options are not guaranteed and your super may lose value due to negative returns. Crediting Rates for the Cash investment option cannot be negative while Australia Post continues to offer a Capital Guarantee for this option.
- Future returns may differ from past returns and past performance of any investment should not be used as a guide for future returns.
- Your APSS Member Savings may not be enough to provide adequately for your retirement.

Australia Post and Associated Employers may change or end their arrangements with the APSS. These employers currently bear all the administrative costs of running the APSS for Employee Members and offer a Capital Guarantee for the Cash option, but there is no guarantee this will continue in the future. We will always notify you of any significant changes that may affect you.

Risks associated with your super (continued)



More information about Member Savings' investment risks

Your savings will be affected by the Investment returns of your chosen investment options.

Investing for the future involves different sorts of risks that may be more or less important depending on your circumstances. When considering your choice of options it is necessary to decide which risks are more or less important. Following are some important risks to be aware of:

Inflation

Inflation increases the cost of living, so it reduces what your savings can purchase in the future.

Investment losses

There is a risk that your savings may experience investment losses.

- **Individual investment risk** – individual assets can fall in value either temporarily or sometimes permanently for many reasons, such as changes in the internal operations or management of a fund or company, or in its business environment. That is why the APSS invests in a diverse range of assets in Australia and overseas.
- **Market risk** – economic, technological, political or legal conditions, or even market sentiment, can change, affecting the value of investment markets and the value of APSS investments. Changes can be positive or negative.
- **Interest rate risk** – changes in interest rates can have a positive or negative impact on investment value or returns (either directly or indirectly) – for example, the cost of a company's borrowing can decrease or increase or the income return on a fixed interest investment can become more or less favourable.

- **Currency risk** – we invest overseas and if the currencies of those countries rise or fall against the Australian dollar, the value of the investment measured in Australian dollars will change. The Trustee has appointed a currency risk manager to manage the effect of exchange rate movements.
- **Derivatives risk** – the Trustee uses derivatives to reduce risk or gain exposure to particular types of investments. Risks associated with these derivatives include losses from market movements and failure of counterparties to meet their payments to the APSS. The Trustee does not allow its investment managers or delegates to use derivatives for speculation and requires them to deal only with creditworthy counterparties.
- **Liquidity risk** – some types of investments can't be sold quickly at their fair market value. This includes some of the Public Market Shares investments and most of the investments in Private market assets and Property. The Trustee has liquidity management procedures designed to ensure there is enough money available to pay Member withdrawals.

Cyber risk

Cyber risk is essentially the risk of a cyber attack, for example, by way of a data breach compromising personal or benefit data stored on those systems, hacking, malware or the denial of service.

Changes in superannuation regulation

Super and tax laws change often. These changes can impact the value of your super, when you can withdraw your super, or your entitlement to social security.

Fees and other costs

DID YOU KNOW?

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

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

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

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

TO FIND OUT MORE

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



Generally, you don't pay any fees on your Defined Benefit, but if you have a Member Savings account, an amount will be deducted to cover the cost of managing your investment.

This section shows fees and other costs that you may be charged for your Member Savings account. 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, may also be charged, but these will depend on the nature of the activity. Taxes are set out in another part of this document. You should read all the information about fees and other costs because it is important to understand their impact on your investment.

APSS Member Savings

Type of fee	Amount	How and when paid
Investment fee*	Depends on your chosen investment option, and is based on a percentage of your account balance invested in the relevant investment option: Cash: 0.00%, Conservative: 0.14%, Balanced: 0.24%, High Growth: 0.31%	Deducted from Investment returns before Crediting Rates are worked out.
Administration fee	Nil	Not applicable
Buy-sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
Exit fee	Nil	Not applicable
Advice fees relating to all members investing in a particular product or investment option	Nil	Not applicable
Other fees and costs	Other fees, such as Activity fees, may also be charged. More information about such fees and costs is provided in the <i>Additional Explanation of Fees and Costs</i> on pages 26-27 of this PDS.	
Indirect cost ratio^	Depends on your chosen investment option, and is based on a percentage of your account balance invested in the relevant investment option: Cash: 0.04%, Conservative: 0.56%, Balanced: 1.04%, High Growth: 1.03%	Deducted from Investment returns before Crediting Rates are worked out.

*The investment fees for the High Growth, Balanced and Conservative APSS investment options (which are new to the APSS) reflect the Trustee's reasonable estimate of the investment fee for the 2017-18 financial year for the relevant option. The investment fee for the Cash investment option (which is not new to the APSS), reflects the actual investment fee amounts, and the Trustee's reasonable estimates of such amounts where actual figures were not available, incurred in the 2016-17 financial year for that option.

^The indirect cost ratios for the High Growth, Balanced and Conservative APSS investment options (which are new to the APSS) reflect the Trustee's reasonable estimate of the indirect costs for the 2017-18 financial year for the relevant option. The indirect cost ratio for the Cash investment option (which is not new to the APSS), reflects the actual indirect costs, and the Trustee's reasonable estimates of indirect costs where actual figures were not available, incurred in the 2016-17 financial year for that option.

Fees and other costs (continued)

Example of annual fees and costs for Member Savings accounts

This table gives an example of how the fees and costs for the Balanced option for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE – Balanced investment option		BALANCE OF \$50,000
Investment fees	0.24%	For every \$50,000 you have in the superannuation product you will be charged \$120 each year.
PLUS Administration fees	Nil	And , you will be charged \$0 in administration fees regardless of your balance.
PLUS Indirect costs for the superannuation product	1.04%	And , indirect costs of \$520 each year will be deducted from your investment.
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$640 for the superannuation product.

Note: Additional fees may apply.

Additional explanation of fees and costs

With the exception of Family Law fees, the types of fees and costs listed in the table on page 25 do not apply to your APSS Defined Benefit, including any Death or TPD benefit entitlement. This is because they are Defined Benefits and many of the costs of running the APSS are effectively met by your Employer through its contribution obligations to the APSS (although there is a risk that these arrangements may be discontinued or amended in future).

Activity fees – Family Law

Family Law fees apply to both your APSS Defined Benefit and any Member Savings account. If an eligible person (including another APSS Member) asks for information about another person's APSS benefits under the Family Law Act, the person who requests the information will be charged \$220 (inclusive of GST).

No fee is charged to split an account as a result of a Family Law Settlement or court order.

Tax

Tax details are set out on page 32-34.

Indirect costs

These are costs (such as certain investment management and investment-related fees and expenses) that, directly or indirectly, reduce the return on investments of the relevant APSS investment portfolio and are not charged to Members as fees. These costs include certain transactional and operational costs incurred (refer to the following section on *Transaction and operational costs*). These costs are not deducted directly from Members' account balances but are instead deducted from the assets of the relevant APSS investment option before Crediting Rates are set.

The indirect cost ratios shown in the Fees and Costs table on the previous page of this PDS represent the ratio of the total estimated indirect costs for each investment option to the total average net assets attributed to that investment option. The indirect cost ratios for the High Growth, Balanced and Conservative APSS investment options (which are new to the APSS) reflect the Trustee's reasonable estimate of the indirect costs for the 2017-18 financial year for the relevant option.

The indirect cost ratio for the Cash investment option (which is not new to the APSS), reflects the actual indirect costs, and the Trustee's reasonable estimates



of indirect costs where actual figures were not available, incurred in the 2016-17 financial year for that option. The actual indirect costs for each investment option are likely to vary from year to year. Indirect costs do not apply to the Defined Benefit component of your account.

Transaction and operational costs

The APSS may incur transactional and operational costs, such as brokerage, settlement costs, clearing costs and stamp duty, including when the investments of the APSS are bought or sold (including where Members enter and exit the APSS). The APSS does not charge a separate buy-sell spread to entering and exiting Members to recover these amounts.

Transactional and operational costs are an additional cost to Members but are not deducted directly from Members' account balances and are instead deducted from the assets of the relevant APSS investment option before Crediting Rates are set. The estimated transactional and operational costs of each investment option are:

Cash (based on the actual and the Trustee's reasonable estimate of costs of the previous Cash Return Member Savings option in the 2016-17 financial year): 0.00%.

Conservative (based on the Trustee's reasonable estimate of this option's costs for the 2017-18 financial year): 0.05%.

Balanced (based on the Trustee's reasonable estimate of this option's costs for the 2017-18 financial year): 0.06%.

High Growth (based on the Trustee's reasonable estimate of this option's costs for the 2017-18 financial year): 0.07%.

The indirect cost ratio of each investment option includes parts of these costs. Transactional and operational costs do not apply to the Defined Benefit component of your account.

Operational Risk Reserve

By law, all super funds have to set aside a pool of money, known as the Operational Risk Reserve (ORR) separate to Members' accounts to cover operational risks.

To comply with these requirements, the Trustee has established and will maintain a separate reserve within the APSS. The ORR was funded over a three-year period to 30 June 2016 (in line with APRA's Prudential Standard) partially by amounts deducted from the Investment returns of the APSS before Crediting Rates were determined. Given that funding was completed by 30 June 2016, there was no ORR cost for Members in the 2016 to 2017 financial year. The actual ORR cost may vary from year to year.

Fees and other costs (continued)



Borrowing costs

Borrowing costs are costs relating to a credit facility (that is not a derivative financial product) provided to the Trustee, or to certain interposed vehicles (or the trustees of such vehicles) through which the APSS holds its investments. These costs are an additional cost to Members, but are not deducted directly from Members' account balances and are instead deducted from the assets of the relevant APSS investment option before Crediting Rates are set.

The estimated borrowing costs of each investment option are:

Cash (based on the actual and the Trustee's reasonable estimate of costs of the previous Cash Return Member Savings option in the 2016-17 financial year): 0.00%

Conservative (based on the Trustee's reasonable estimate of this option's costs for the 2017-18 financial year): 0.01%

Balanced (based on the Trustee's reasonable estimate of this option's costs for the 2017-18 financial year): 0.01%

High Growth (based on the Trustee's reasonable estimate of this option's costs for the 2017-18 financial year): 0.01%.

These costs are not included in indirect costs, investment fees, administration fees or transactional and operational costs. Borrowing costs do not apply to the Defined Benefit component of your account.

Fee changes

The APSS can change fees without obtaining Member consent, but you'll be given at least 30 days notice of any increase to fees.

Member protection

Member protection requirements have been removed from super legislation.

Defined fees

The fee definitions below relate to terms used in this section. These definitions are prescribed by superannuation law and do not necessarily apply to your Member Savings account in the APSS.

Activity fees	<p>A fee is an activity fee if:</p> <ul style="list-style-type: none"> (a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: <ul style="list-style-type: none"> (i) that is engaged in at the request, or with the consent, of a Member; or (ii) that relates to a Member and is required by law; and (b) 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 fees	<p>An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:</p> <ul style="list-style-type: none"> (a) borrowing costs; and (b) 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; and (c) costs that are 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 fees	<p>A fee is an advice fee if:</p> <ul style="list-style-type: none"> (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: <ul style="list-style-type: none"> (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	<p>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.</p>
Exit fees	<p>An exit fee is a fee to recover the costs of disposing of all or part of Members' interests in the superannuation entity.</p>
Indirect cost ratio	<p>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.</p> <p>Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.</p>

Fees and other costs (continued)

Defined fees (continued)

Investment fees	<p>An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and (b) costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> (i) borrowing costs; and (ii) 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; and (iii) costs that are 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 fees	<p>A switching fee for a superannuation product 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.</p>

Contributions to your super



There are different types of contributions:

- **Before-tax** – this generally includes contributions made to your super by your employer to provide your Defined Benefit (known as Notional Taxed Contributions), salary sacrifice contributions made by you into a Member Savings account and any after-tax contributions for which you claim a tax deduction.
- **After-tax** – all contributions you make to your super from your after-tax income into a Member Savings account.

Notional Taxed Contributions

Your employer makes sufficient contributions to provide your Defined Benefit.

These contributions are known as Notional Taxed Contributions and count toward your Before-tax contribution limit. See *How super is taxed* on pages 32-34 for more information on contribution limits.

Working out your Notional Taxed Contributions

The Government has set a formula to calculate the amount of your Notional Taxed Contributions.

Type of Defined Benefit	Your Notional Taxed Contributions
14.3% Defined Benefit	Are your Superannuation Salary at the start of the financial year (1 July), adjusted for part-time service, multiplied by 10.8%.* Therefore, if you are earning \$50,000 at the start of the year and work full time, your Notional Taxed Contributions for the financial year are \$5,400.
SG Defined Benefit	Are your Superannuation Salary at the start of the financial year (1 July), adjusted for part-time service, multiplied by 7.2%.* Therefore, if you are earning \$50,000 at the start of the year and work full time, your Notional Taxed Contributions for the financial year are \$3,600.

* This rate applies for the 2017-18 financial year. A higher rate applies if your Superannuation Salary is less than \$44,020 for Members entitled to the 14.3% Defined Benefit and \$45,960 for SG Defined Benefit Employees. For more details call *SuperPhone* on **1300 360 373**.

Special arrangements generally apply to Members who had a Defined Benefit on 12 May 2009. In these cases where Notional Taxed Contributions would exceed the Before-tax contribution limit, those contributions will be taken to equal that limit. But, Before-tax contributions (such as salary sacrifice contributions) can still cause such Members to exceed their Before-tax contributions limit. The special arrangements do not apply when calculating Notional Taxed Contributions in order to work out any additional tax for high income earners (see page 34).

Important

The Government places limits on the amount that can be contributed to super without incurring additional tax on these contributions. The limits, as well as the tax implications, are subject to change.

How super is taxed

Tax may be charged when you contribute to your super, on any investment earnings and when you withdraw your savings.

Tax on contributions

If you contribute to your account, the APSS may have to deduct tax from those contributions. The amount of the tax will depend on how much you contribute (including Notional Taxed Contributions), and if you contribute from your before or after tax income.

Warning

There are also limits on how much you can contribute to your super. If you go over the limits (including Notional Taxed Contributions) you may pay extra tax.

Following are the tax rates and limits for the 2017-18 financial year.

Type of contribution	Contribution Limits	Tax on contributions
Before-tax (includes Notional Taxed Contributions)	\$25,000 a year, regardless of your age.	Contributions are taxed at 15%*. If you contribute more than the limit (including Notional Taxed Contributions), the extra contributions will be taxed at your marginal tax rate*** less a tax offset for the 15% contributions tax already paid (plus an interest charge) and the extra contributions will count towards your after-tax contribution limit, unless released (see below).
After-tax (includes contributions made to your account by your partner)	\$100,000 each year. If you are under 65, you can contribute up to \$300,000 in the first year of a three-year period.** If you have \$1.6 million or more saved in super (including the value of any Defined Benefit) as at 30 June 2017, then the contribution limit is zero and any after-tax contributions will be treated as excess contributions.	No tax is paid for contributions up to the after-tax contribution limit. Amounts contributed over the contribution limits are taxed at 47% unless released. If excess contributions are released, tax is payable at your marginal tax rate*** on associated earnings (see below).

*An extra 15% tax may apply if your income and Before-tax contributions exceeds \$250,000 in a financial year. See *Tax for high income earners* on page 34 of this PDS.

** From 1 July 2017, the three-year bring forward contribution limit allows you to make an after-tax contribution exceeding the annual \$100,000 limit, but you cannot exceed \$300,000 of after-tax contributions over the three-year period, and no further after-tax contributions can be made once your total superannuation balance exceeds \$1.6 million. Transitional arrangements apply if you triggered your three-year bring forward contribution limit before 1 July 2017. Seek personalised financial advice for details.

*** Including the Medicare Levy.

What if you go over your contribution limit?

You may make after-tax contributions or Before-tax contributions to your APSS Member Savings account, but be aware there are strict annual contribution limits and if you exceed those limits, additional tax may apply. For example, if you go over your Before-tax contribution limit and you have a Member Savings account, you can have up to 85% of the excess contributions released from your account, as long as you have enough money in the account. You can't release money from your Defined Benefit. Tax will be payable at your marginal tax rate* on your excess Before-tax contributions (plus an interest charge) less a tax offset for the 15% contributions tax already paid regardless of whether you have the excess released.

Any excess Before-tax contributions also count towards your after-tax contributions limit, unless released. If you have a Member Savings account, this may affect your ability to make after-tax contributions to this account.

Amounts contributed over the after-tax contribution limits are taxed at 47% in the 2017-18 financial year. Or, you can choose to release the excess plus 85% of the earnings on that excess amount. Tax will then be payable at your marginal tax rate* on the associated earnings.

* Plus the Medicare Levy.

Tax on investment earnings

Investment earnings are currently taxed at a maximum of 15%. Capital gains made by the APSS are taxed at a discounted rate of 10% in some circumstances.

Tax on withdrawals

If you withdraw super before 60, the taxable component is taxed. How much it is taxed will depend on your age.

Component	Tax	
Tax free	No tax paid	
Taxable	Under Preservation age	20% + Medicare Levy.
	Preservation age to 59	Up to \$200,000 is tax free (for 2017-18). The remainder is taxed at 15% + Medicare Levy.
	From age 60	No tax paid

Warning

You should provide your Tax File Number (TFN) when you open your account.

If you don't, you may pay extra tax on your contributions and when you withdraw your super. We also can't accept after-tax contributions from you if we don't have your TFN.

Low Income Superannuation Tax Offset

If your adjusted taxable income is \$37,000 or less in 2017-18, and your employer contributes to your super, the Government will make an extra contribution to your super. The contribution is calculated as 15% of your Before-tax contributions, up to a maximum of \$500.

To be eligible, at least 10% of your income must come from employment or business. Temporary residents are not eligible.

If you are eligible for this contribution, it will be paid into your account by the Australian Taxation Office once you complete your annual tax return.

How super is taxed (continued)



Tax for high income earners

If your income (including low-tax contributions) is over \$250,000 in 2017-18, an extra 15% tax is charged on low-tax contributions which result in income above \$250,000.

Your low-tax contributions are equal to your Notional Taxed Contributions plus other Before-tax contributions such as salary sacrifice amounts (less any excess Before-tax contributions). The calculation of your Notional Taxed Contributions won't take into account any special arrangements applying to Members who had a Defined Benefit on 12 May 2009 (see *Working out your Notional Taxed Contributions* on page 31).

For Defined Benefit Members who are required to pay this tax, the ATO will maintain a debt account for this extra tax and this account will accrue interest. Payment is generally deferred until your Defined Benefit is paid. However, you can choose to pay the extra tax at any time. You can pay the tax using savings in an Accumulation account (such as a Member Savings account) or you can pay with other savings.

To find out more, go to www.ato.gov.au and look for Division 293 tax.

Choose your Beneficiaries

Tell us who your super should be paid to if you die.

There are two ways you can nominate your Beneficiaries.

Non-binding nomination

With this option, you can tell us who you'd prefer your account to be paid to in the event of your death, and you can nominate more than one person.

But your choice is not legally binding, so that means the Trustee will use your nomination as a guide when deciding who will get your money. In the end the Trustee decides who receives your APSS account balance, and in what proportions and not your Will (if you have one).

You can make a Non-binding nomination by completing a *Nominate your Preferred Beneficiaries* form.

Download a copy at apss.com.au on the *Print a form* page under the *Publications & Forms* tab or call SuperPhone on **1300 360 373**.

Binding nomination

With this option, you can choose who will receive your APSS account if you die and the APSS Trustee must follow your instructions as long as your nomination is valid. This gives you certainty about who will receive your APSS account.

You can only nominate your Dependants or your legal personal representative as binding Beneficiaries.

A Binding nomination is valid if:

- The Binding nomination form is signed and witnessed by two people over 18 who are not nominated as Beneficiaries
- The nomination is less than three years old when you die
- Your Beneficiaries are still alive at the time of your death, and they are all eligible to be your Beneficiaries (see the following section titled *Who you can choose as your Beneficiary*).

You can make a Binding nomination by completing the *Binding nomination* form in this PDS, by downloading a copy at apss.com.au on the *Print a form* page under the *Publications & Forms* tab or calling SuperPhone on **1300 360 373**.

Who you can choose as your Beneficiary

The Trustee can only pay your super to certain people when you die.

You can choose one or more of the following people as your Beneficiaries:

- your Spouse (including de facto and same-sex).
- your Child (including step, adopted and ex-nuptial).
- a person who has an Interdependent Relationship with you (that is, any person who lives with you in a close personal relationship, and one or both of you provide financial, domestic support and personal care of the other). If you have a close personal relationship but either or both of you have a physical, intellectual or psychiatric disability, or you are living apart temporarily (such as temporarily working overseas or in prison), your relationship is still interdependent.
- other financial Dependants (such as someone who relies on you financially).
- your legal personal representative (the executor of your Estate as stated in your Will).

Additional information

Leaving the APSS while still employed

You can ask your employer to contribute to a different super fund instead of the APSS. Your employer will then direct future contributions to your new fund based on a percentage of your salary.

You will still be a Defined Benefit Member until you leave Australia Post or Associated Employer, and your accrued Defined Benefit generally cannot be taken out of the APSS as long as you remain an Employee Member. That said, you may be able to access your Defined Benefit while still an Employee Member by using a transition to retirement strategy with an APSS Pension (if eligible).

You should also be aware that if your employer is contributing to another fund for you, then your Defined Benefit will only grow with any Final Average Salary increases, and your Years of Service will not increase once you choose another fund. In addition, you won't be eligible for any additional payment if you die or become totally and permanently disabled.

Once you have chosen another fund, then in the future you can't reverse this decision.

Leaving employment

You cannot continue your Defined Benefit in the APSS once you have left employment, but you can transfer the value of your Defined Benefit, along with any Member Savings you may have, to an accumulation account such as an APSS Rollover Account or (if eligible) the APSS Pension. Once your employer notifies the APSS that you are leaving your job and provides APSS with all the necessary information, you will be sent an estimate of your Defined Benefit and any Member Savings you may have.

This estimate may not be the same as the final amount you get because adjustments must be made for interest that accrues to the date your Defined Benefit is actually paid. The interest rate used is the Crediting Rate of the Cash option.

Your estimate will be sent to you, together with a Benefit Payment Direction form. You will need to complete and return this form within 60 days in order for the APSS to act on your instructions.

If you do not complete and return the form within 60 days, we will generally send your benefit to the 'Eligible Rollover Fund' (ERF) used by the APSS as soon

as possible. If this happens, we will provide further information to you at the time.

You can choose to stay with the APSS or have your super transferred out of the APSS. For details about your options, go to apss.com.au and review the *Leaving employment* page under the *Life Changes* tab.

Accessing your super

Super is either Preserved or Non-preserved (in which case it can be Restricted non-preserved or Unrestricted non-preserved). You can access your Restricted non-preserved super when you leave your employer and you can access your Unrestricted non-preserved super at any time.

Generally you can't access your Preserved super in cash until you've retired after reaching your Preservation age, you stop working after 60, or you turn 65.

Your Preservation age depends on when you were born:

Your date of birth	Preservation age
Before 1 July 1960	55
1/7/1960 – 30/6/1961	56
1/7/1961 – 30/6/1962	57
1/7/1962 – 30/6/1963	58
1/7/1963 – 30/6/1964	59
After 30 June 1964	60

There are also some other special circumstances that allow you to access your super earlier. For full details about when you can access your super, go to apss.com.au and review the *Accessing your super* page under the *About* tab.

In order to satisfy anti-money laundering and counter-terrorism financing rules, we will typically require you to provide proof of your identity before you can access your super. If we cannot obtain the required information from you, we may be unable to process your requested transaction and we may be required to report specified matters to the regulator, AUSTRAC.

Temporary residents who leave Australia permanently

If you're a temporary resident and you leave Australia permanently, you have six months to claim your super from us. If you don't, we may be required to transfer your super to the ATO. Exceptions apply to New Zealand citizens or people who are applying for permanent residency.

After it is transferred, you'll need to contact the ATO to claim your super. The amount transferred may earn interest, but at a low rate that may not be suitable for long term investments, so it is a good idea to claim your super quickly after permanently leaving Australia.

Providing proof of identity

The security of your super entitlements in the APSS is a key priority for the Trustee. We have procedures in place to manage risks associated with fraud and other illegal activities. At times, these procedures may cause inconvenience to you. Please remember that they are being applied to protect your entitlements.

In addition, under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, superannuation funds are required to have an anti-money laundering and counter-terrorism financing program in place. A key element of this program is customer identification and verification procedures. Typically, you will be required to provide proof of your identity before you withdraw benefits from the APSS or commence a Pension. As a result, some requested transactions cannot proceed until we receive and verify the necessary identification documents.

The Trustee does not accept liability for any loss you may incur as a result of circumstances such as a delay in payment of a benefit or commencement of an income stream where the delay arises from our need to comply with legislative requirements. We may be required to request additional customer identification or related information from you at other times.

For more information, refer to the fact sheet *Providing proof of identity*, available from apss.com.au on the *Fact sheets* page under the *Publications & Forms* tab.

Why you should provide your TFN

Super funds are authorised to ask for your Tax File Number (TFN). You don't have to provide your TFN to the APSS, but if you don't:

- We can't accept after-tax contributions from you.
- You may pay more tax on your Before-tax contributions (extra tax of 32%* on top of the 15% contributions tax, bringing the tax rate to 47%*). If you provide your TFN within four years, we may be able to claim back the additional tax and refund this to your Member Savings account, however this may not always be possible.
- We may have to deduct more tax when you withdraw your super (at the top marginal rate plus the Medicare Levy). You will be able to obtain a refund of this tax when you lodge your tax return.

Providing your TFN also makes it easier to track down different super accounts you may have but don't know about, so you get all your super when you retire.

* Includes a Medicare Levy of 2%.

Additional information (continued)

Your privacy

The APSS has always respected your privacy, and has policies in place to ensure that your personal information continues to be kept private and confidential.

To access the *Privacy Policy* go online at **apss.com.au** or call SuperPhone on **1300 360 373**.

Resolving complaints

If you're not satisfied about your super, you may wish to make a complaint in writing.

You can use the APSS complaint form (request a copy over the phone), or you can write to:

Inquiries and Complaints Officer

APSS

Locked Bag A5005

SYDNEY SOUTH NSW 1235

If we have not resolved your complaint to your satisfaction within 90 days, you may have a right to lodge a complaint about the decision with the Superannuation Complaints Tribunal (SCT).

The Tribunal can be contacted by:

- **phone:** 1300 884 114
- **email:** info@sct.gov.au
- **mail:** Superannuation Complaints Tribunal
Locked Bag 3060, Melbourne VIC 3001.

The SCT is an independent body established by the Federal Government to review Trustee decisions relating to Members (as opposed to Trustee decisions relating to the management of the APSS as a whole).

How to open a Member Savings account

It's easy to open an APSS Employee Member Savings account. Just complete the application form at the end of this PDS, including the *Provide your Tax File Number (TFN)* form and then return the original forms to APSS, Locked Bag A5005, Sydney South, NSW 1235.

Open an Employee Member Savings account

Please complete and return this form to confirm that you have read the attached *Your Defined Benefit & Member Savings Product Disclosure Statement (PDS)* and instruct us to process your application to open an APSS Employee Member Savings account. You can only open this account if you are a current Employee Member of the APSS.

Your Details

Gender: ☐ Male ☐ Female

Name: _____ Date of birth: _____

Address: _____

_____ State: _____ Postcode: _____

Daytime phone: _____ Mobile phone: _____

Email: _____ Member number: _____

This number is shown on your Annual Benefit Statement.
For Australia Post Employees it is the same as your APS number.

I am an Employee of: ☐ Australia Post ☐ StarTrack ☐ Decipha ☐ Other (specify): _____

I want to open my Employee Member Savings account with:

☐ Regular savings from my pay

Before-tax: _____ % per pay OR Before-tax: \$ _____ per pay.

After-tax: _____ % per pay OR After-tax: \$ _____ per pay.

☐ Rollover from another fund. (Please attach the completed *Transfer other super into the APSS* form available from apss.com.au or by calling *SuperPhone* on **1300 360 373**).

☐ An after-tax lump sum contribution amount \$ _____ (Attach a personal cheque in your name, bank cheque or money order for this amount payable to 'Australia Post Superannuation Scheme').

Contribution Rules

By law, you can only make contributions to your Employee Member Savings account if:

- you are under age 65; or
- you are between age 65 and 74 (inclusive) and employed in the paid workforce for at least 40 hours in a period of 30 consecutive days during the current financial year.

The APSS will only accept lump sum after-tax contributions if your contribution is a personal contribution. It cannot be from a company.

Important

Check your super contributions regularly to make sure you don't exceed the applicable annual limits. You can check your total contributions in the APSS for the financial year to date at apss.com.au. Login using your APSS Member number and PIN/password, then go to *Your Account* and click on *Concessional Contributions* or *Transaction History*.

Australia Post Superannuation Scheme (ABN 42 045 077 895)
Issuer: PostSuper Pty Ltd (ABN 85 064 225 841)
RSE Licence Number L0002714 APSS Registration Number R1056549
For more information call *SuperPhone* on **1300 360 373** or visit apss.com.au

Continue to next page



Open an Employee Member Savings account (continued)

Your investment choice

Tell us how you want to invest your Member Savings account. You can choose one investment option, or a combination of both. You can also choose to invest your balance in a different way to how any future contributions to your account are invested.

Your investment choice will take effect from the date this form is processed.

Opening Balance		Future contributions	
Cash option _____ %		Cash option _____ %	
Conservative option _____ %		Conservative option _____ %	
Balanced option _____ %		Balanced option _____ %	
High Growth option _____ %		High Growth option _____ %	
Total _____ 100%		Total _____ 100%	
Must add up to 100%		Must add up to 100%	

If you do not choose an investment option, your account will be invested in the Balanced investment option until you make an investment choice.

Important

If the Trustee does not have your Tax File Number (TFN), we cannot accept after-tax contributions for you. We may also be required to deduct additional tax from Before-tax contributions made to your account. If you need to provide the Trustee with your TFN in order to make an after-tax contribution using this form, this can be done by completing the *Provide your Tax File Number* form that you can find at the end of this document, at apss.com.au under *Publications & Forms*, or you can call SuperPhone on **1300 360 373** to provide your TFN over the phone.

Continue to next page



Open an Employee Member Savings account (continued)

Authorisation to the Trustee of the APSS

I declare that I have read and understood the information contained in the attached *Your Defined Benefit & Member Savings PDS*.

I declare that I meet the Contribution Rules described on page 1.

I understand that there are legal restrictions to accessing my super (Preservation rules) as explained in the PDS.

I understand that additional tax may be payable if my Before-tax contributions or after-tax contributions exceed the prescribed limits. I understand that Before-tax contributions include my employer's notional contributions to fund my Defined Benefit, any salary sacrifice contributions and any Before-tax contributions for which I claim a tax deduction, as explained in the PDS. I understand that any excess Before-tax contributions are also counted towards the after-tax contributions limit for the financial year.

I understand the importance of obtaining professional financial advice tailored to my particular circumstances before making decisions about my super.

I authorise the Trustee to implement the investment choice for my Employee Member Savings account as instructed on this form.

I understand that contributions and Rollovers to my Employee Member Savings account will be allocated to the Balanced investment option if I have not made an investment choice.

I understand that my investment choice may not be implemented if the instructions given on this form are incomplete or ambiguous.

I understand that my investment choice will only apply to my Employee Member Savings account (and not any other APSS accounts I may have, if applicable).

Privacy Collection Statement

I acknowledge and understand:

- that my personal information will be collected by the Trustee (PostSuper Pty Ltd) and stored and dealt with in accordance with the Trustee's Privacy Policy, available at apss.com.au, for the purpose of managing and administering my APSS Member Savings Account;
- that if my personal information is not collected, then I will not be able to open an APSS Member Savings Account;
- that my personal information may be disclosed to the Trustee's service providers, professional advisers, regulatory bodies and my employer (if applicable) and other parties (as required) in the course of managing and administering my account, as required by law or with my consent;
- that my personal information may be shared with overseas organisations and that I can obtain details of the countries in which such organisations are located by reading the Trustee's Privacy Policy;
- the Trustee's Privacy Policy contains information about how I can access and seek correction of any personal information held about me by the Trustee, how I can complain about a breach of the Privacy Act 1988 (Cth) and how the Trustee will deal with any such complaint; and
- if I have provided the Trustee with the personal information of any other individuals (i.e. nominated Beneficiaries), it is my responsibility to tell them that their personal information has been collected by the Trustee and to make them aware of the contents of this Privacy Collection Statement.

I consent to the handling of my information in this manner and acknowledge that I can access my personal information by contacting the APSS.

Signature: _____ Date: _____



Please return the original copy of this form to APSS, Locked Bag A5005, Sydney South, NSW 1235

Note: Faxes cannot be accepted because we must have an original signature.

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Binding nomination

Please read this information before completing pages 2-4 of this form to make a Binding nomination.

What is a Binding nomination?

A Binding nomination instructs the APSS how to pay your death benefit if you die.

As long as it's valid and in effect at the date of your death, the nomination is legally binding and the Trustee **must** pay your benefit to the Beneficiaries you have nominated in the proportions set out in this form (subject to certain exclusions such as family court orders).

The APSS will not accept a Binding nomination made under a power of attorney.

Who can I nominate as a Beneficiary?

For a Binding nomination to be valid, the people you list in Section 3 of this form must be your Dependants and/or legal personal representative.

Your Dependants include:

- Your Spouse (including defacto and same sex)
- Your Child (including step, adopted or ex-nuptial)
- Other financial dependants (someone who relies on you financially)
- A person who has an Interdependent Relationship with you.

Interdependent Relationship

An Interdependent Relationship means:

- you live with someone in a close personal relationship, and
- one of you provides the other with financial assistance, domestic support and personal care.

If you have a close personal relationship but don't meet the other requirements because either or both of you suffer from a disability, or you are temporarily living apart (e.g. temporarily working overseas or in prison), your relationship may still be classified as interdependent.

How long does it last?

A Binding nomination remains valid for three years from the date you sign the form. The expiry date of your Binding nomination will be shown on your *Benefit Statement* and we'll also send you a reminder before your nomination expires. If you choose to make a Binding nomination, please ensure to keep it up to date, as the Trustee may be bound by that nomination even if your circumstances change.

What if I change my mind?

You can cancel your Binding nomination at any time. To cancel your nomination you need to complete Section 1, 2, 4 and 5 of this form and return it to us.

What if my nomination is invalid?

If your Binding nomination is invalid for any reason at the date of your death, the Trustee must pay your benefit to one or more of your Dependants and/or legal representative, in proportions determined by the Trustee.

Examples of an invalid nomination include:

- Your nomination was made more than three years ago, and therefore has expired, or
- Any of the people nominated on this form dies before you do, or
- The individuals nominated no longer qualify as your Dependants at the time of your death, or
- This form was not correctly signed and witnessed. (We will write to you if this occurs.)

Privacy

The Trustee recognises the importance of protecting your personal information and is committed to complying with its privacy law obligations. To find out more about how APSS collects and manages your personal information, please refer to the Scheme's Privacy Policy which is available from the APSS website at apss.com.au or by calling SuperPhone on **1300 360 373** Monday to Friday 9am to 5pm (AEDT).



Binding nomination (continued)

Use this form to make, change or cancel an existing Binding nomination for your APSS super benefit.

Before completing this form, read the information set out on page 1. Please print in CAPITAL LETTERS and place a cross X in any applicable boxes.

I wish to: (Select ONE box only)

- ☐ **Make** a Binding nomination – Complete sections **1, 2, 3, and 5**
- ☐ **Change** an existing Binding nomination – Complete sections **1, 2, 3, and 5**
- ☐ **Cancel** an existing Binding nomination – Complete sections **1, 2, 4, and 5**

Important

By completing this form you are overriding any previous Beneficiary nominations.

1. Your nomination instruction

I acknowledge that this Binding nomination instruction will apply to my Defined Benefit and any Member Savings.

Important

If you have both a Defined Benefit and a Rollover Account and/or an APSS Pension, then you will need to complete a separate form for each membership category.

2. Your personal details

Title: ☐ Mr ☐ Ms ☐ Mrs ☐ Miss ☐ Dr ☐ Other: _____

Last name: _____ First name: _____

Date of birth: _____ APS Member number: _____

This number is shown on your Annual Benefit Statement.
For Australia Post Employees it is the same as your APS number.

Address: _____

_____ State: _____ Postcode: _____

Provide your contact details below in case we have a question we need to ask you regarding this form:

Phone: _____ Email: _____

Continue to next page



Binding nomination (continued)

3. Your Beneficiary details

Name: _____ Address: _____ Relationship to you: <input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependent Relationship <input type="checkbox"/> Financial Dependant <input type="checkbox"/> Estate	%
Name: _____ Address: _____ Relationship to you: <input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependent Relationship <input type="checkbox"/> Financial Dependant <input type="checkbox"/> Estate	%
Name: _____ Address: _____ Relationship to you: <input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependent Relationship <input type="checkbox"/> Financial Dependant <input type="checkbox"/> Estate	%
Name: _____ Address: _____ Relationship to you: <input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependent Relationship <input type="checkbox"/> Financial Dependant <input type="checkbox"/> Estate	%
Total: 100%	

If you would like to nominate more Beneficiaries than this form allows, call *SuperPhone* on **1300 360 373**.
The total of all your nominations must equal 100%.

4. Cancel your current Binding nomination

- ☐ Please cancel my previous Binding nomination and pay benefits at the APSS Trustee's discretion to my Dependents or legal personal representative.

Continue to next page



Binding nomination (continued)

5. Member and witness declaration

Member declaration

I acknowledge that:

- I have read and understood the information on page 1 of this form and I understand the terms on which this nomination is made.
- the people listed at Section 3 must be either my Spouse, Child, financial dependant, a person who has an Interdependent Relationship with me or a legal personal representative of my estate when I die.
- I can cancel this nomination at any time.
- this nomination only applies to my super accounts listed in Section 1.
- if this nomination is invalid or has not been received by APSS when I die, my death benefit will be paid at the Trustee's discretion.
- this Binding nomination is only valid for three years from when I sign this form.
- this declaration must be signed by me in the presence of two witnesses over age 18, who are not nominees on this form.
- I consent to my personal information being used in accordance with APSS' Privacy Policy.

Signature: _____ Date: _____

Witness declaration

I declare that I am over age 18, I am not a Beneficiary nominated on this form and the Member signed this Binding nomination in my presence.

Witness 1

Full name: _____ Date of birth: _____

Signature: _____ Today's date: _____

Witness 2

Full name: _____ Date of birth: _____

Signature: _____ Today's date: _____



Please return the original copy of this form to APSS, Locked Bag A5005, Sydney South, NSW 1235
Note: Faxes or emailed copies will not be accepted as we need an original signature.

Provide your Tax File Number (TFN)

Please complete and return this form to provide the Trustee with your TFN.

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

These purposes may change in the future as a result of legislative change.

The Trustee of the APSS may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request the Trustee of the APSS in writing that your TFN not be disclosed to any other superannuation provider.

Important

It is not an offence not to quote your TFN. However, giving your TFN to the APSS has the following advantages (which may not otherwise apply):

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

I elect to provide my TFN to the Trustee of the APSS.

Surname: _____ Given name: _____

Tax File Number: _____ / _____ / _____

Member number: _____

This number is shown on your Annual Benefit Statement.
For Australia Post Employees it is the same as your APS number.

Signature: _____ Date: _____

Australia Post Superannuation Scheme (ABN 42 045 077 895)

Issuer: PostSuper Pty Ltd (ABN 85 064 225 841)

RSE Licence Number L0002714 APSS Registration Number R1056549

For more information call SuperPhone on 1300 360 373 or visit apss.com.au



Please return the original copy of this form to APSS, Locked Bag A5005, Sydney South, NSW 1235

Note: Faxes cannot be accepted because we must have an original signature.

Product Disclosure Statement

Employee Members



Date of Preparation 1 July 2017

How to contact us

Call *SuperPhone* **1300 360 373** Monday – Friday
9.00am – 5.30pm (Sydney time)

Visit us online at **apss.com.au**

Write to APSS, Locked Bag A5005,
Sydney South NSW 1235

Email sr@apss.com.au

Fax (02) 9372 6288