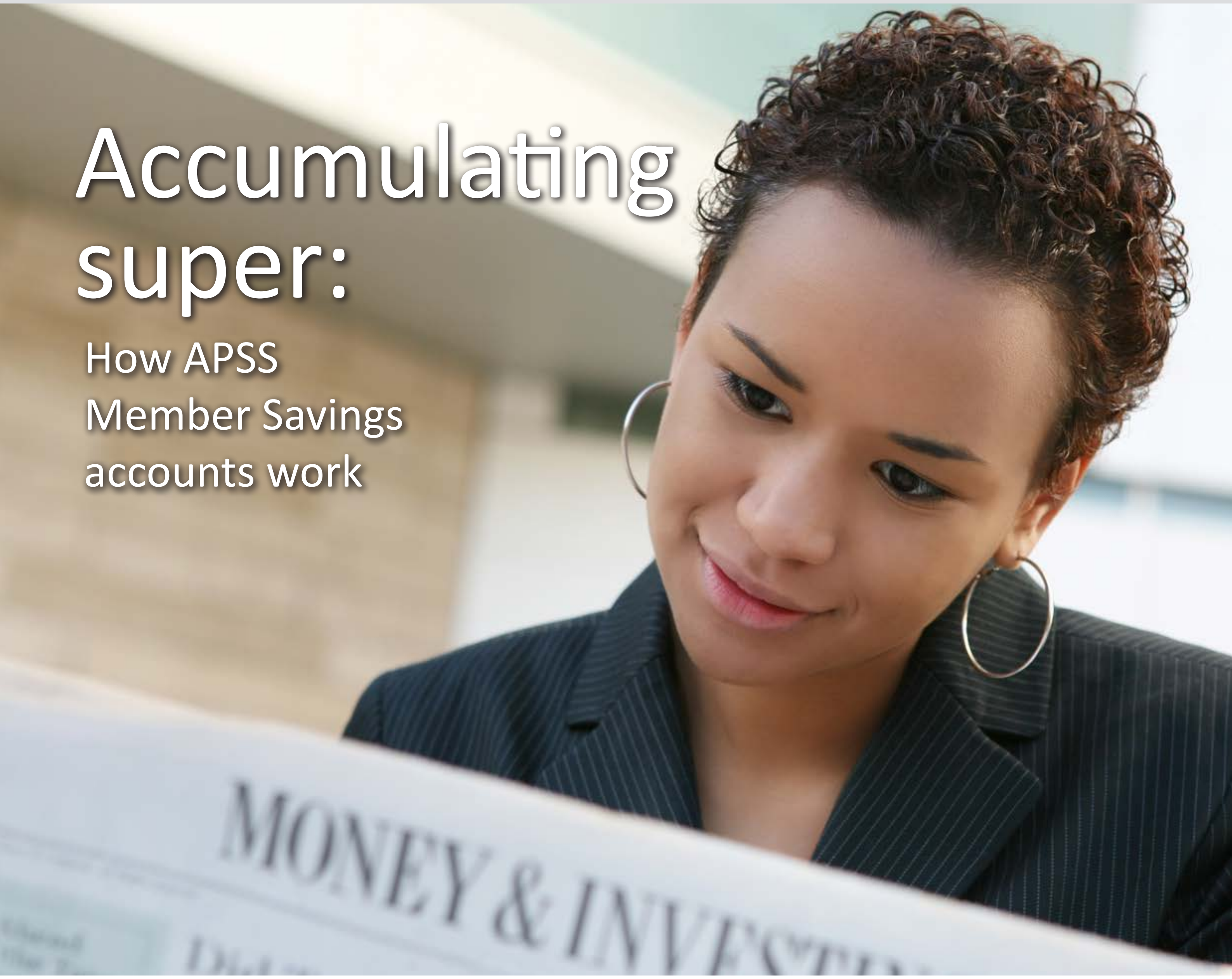
apss
AUSTRALIA POST SUPER SCHEME

Fact Sheet

Australia Post Superannuation Scheme ABN 42 045 077 895 **August 2020**

Accumulating super:

How APSS Member Savings accounts work



APSS Member Savings accounts include Spouse and Rollover Accounts, and accounts opened by employee members who want to save their own money in the APSS.

APSS Member Savings accounts are designed to help you 'accumulate' superannuation over time by saving and investing your own money. That's why you may hear them sometimes referred to as 'accumulation' accounts.

If you are an employee member, the balance of your APSS Member Savings account is in addition to your APSS Defined Benefit that is explained in a separate fact sheet titled *How does an APSS Defined Benefit work?*

Let's take a closer look.

APSS Member Savings accounts, including Spouse and Rollover accounts, are designed to help you accumulate super over time by saving and investing your own super savings. Basically, they work like a bank account, but with some important differences.

Start your account

Apply and add money

1. 'Deposits' go in

In superannuation language, a 'deposit' is called a 'contribution.' Only certain types of contributions may be made to an APSS Member Savings account, depending on your type of APSS membership.
See page 3 for more information.

Your account balance is invested

Have you made the right investment choice?

2. Your account gets to work

Your APSS Member Savings account balance grows as it accumulates any further contributions, plus (or minus) investment earnings credited at the applicable APSS crediting rate(s) for your chosen APSS investment option(s). Remember that unlike a Defined Benefit, you carry the investment risk with an APSS Member Savings account.

Fees

3. Money coming out

Non-employee accounts attract administration fees (although, a fee cap may apply in certain circumstances) and eligible Spouse and Rollover accounts may also have insurance premiums deducted (unless they have opted out or their insurance ceased due to inactivity or their account balance being under $6,000).
No administration fees are deducted from employee members' accounts.
Other fees and costs apply. See page 4 for more

Withdrawals

Transfer anytime within the super system.
Cash out if you've met a condition of release

4. Money you take out

You may transfer all or part of your APSS Member Savings account balance and roll it over to another super fund any time. To cash out your account balance, you need to have met a condition of release.
See page 4 for more information.

Did you know?

When investment earnings are reinvested, you effectively earn 'interest on your interest', which can accelerate the growth of your savings over time. This is called 'compounding'. It can make a big difference to your retirement balance over the long-term.

How to open an APSS Member Savings account

If you're an employee member, you can open an APSS Member Savings account for yourself by using the application form in the *Your Defined Benefit & Member Savings* Product Disclosure Statement (PDS) by clicking 'Product disclosure' under the *Publications & Forms* tab in the main menu. You and your spouse can open an APSS Spouse Account together by completing the form in the Spouse and Rollover Members' *Your Member Savings* PDS. The same PDS is used for opening APSS Rollover accounts, but only for employee members leaving service, or spouses who cease to be eligible to operate an APSS Spouse Account.

1. 'Deposits' go in

In superannuation language, a 'deposit' is called a 'contribution.' Only certain types of contributions may be made to an APSS Member Savings account, depending on your type of APSS membership:

	Type of APSS membership		
Contribution types	**Employee**	**Spouse**	**Rollover**
Regular before-tax contributions from your pay ('salary sacrifice')^	✔	Not available**	
Regular after-tax contributions from your pay^^	✔	Not available**	
Lump sum after-tax contribution (e.g. from your bank savings)***	✔	✔	✔
Lump sum transfer/rollover (e.g. from another super fund)***	✔	✔	✔
Compulsory employer contributions	DB*	Not available**	

* If you're an employee member of the APSS, your APSS Defined Benefit (DB) provides all the super that your employer is required to provide you by law. For full 14.3% members, the DB actually provides them with more super than the law requires. The DB is calculated using a formula and works quite differently to any Member Savings account that you choose to operate separately.

** Contributions from a third-party employer cannot be accepted into APSS Spouse or Rollover accounts. Only employees of Australia Post or an Associated Employer can organise regular contributions from their pay and, as noted above, the compulsory employer contributions are met by the DB.

*** You can make additional personal contributions provided you are:

– under age 67; or
– between age 67 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; or
– between 67 and 74 (inclusive) and have not been employed in the paid workforce on at least a part-time basis (at least 40 hours over 30 consecutive days) in the current 2020-21 year, but were employed on that basis in the 2019-20 year and you also had a total superannuation balance of less than $300,000 on 30 June 2020 (including all your accounts, whether or not held with APSS). Note that restrictions apply such that this relief is only able to be used once.

If you're aged 65 or over, you may also contribute by making an eligible 'downsizer contribution'.

Employee members should note that their APSS Defined Benefit may be transferred within the APSS to an APSS Rollover account after ceasing employment. Also, if an employee member wants to contribute to their Spouse's APSS Spouse Account, the Spouse must be aged under 75.

^ Spouse and Rollover members may also make personal before-tax contributions (made by the relevant member claiming a tax deduction for after-tax contributions).

^^ Employee members can also make regular after-tax contributions into your spouse's super account (e.g. an APSS Spouse Account).

WARNING! Be aware that there are limits on how much you can contribute to your super. If you go over the limits you will pay extra tax. See the Product Disclosure Statement relevant to your membership category for details.

2. Your account gets to work

Contributions to your APSS Member Savings account accumulate with any further contributions made, plus (or minus) investment earnings credited at the applicable APSS crediting rate(s) for your chosen APSS investment option(s). You currently have up to four investment options to choose from: Cash, Conservative, Balanced and High Growth. If you don't make a choice, Balanced will be the default. Refer to your PDS for details.

Credited earnings build on previously credited earnings, as well as the contributions that have been 'deposited' along the way. As mentioned on page 2, this is called 'compounding'. This 'interest building on interest' can snowball over time helping you to accumulate even more super in your account.

WARNING! Make sure you consider the likely investment return, risk and your investment timeframe when choosing an investment option.

Important!

All investments carry risk and may rise and fall and past performance is not a guarantee of future returns or crediting rates. Unless you have chosen to have your account and future contributions to be 100% invested in the Cash option, the crediting rate may be negative at certain times. This risk of negative returns is an important difference between accumulation and defined benefit funds – you bear the investment risk that your super account balance falls when negative interest is credited.

3. Money coming out

An administration fee is deducted from the APSS Spouse, Rollover and Pension accounts of non-employee members every month or on a pro-rata basis for part months when leaving the APSS. This administration fee does not apply to employee members, even if they operate a Rollover or Pension account.

Following is a quick summary of the direct fees and costs as they may apply to APSS Employee, Spouse and Rollover members. Other fees and costs may also apply to your account (including investment fees and indirect costs). For details regarding all the fees and costs applicable to your APSS account, please read your relevant Product Disclosure Statement, which you can download at **apss.com.au** by clicking *Product disclosure* under the *Publications & Forms* tab in the main menu. Alternatively, call us on *Super*Phone **1300 360 373** and we can send you a copy.

	Type of APSS membership		
Direct fee or cost	**Employee**	**Spouse[1]**	**Rollover*[1]**
Administration fee[1]	Nil	$1.50 per week per account, plus 0.12%** of your account balance each year (subject to a fee cap).	
Insurance premium	Not applicable	May be applicable if you are eligible for insurance and have not opted out (or your insurance hasn't ceased due to inactivity or your account balance being under $6,000). See your Product Disclosure Statement.	

* The Administration fee is not applicable if you have a Rollover Account but are still an Employee Member.

** The percentage-based administration fee is not charged on any amount of your account balance in excess of $750,000.

1. For Spouse and Rollover members, if your account balance is less than $6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of your account balance. Any amount charged in excess of that cap must be refunded. This fee cap does not apply to Employee Members with an APSS Defined Benefit.

4. Money you take out

Superannuation accumulation accounts are similar to bank term deposit accounts in that you lock your money away and can't withdraw it for a period of time. With super accumulation accounts, it's generally for a very long term, because super cannot be cashed out until a 'condition of release' has been met. That condition will generally be met when you reach your 'preservation age', which ranges from age 55 to 60 depending on when you were born or when you retire. Even when you've reached your preservation age, you generally won't be able to access your super unless you've also retired, started a transition to retirement pension or reached your 65th birthday. For details on other conditions of release, go to **apss.com.au** and click the *About* tab in the main menu to find information and further links on *Accessing your super.*

Of course, you can withdraw your APSS accumulation account balance in order to roll it over to another approved super fund any time you want before you have met a condition of release.

Depending on what you withdraw and when, remember that tax may also apply. For details, read our current *How super is taxed* fact sheet, which you can download at **apss.com.au** by clicking *Fact sheets* under the *Publications & Forms* tab in the main menu.

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