

Target Market Determination

APSS Pension product

The APSS Pension product has been designed for members in the retirement and pre-retirement phases of life looking to receive their superannuation in the form of a tax-effective, account-based income stream. Read this Target Market Determination to learn more.

About this document

PostSuper Pty Limited (ABN 85 064 225 841) (Trustee) is the trustee of the Australia Post Superannuation Scheme (ABN 42 045 077 895) (APSS).

This Target Market Determination (TMD) is required under section 994B of the Corporations Act 2001 (Cth) (Corporations Act). It sets out the target market for which the APSS Pension product has been designed and certain other information required by the Corporations Act. It forms part of the Trustee's design and distribution framework for the APSS Pension product.

This document is not a product disclosure statement (PDS) and does not provide a summary of the product features or terms of the product. This document is not intended to be financial product advice and does not take into account any person's individual objectives, financial situation or needs.

Before making a decision about this product, consumers interested in acquiring the APSS Pension product should carefully read the relevant *Your APSS Pension* PDS. This can be downloaded at apss.com.au in the 'Product disclosure' section under the Publications & Forms tab, or a copy can be sent to you on request by calling **1300 360 373**. The Trustee is not licensed to provide you with financial product advice regarding your investment in the APSS.

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

Target market

Likely objectives, financial situation and needs of consumers in the target market

Class of consumers

Pension

The APSS Pension product has been designed for consumers that are in the retirement phase of their life, who:

- are existing members of the APSS; and
- have satisfied a condition of release and are able to access their superannuation savings and are wanting to:
 - receive their superannuation in the form of a tax-effective account-based income stream;
 - gain access to non-taxed investment returns, but leave the investing to the APSS Trustee; and
 - have the flexibility to withdraw all or a portion of their superannuation savings in the form of a lump sum, at any time.

However, the APSS Pension product may also be suitable for existing APSS members who are either consumers who are over 65 years of age and are still working, or to consumers in other special circumstances that may allow early access to their superannuation savings (e.g. permanent incapacity).

Transition to retirement pension

The APSS Transition to Retirement pension has been designed for consumers in the pre-retirement phase of life, and:

- are existing members of the APSS; and
- have reached their Preservation age, and are wanting to access their superannuation savings as part of a transition to retirement strategy to:
- receive their superannuation savings in the form of a regular income stream (within Government prescribed limits) to supplement their income while still working; and
- receive similar benefits to the APSS Pension after they satisfy the condition of release requirements.

Key attributes of the APSS Pension product

The APSS Pension product is an account-based pension product. A consumer is in the target market for this product if they want a product with one or more of the following key attributes:

- Choice to invest in one or a combination of the following four investment options:
 - **Cash:** Designed for members seeking to avoid any capital loss and yield a rate of interest that over time is similar to Australia's official cash interest rate, adjusted for tax as applicable.
 - **Conservative:** 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.
 - **Balanced:** 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.
 - **High Growth:** 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.

- Ability to switch investment choice fortnightly, with no fee currently charged for doing so (note, however, that the Trustee may introduce a fee in the future).
- Ability to choose the frequency of pension payments (i.e. twice per month, monthly, quarterly or yearly), subject to legislative requirements.
- Ability to choose the amount of income to be received each year (within Government mandated minimum and maximum requirements).
- Ability to make lump sum cash withdrawals, as required (this attribute is not applicable to an APSS Pension product, being used as part of a transition to retirement strategy).

For more detail, see the PDS for the APSS Pension product available at apss.com.au under the Publications & Forms tab or by calling **1300 360 373**.

Appropriateness and consistency between the APSS Pension product and target market

The Trustee considers that it would be reasonable to conclude that if the APSS Pension product were to be issued to a consumer in the target market, the product could be expected to be consistent with the likely objectives, financial situation and needs of the consumer.

This is based on consideration of the key terms, features and attributes of the APSS Pension product and a finding that these are consistent with the target market for whom the product has been designed.

Distribution conditions and restrictions

Distribution channels

The APSS is a non-public offer superannuation fund and is also a closed fund (since 1 July 2012). This means that, other than in respect of a small number of new Spouse members, no individuals can become new members of the APSS.

However, existing members can have additional membership categories within the APSS (e.g. if they open an APSS Pension by direct application using an approved form). This may involve the issue of a further superannuation interest to those existing members.

Distribution conditions/restrictions

The APSS Pension product should only be distributed to a person who is an existing member of the APSS where such member:

- has at least \$20,000 to invest into an APSS Pension; and
- meets one of the following criteria:
 - a) is retiring and has reached their preservation age (see table at top right);
 - b) is changing jobs on or after their 60th birthday; or
 - c) is aged 65 or older; or
 - d) has reached their preservation age (see following table) and is still employed; or
 - e) satisfies limited other special circumstances (e.g. permanent incapacity or leaving Australia permanently); and
- is in compliance with the legislated transfer balance cap requirements (details can be found on the ATO's website).

Preservation age

Member's 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

Appropriateness of the distribution conditions and restrictions

The Trustee considers that it would be reasonable to conclude that if the APSS Pension product were to be issued to a consumer in the target market, it should be consistent with the likely objectives, financial situation and needs of the consumer.

This is based on an assessment of the distribution conditions and restrictions and that they are appropriate and will assist distribution in being directed towards the target market for whom the APSS Pension product has been designed.

Review of this TMD

The Trustee will review this TMD in accordance with the below table:

Review type	Frequency
Initial review	Within 24 months of the effective date of this TMD.
Periodic reviews	At least every two years from the initial review or any other time at the Trustee's discretion.
Other reviews	See next page.

Other reviews

Other reviews will occur when the Trustee determines that any of the following review triggers has occurred:

- a) Occurrence of a 'significant dealing' in the product outside the target market.
- b) Significant or unexpectedly high number of complaints regarding the design, product or any distribution condition of the APSS Pension product where the Trustee considers it reasonably suggests that this TMD is no longer appropriate.
- c) Material change to key attributes of the APSS Pension product where the Trustee considers it reasonably suggests that this TMD is no longer appropriate.
- d) Where the Trustee makes a determination for the purposes of section 52(9) of the Superannuation Industry (Supervision) Act 1993 (Cth) that the financial interests of the members who hold the APSS Pension product are not being promoted.
- e) Any other event or circumstance has occurred where the Trustee considers it reasonably suggests that this TMD is no longer appropriate.
- f) An event or circumstance that would materially change a factor taken into account in making the TMD for the product.
- g) Upon receipt of member feedback where the nature and extent of that feedback would warrant a review.

Reporting by distributors for the purposes of this TMD

The APSS Pension product is distributed by the Trustee only.

The Trustee may collect (and notify to ASIC as required by law) the following information in relation to this TMD.

Type of information	Timeframe
Number and nature of complaints about the APSS Pension product	Quarterly, within 10 business days after the end of each quarter.
Significant dealings	As soon as practicable, but no later than 10 business days after the Trustee becomes aware of the 'significant dealing'.