

# Your Defined Benefit & Member Savings

## Employee Members



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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 [csc.gov.au](http://csc.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](http://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](http://apss.com.au) in the *Glossary* under the *Publications & Forms* tab. Australia Post has consented to being named in this PDS and, where applicable, to the inclusion in this PDS of statements, in the form and context in which they are included, that are made by them or said to be based on statements made by them.

## ❗ 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](http://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](http://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](mailto: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 (see the explanation below) 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.

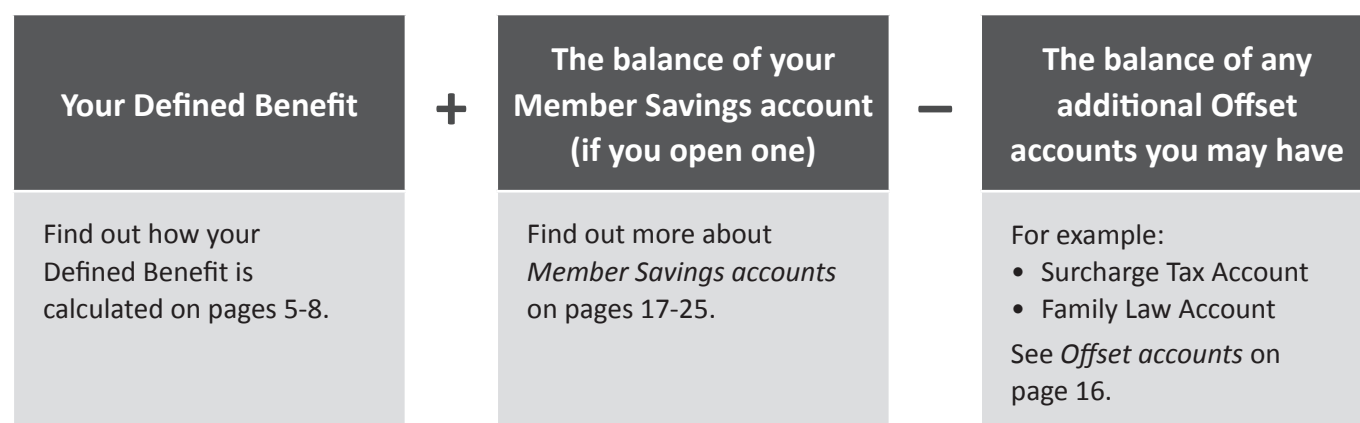
## 2. Super you save for yourself – Your APSS Member Savings account

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 is 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><b>Permanent Employees*</b> - 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><b>Contract Employees</b> - 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 \$60,000.

John's Defined Benefit is:

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

14.3% x \$60,000 x 10 years = \$85,800.

## 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 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 2020, MinFAS was \$52,582.

### 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 \$60,000. 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	\$60,000	x	0.25 years	=	\$1,350
<b>PLUS</b>							
Rest of employment	14.3%	x	\$60,000	x	9.75 years	=	\$83,655
<b>Total Defined Benefit</b>						=	<b>\$85,005</b>



## 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 \$60,000. 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%		\$60,000	x	4	x	3 days/5 days	=	\$13,680

## 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 (if applicable) 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](http://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.
- 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 from the date that:

- 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, or
- you elect to opt out of being an APSS Member.

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 39 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	=	Accrued Defined Benefit
14.3%		\$54,000	x	10	=	\$77,220
<b>PLUS</b>						
Rate	x	Final Average Salary	x	Years from Total and Permanent Disablement to age 60	=	Additional Total and Permanent Disablement Benefit
14.3%		\$54,000	x	25	=	\$193,050
<b>Total Defined Benefit</b>					=	<b>\$270,270</b>

### Who is eligible for Death and TPD cover?

To be eligible as a 14.3% Defined Benefit Member, 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 Dependants 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

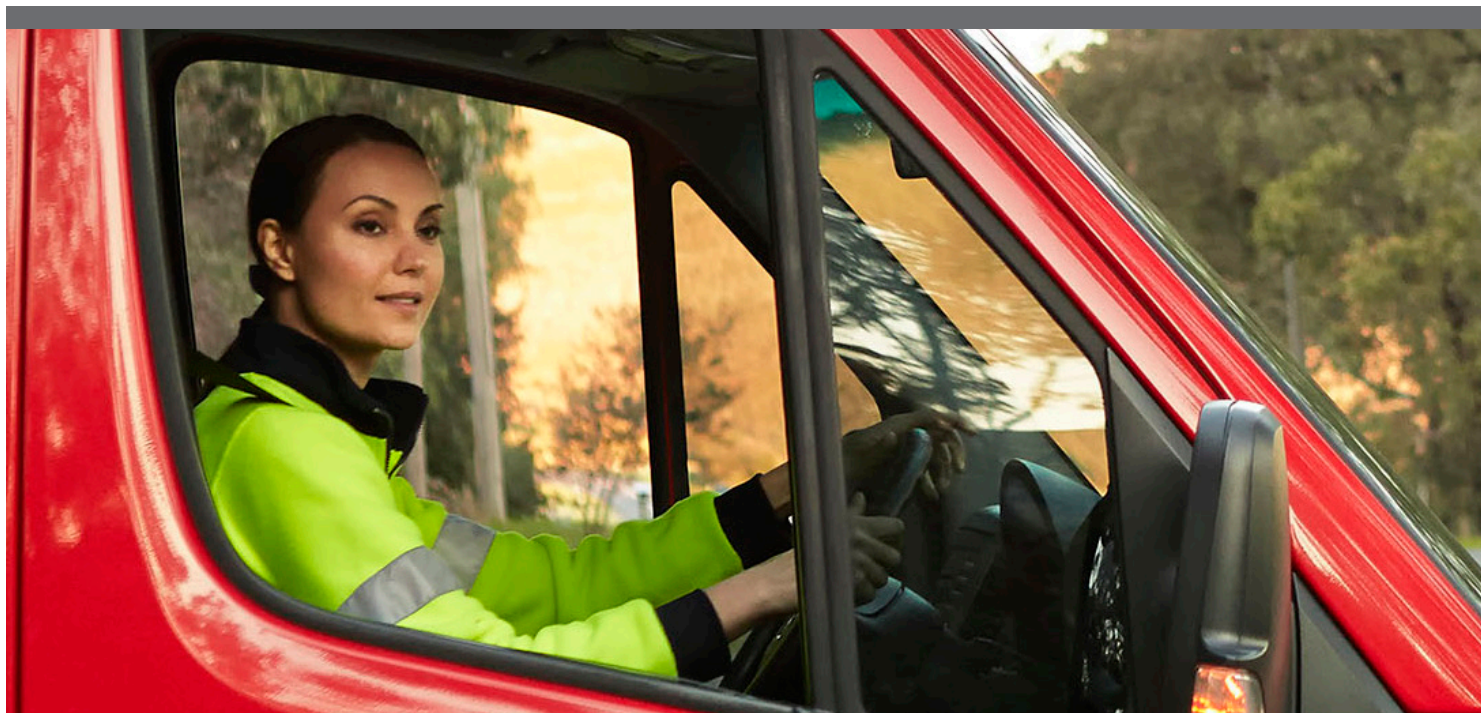
If you are an SG Defined Benefit Member (e.g. a contract Employee) you are not eligible for an additional TPD payment. If you suffer Permanent Incapacity (as defined in superannuation law), you will be paid your accrued Defined Benefit.

If you die, your Dependants 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 39 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.

### Insurance in Superannuation Voluntary Code of Practice

The Insurance in Superannuation Voluntary Code of Practice (the Code) commenced on 1 July 2018, although a transition period means full compliance with the Code is not mandatory until 30 June 2021. The Code seeks to improve the insurance in superannuation offered to members, and the processes by which insurance benefits are provided to members. Super funds agreeing to adopt the Code must have a transition plan on their websites.

The APSS Trustee continues to progress its review of the Code's requirements to identify where it already complies, what gaps exist to achieve full compliance, and which requirements will be in Members' best interests. The Trustee adopted the Code on 30 November 2018 and has published its transition plan for becoming compliant with the standards of the Code by 30 June 2021. The published plan is available to download on [apss.com.au](https://apss.com.au) in the *Fact sheets* section under the *Publications & Forms* tab.

# 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 4.0% 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 (VBI)\* is likely to fluctuate; typically up to plus or minus 10%. There are controls in place, with action plans ready if the VBI hits various trigger points.

\* The VBI measures the ratio of the value of APSS Defined Benefit assets to the value of Members' 'vested' (i.e. Defined Benefit) superannuation benefit entitlements.

## 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.



## How we invest your Defined Benefit (continued)



## 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.

## How are labour standards and environmental, social or ethical considerations taken into account?

The Trustee invests the assets of the APSS with the aim of achieving the best financial outcomes for Members, whilst keeping risks within acceptable levels and adhering to the laws and regulations across all jurisdictions in which investments are held.

The Trustee believes that labour standards and environmental, social or ethical considerations (commonly referred to as ‘environmental, social and governance’, or ‘ESG’ factors), have the potential to affect the long-term financial value of the APSS’s investments. These factors include, but are not limited to the financial risks created by climate change, the use of natural resources, cyber security, human rights, responsible labour practices, workplace health and safety and employee relations. Inadequate management of ESG risks may result in regulatory penalties, brand and reputational damage, asset damage or loss of revenue, any of which can undercut investment outcomes.

A proper regard for the environmental or social practices and proper governance of the entities in which the APSS invests is therefore part of the responsible management of the financial interests of our Members.

The Trustee invests the assets of the APSS by appointing investment managers or investing in managed funds. Therefore, to give effect to the management of ESG risks and ensure appropriate monitoring and review of ESG factors, the Trustee’s Investment Committee will, on an ongoing basis, assess and monitor its appointed investment and fund managers on the extent to which they integrate ESG considerations into their investment decisions.

The Trustee does not prescribe how its investment managers or managed funds should apply ESG considerations but it has a preference for managers that maintain and apply policies and frameworks that consider ESG factors as part of investment decisions. Specific ESG methods – and the type of actions taken if an investment no longer meets a manager’s ESG policy – are applied according to the managers’ discretion, as appropriate for each investment. Managers that do not apply ESG considerations may still be appointed or retained by the APSS provided that the risk to the APSS is not material and is proportionate to the expected financial outcome.

### Excluded Investments

The Trustee has elected to restrict its Public market shares investment managers from investing in the Shares of companies that produce tobacco products. Where the APSS invests in pooled funds managed by third parties, the exclusion on Shares of tobacco-producing companies does not apply, as the investment rules of those funds are determined by their management companies.

# 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, including relating to the Coronavirus (COVID-19) pandemic, or due to severe financial hardship, or if you used some of your Defined Benefit to commence an APSS Pension while still in employment. It's very important to understand how an offset account will impact your Defined Benefit when it is eventually payable to you. 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. The Trustee's investment objective for the Defined Benefit assets aims to achieve a long-term average investment return of 4.0% each year (after taxes and costs). This is measured over rolling five-year periods. For more information on how an 'Other' Offset account works, refer to the fact sheet *Using your APSS Defined Benefit to transition to retirement*, which can be found at [apss.com.au](https://apss.com.au) on the *Fact Sheets* page under the *Publications and Forms* tab. A copy of this information can be obtained from the Trustee on request, at no charge.

## ⚠ Warning

Compounding interest on APSS 'other' offset accounts will erode your Defined Benefit. If the interest rates applied are high enough, an 'Other' Offset account may actually grow faster than a Defined Benefit. Consider getting advice from a qualified financial adviser.



# 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 67, or
- you are between 67 and 74 (inclusive) and in paid employment for at least 40 hours in a period of 30 consecutive days in the current financial year.

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

## Choose how your Member Savings account is invested

You can select just one investment option, or any combination of investment options to suit you. For an explanation of each option, go to pages 22-23.

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 (the change will be effective from the next available fortnight).

## Save more with Member Savings (continued)



### 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.



Asset type	Investment description
Public market shares	Public market shares are investments in Shares 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. Shares are also known as 'equity' or 'equities'. Shares assign ownership of companies to investors; effectively assigning them their proportional 'share' of the company's profits. The company's profits may be distributed to those investors in the form of dividends, or invested back into the company to increase its future profits.
Private equity	Private equity assets are investments in companies not listed on a stock exchange. Private equity offers the potential to earn higher returns in the long-term but there is also more risk in the short term than with defensive assets. The value of Private equity investments normally does not fluctuate as much as the value of Public market shares over the short term, but Private equity assets can't be bought or sold at short notice. So, investors have to be patient to gain the full value of these investments.
Real assets	Real assets are investments in Property and infrastructure (e.g. office buildings, shopping centres, roads, ports). Real assets have the potential to earn higher returns in the long term but there is also more risk in the short term than there is with assets like Bonds and Cash. We won't be actually going out and buying an office building or shopping centre. Rather, the APSS will have a share of Real assets investments via publicly-listed securities and pooled funds. Real assets are considered to be Growth assets.
Alternative credit	Alternative credit includes a range of income-generating debt investments that fall outside of traditional Bonds and Cash. Alternative credit investments can include high yield bonds, bank loans, structured credit bonds, emerging market debt, direct lending and specialty financing. Returns are potentially higher than for Bonds, but there is also more risk in the short term.
Bonds	Bonds (also known as debt securities) are 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.
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.

## Save more with Member Savings (continued)



### 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 below 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	86
55	83	86
65	85	87

Source: Australian Bureau of Statistics, Table 1: Life Tables, States, Territories and Australia – 2017-19 (4 November 2020 release). See [https://www.abs.gov.au/statistics/people/population/life-tables/2017-2019/3302055001DO001\\_20172019.xls](https://www.abs.gov.au/statistics/people/population/life-tables/2017-2019/3302055001DO001_20172019.xls)

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 (the change will be effective from the next available fortnight).

## 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 over time is similar to 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.

Bloomberg AusBond Bank Bill Index, net of tax

CPI\* + 1.5% pa

#### Minimum suggested investment time frame

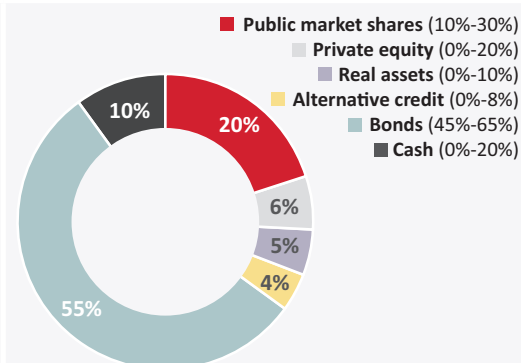
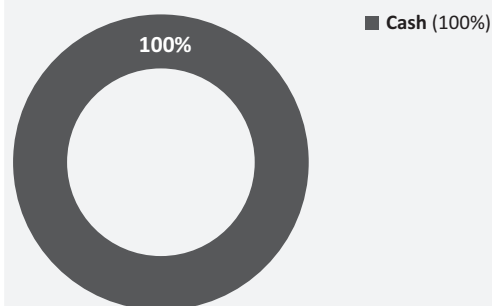
The minimum number of years you should invest in the option before expecting it to meet its objective.

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).



#### Risk Level

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

See Standard Risk Measure on page 24 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 (Risk Band 4)

The estimated number of negative annual returns is expected to be more than 2 but less than 3 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

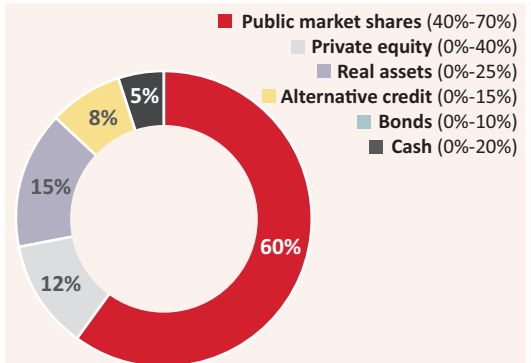
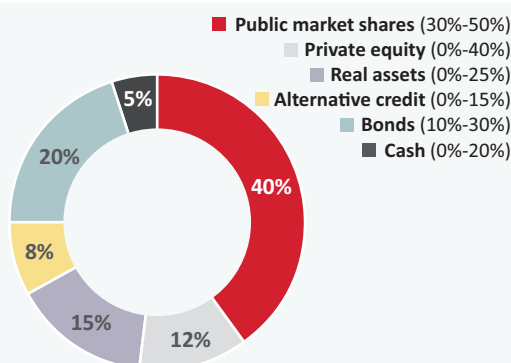
The minimum number of years you should invest in the option before expecting it to meet its objective.

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 24 for more details.

### High (Risk Band 6)

The estimated number of negative annual returns is expected to be 4 to less than 6 in every 20 years.

### High (Risk Band 6)

The estimated number of negative annual returns is expected to be 4 to less than 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.



## 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, 4 and 6 above apply to the four APSS investment options, as noted in the Risk Level row on pages 22-23.

### 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](http://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](http://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 options at any time. The change will be effective from the next available fortnight. 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 is 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.

### Past Crediting Rates

You can view past Crediting Rates at [apss.com.au](https://apss.com.au) under the *Investments* tab.

### 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](https://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 Australia Post offers 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 investments in Public market shares and Alternative credit, 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](http://www.moneysmart.gov.au)) has a superannuation fee calculator to help you check out different fee options.





## Fees and other costs (continued)

### Fees and other costs

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. Entry fees and exit fees cannot be charged. 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: <b>Cash: 0.03%, Conservative: 0.18%, Balanced: 0.29%, High Growth: 0.35%</b>	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
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 30-32 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: <b>Cash: 0.00%, Conservative: 0.35%, Balanced: 0.64%, High Growth: 0.64%</b>	Deducted from Investment returns before Crediting Rates are worked out.

\*The investment fees for the High Growth, Balanced, Conservative and Cash investment reflect the actual investment fee amounts incurred in the 2019-20 financial year for the relevant option.

^The indirect cost ratios for the High Growth, Balanced, Conservative and Cash investment options reflect the actual indirect costs incurred in the 2019-20 financial year for the relevant 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 investment 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	0.29%	For every \$50,000 you have in the superannuation product you will be charged \$145 each year.
<b>PLUS</b> Administration fees	Nil	<b>And</b> , you will be charged \$0 in administration fees regardless of your balance.
<b>PLUS</b> Indirect costs for the superannuation product	0.64%	<b>And</b> , indirect costs of \$320 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$465</b> 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 29 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 36-38.

#### 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, Conservative and Cash investment options reflect the actual indirect costs incurred in the 2019-20 financial year for the relevant 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.



### Property operating costs

Property operating costs are costs relating to holding real property assets, or interests in real property assets, by the Trustee. These costs include, but are not limited to, council and water rates, utilities, property staff costs and other property management costs. They do not include borrowing costs or costs relating to buying or selling real property. Property operating 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.

Listed here are the estimated property operating costs of each investment option (based on the actual costs incurred in the 2019-20 financial year for the relevant option):

- **Cash:** 0.00%
- **Conservative:** 0.01%
- **Balanced:** 0.01%
- **High Growth:** 0.01%.

These costs are not included in indirect costs, investment fees, administration fees or transactional and operational costs.

### 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. Listed here are the estimated transactional and operational costs of each investment option (rounded to two decimal places and based on the actual costs incurred in the 2019-20 financial year for the relevant option):

- **Cash:** 0.00%
- **Conservative:** 0.05%
- **Balanced:** 0.07%
- **High Growth:** 0.09%.

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.



## Fees and other costs (continued)



### **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 has been no ORR cost for Members from 1 July 2016. The actual ORR cost may vary from year to year.

### **Fee changes**

The APSS can change fees without obtaining Member consent, but you'll be given at least 30 days advance 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.

<b>Activity fees</b>	<p>A fee is an activity fee if:</p> <ul style="list-style-type: none"> <li>(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"> <li>(i) that is engaged in at the request, or with the consent, of a member; or</li> <li>(ii) that relates to a Member and is required by law; and</li> </ul> </li> <li>(b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.</li> </ul>
<b>Administration fees</b>	<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"> <li>(a) borrowing costs; and</li> <li>(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</li> <li>(c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ul>
<b>Advice fees</b>	<p>A fee is an advice fee if:</p> <ul style="list-style-type: none"> <li>(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"> <li>(i) a trustee of the entity; or</li> <li>(ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and</li> </ul> </li> <li>(b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.</li> </ul>
<b>Buy-sell spreads</b>	<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>
<b>Exit fees</b>	<p>An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in the superannuation entity.</p>
<b>Indirect cost ratio</b>	<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)

<b>Investment fees</b>	<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"> <li>(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and</li> <li>(b) costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> <li>(i) borrowing costs; and</li> <li>(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</li> <li>(iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ul> </li> </ul>
<b>Switching fees</b>	<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 36-38 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 2020-21 financial year. A higher rate applies if your Superannuation Salary is less than \$46,710 for Members entitled to the 14.3% Defined Benefit and \$48,760 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 38).

## 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. Tax rules can and often do change. For up-to-date information on superannuation taxes, visit the Australian Taxation Office (ATO) website at [ato.gov.au](http://ato.gov.au) or speak to your taxation or financial advisor.

This information does not address specific measures dealing with COVID-19 which may be available to you. Please see our website or page 41 of this PDS for further details about these measures.

### 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 2020-21 financial year.

Type of contribution	Contribution Limits	Tax on contributions
<b>Before-tax<sup>^</sup></b> (includes Notional Taxed Contributions)	\$25,000 a year, regardless of your age. <sup>^^</sup>	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 the next page for further details).
<b>After-tax</b> (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 2020, 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, subject to a tax offset of 15% for tax already paid on the earnings (see the next page for further details).

\*An extra 15% tax may apply if your total adjusted income and Before-tax contributions exceeds \$250,000 in a financial year. See *Tax for high income earners* on page 38 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.

\*\*\* Including the Medicare levy.

<sup>^</sup> If eligible, you can claim a tax deduction for a personal after-tax contribution, using the *Notice of intent to claim or vary a deduction for personal super contributions* form, which you can download at [apss.com.au](http://apss.com.au) in the *Print a form* section under *Publications & Forms*. This then classifies the contribution as a before-tax contribution and it will be included in the \$25,000 annual contribution limit.

<sup>^^</sup> It may now be possible to 'carry forward' any Before-tax contributions that you did not make in the previous financial year, provided that your total superannuation balance was less than \$500,000 at 30 June in the financial year before the financial year in which you want to make the additional Before-tax contributions. If you have multiple super accounts, the total of all accounts combined must be less than \$500,000. This carry forward rule, if you're eligible to use it, allows you to contribute more than the annual Before-tax limit in a certain financial year (or years). See the *How super is taxed in 2020-21* fact sheet available in the *Publications & Forms* section of [apss.com.au](http://apss.com.au) for more details.



## 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 current 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, subject to a tax offset of 15% for tax already paid on the 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 generally taxed at a discounted effective rate of 10%.

## 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	Taxed at up to 20% + Medicare levy.
	Preservation age to 59	Up to \$215,000 is tax free (for 2020-21). The remainder is taxed at up to 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 provide your TFN, you may pay extra tax on your contributions and when you withdraw your super. We also can't accept member contributions from you if we don't have your TFN. See page 42 for further details.

## Low Income Superannuation Tax Offset

If your adjusted taxable income is \$37,000 or less in 2020-21, and your employer contributes to your super, the Government may 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 generally 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 total adjusted income (including low-tax contributions) is over \$250,000 in 2020-21, an extra 15% tax is charged on low-tax contributions which result in income above \$250,000.

Your total adjusted income generally includes your taxable income, reportable fringe benefits, total net investment losses and low-tax contributions (except for those that have already exceeded the before-tax contribution limit). As explained on the previous page, those excess before-tax contributions attract yet more tax.

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 35).

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](http://www.ato.gov.au)** and look for Division 293 tax.

### Home Downsizer Scheme

If you're 65 years old or over and own your main residence, you might be ready to sell your home and 'downsize' to a smaller property. If you do so on or after 1 July 2018, you may be able to contribute some or all of the proceeds of the sale to your superannuation, which may be a more tax-effective way of investing those proceeds.

You might be able to contribute up to \$300,000 as an individual, or \$600,000 as a couple (i.e. \$300,000 in each individuals' superannuation account). Such 'downsizer contributions' won't count towards the contributions limits (see *How super is taxed* on pages 36-37), including the ability to make such contributions even if you already have \$1.6 million saved in super. However, downsizer contributions will still be counted towards the \$1.6 million lifetime cap on pensions, and also the Age Pension assets test.

Aside from being at least 65 years of age, there are other eligibility criteria, which you can find on the ATO website. For instance, you or your Spouse will need to have owned the main residence you're downsizing for at least 10 years, and it cannot be overseas, or be a mobile home such as a caravan or house boat. While you or your Spouse do not need to have lived in the home for all of the last 10 years, it must still be able to meet the test for a 'main residence' under the relevant legislation. Also, any downsizer contribution must generally be made within 90 days of receiving the proceeds of sale, although you might be able to get an extension from the ATO.

If you're eligible and wish to make a downsizer contribution, you will need to use an approved, official ATO form that is available on **<https://www.ato.gov.au/Forms/Downsizer-contribution-into-super-form/>** to download. You should seek your own professional tax advice about whether your property will meet the relevant eligibility criteria.

# Choose your Beneficiaries

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

There are different 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](https://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 (unless you have elected a non-lapsing Binding nomination, in which case the nomination will continue to be valid after three years if you do not amend or revoke it).
- Your Beneficiaries are still alive at the time of your death, and they are all eligible to be your Beneficiaries (see the section titled *Who you can choose as your Beneficiary*).

A lapsing Binding nomination must be updated every three years, unless you elect to make it a non-lapsing Binding nomination.

You can make a Binding nomination by completing the *Binding nomination* form in this PDS, by downloading a copy at [apss.com.au](https://apss.com.au) on the *Print a form* page under

the *Publications & Forms* tab. Call **1300 360 373** if you want a form mailed out to you.

## What is the difference between lapsing and non-lapsing Binding nominations?

A Binding nomination can be either lapsing or non-lapsing. A lapsing Binding nomination remains in effect for three years from the date it was made, last confirmed or amended. If you do not make a choice, the Trustee will treat your Binding nomination as lapsing. If you have made a lapsing Binding nomination, we will write to you prior to the expiration date, reminding you to update your nomination. If your nomination is invalid at the time of your death, the Trustee will decide who will get your super.

A valid non-lapsing Binding nomination will not expire unless you amend or revoke it, so it does not need to be confirmed or updated every three years. We will still write to you every three years, but you won't have to reconfirm your nomination, unless you want to change or update something.

## 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.

Choosing another fund is a decision that cannot be reversed.

## 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 actual date of payment of your Defined Benefit and any Member Savings. For your Defined Benefit, the interest rate used is the Crediting Rate of the Cash option. For any Member Savings you have, the Crediting Rate will be whichever is applicable to the option(s) that your Member Savings are invested in.

Your estimate will be sent to you, together with a *Make a Benefit Payment Direction* form that sets out your choices. 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 that form within 60 days, the value of your final APSS Defined Benefit will be automatically transferred to a new APSS Rollover Account and invested in the default Balanced investment option. Any existing APSS Member Savings you have will also automatically transfer to your new Rollover Account, but will continue to be invested in the same investment option(s) that previously applied. You will also keep your member number.

Your new APSS Rollover Account will be an 'accumulation' account that does not provide any Defined Benefit and will not be based on a formula, so you will carry the investment risk. Your account balance will be made up of the money contributed, plus (or minus) investment returns, less fees and any applicable insurance costs and less any taxes that apply to you.

Importantly, upon ceasing employment, you will also cease to have insurance cover in case of Death or Total & Permanent Disablement (TPD). Although insurance cover may commence in your new APSS Rollover Account (if you are eligible), it could provide a lower level of cover than you are entitled to as an Employee Member and exclusions may apply. Administration fees will also apply from the date your new APSS Rollover Account is opened.

For details on how your new APSS Rollover Account would work, including insurance arrangements, fees and costs and choices, please refer to the *Your Member Savings* PDS for Rollover and Spouse members and its accompanying *Guide to your Member Savings*, both of which can be downloaded at [apss.com.au](https://apss.com.au) in the *Product disclosure* section under the *Publications & Forms* tab. For general information about what happens after you cease employment, go to [apss.com.au](https://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 (or your dependants) to access your super earlier:

- death
- permanent incapacity
- terminal medical condition (as defined in superannuation law)
- special compassionate grounds (limits apply)
- severe financial hardship (limits apply).

If you have been impacted financially by the Coronavirus (COVID-19) pandemic and meet the eligibility criteria, you may be able to access up to \$10,000 of your super during the period 1 July until 31 December 2020 as part of the government's early access to superannuation scheme. Applications for early release of super relating to COVID-19 must be made through the MyGov website. Any such payments will be tax-free and will not impact on Centrelink or Veteran's Affairs payments. For further details, please go to [treasury.gov.au/coronavirus](https://treasury.gov.au/coronavirus).

For full details about when you can access your super, go to [apss.com.au](https://apss.com.au) and review the *Accessing your super* page under the *About* tab. This information can be obtained from the Trustee on request, at no charge.

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.

## First Home Super Saver Scheme

You may be able to withdraw some of the super you have saved in your APSS Member Savings account to help you buy or build your first home. Your Spouse/partner may also be able to do this with their own superannuation account. This initiative is designed to enable first-home buyers to save their deposits faster with the concessional tax treatment within super. The maximum amount of contributions that can be counted towards release under the scheme are \$15,000 per financial year and \$30,000 in total (plus any associated earnings). Amounts withdrawn are generally subject to concessional tax treatment. See the ATO Website for further information, including eligibility criteria.

## 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

## Additional information (continued)

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](http://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 member 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%.

### 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](http://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**  
**via Locked Bag A5005, SYDNEY SOUTH NSW 1235.**

Generally, 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 **Australian Financial Complaints Authority (AFCA)**, an independent body established by the Federal Government to review, consider and resolve complaints from consumers across the entire financial system, including the superannuation sector. AFCA will review Trustee decisions relating to Members (as opposed to Trustee decisions relating to the management of the APSS as a whole).

#### How to contact AFCA:

AFCA  
GPO Box 3  
Melbourne VIC 3001  
Phone: **1800 931 678**  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Web: [www.afca.org.au](http://www.afca.org.au)

### 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 – Go to **ourpost.com.au** to organise this. If you are employed by an Associated Employer, you need to contact your payroll or HR area.
- ☐ 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 67; or
- you are 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.

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

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 any of the investment options. 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 _____ %	
<b>Total</b> _____ <b>100%</b>		<b>Total</b> _____ <b>100%</b>	
<b>Must add up to 100%</b>		<b>Must add up to 100%</b>	

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 member 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](https://apss.com.au) under *Publications & Forms*, or you can call SuperPhone on **1300 360 373** to provide your TFN over the phone.

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## 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 of this form.

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 after-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](https://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: \_\_\_\_\_



When completed, this form can simply be sent back by email to [sr@apss.com.au](mailto:sr@apss.com.au) or by posting it to APSS, Locked Bag A5005, Sydney South NSW 1235.

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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.

## Lapsing and non-lapsing Binding nominations

APSS offers two types of Binding nomination: lapsing and non-lapsing. A valid Binding nomination (lapsing) remains valid for three years from the date you sign the form. The expiry date of your Binding nomination (lapsing) will be shown on your *Benefit Statement* and we'll also send you a reminder before your nomination expires.

A valid Binding nomination (non-lapsing) will not expire unless you amend or revoke it, and will be effective when accepted by the Trustee. If you don't make a choice on the *Binding nomination* form, your nomination will be treated as lapsing.

If you choose to make a Binding nomination (whether lapsing or non-lapsing), 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 Sections 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:

- 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.)

If you have made a Binding nomination (lapsing), your nomination may also be invalid if your nomination was made more than three years ago, and therefore has expired.

## 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](http://apss.com.au) or by calling SuperPhone on **1300 360 373** Monday to Friday 9am to 5.30pm (Sydney time).



## 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 of the form. 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.

### Type of nomination

I would like my Binding nomination to be: (Select ONE box only)

- ☐ Lapsing\*
- ☐ Non-lapsing

**\*Note:** If you don't make a choice, your nomination will default to a lapsing Binding nomination.

### **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

Beneficiary 1		
Relationship to you: <input type="checkbox"/> Spouse <input type="checkbox"/> Interdependent Relationship <input type="checkbox"/> Child <input type="checkbox"/> Financial Dependant <input type="checkbox"/> Legal personal representative/Estate	Name: _____ Address: _____ _____ _____ Date of birth: _____	%
Beneficiary 2		
Relationship to you: <input type="checkbox"/> Spouse <input type="checkbox"/> Interdependent Relationship <input type="checkbox"/> Child <input type="checkbox"/> Financial Dependant <input type="checkbox"/> Legal personal representative/Estate	Name: _____ Address: _____ _____ _____ Date of birth: _____	%
Beneficiary 3		
Relationship to you: <input type="checkbox"/> Spouse <input type="checkbox"/> Interdependent Relationship <input type="checkbox"/> Child <input type="checkbox"/> Financial Dependant <input type="checkbox"/> Legal personal representative/Estate	Name: _____ Address: _____ _____ _____ Date of birth: _____	%
Beneficiary 4		
Relationship to you: <input type="checkbox"/> Spouse <input type="checkbox"/> Interdependent Relationship <input type="checkbox"/> Child <input type="checkbox"/> Financial Dependant <input type="checkbox"/> Legal personal representative/Estate	Name: _____ Address: _____ _____ _____ Date of birth: _____	%
If you would like to nominate more Beneficiaries than this form allows, call SuperPhone on <b>1300 360 373</b> . <b>The total of all your nominations must equal 100%.</b>		<b>Total: 100%</b>

For more information about nominating Beneficiaries see the fact sheet *Choosing your Beneficiaries* at [apss.com.au](http://apss.com.au) on the *Fact Sheet* page under the *Publications and Forms* tab.

### 4. Cancel your current Binding nomination

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

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.
- if I have made a lapsing Binding nomination, it is only valid for three years from when I sign this form.
- if I have made a valid non-lapsing Binding nomination which has been accepted by the Trustee, it will not expire after three years.
- this declaration must be signed by me in the presence of two witnesses over age 18, who are not nominees on this form.

#### 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 Account;
- that if my personal information is not collected, then the Trustee may not be able to manage and administer my APSS 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: \_\_\_\_\_

#### 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, use and disclose your TFN.

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

Declining to quote your TFN to the Trustee of the APSS is not an offence. However, giving your TFN to the APSS will have the following advantages:

- The APSS will be able to accept all permitted types of contributions to your nominated APSS account.
- Other than the tax that may ordinarily apply, you will not pay more tax than you need to. This affects both contributions to your superannuation, and benefit payments when you start drawing down your superannuation benefits.
- It will make it much easier to find 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: \_\_\_\_\_

CUT OUT AND RETURN COMPLETED FORM TO: APSS, LOCKED BAG A5005, SYDNEY SOUTH NSW 1235

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](http://apss.com.au)



When completed, this form can simply be sent back by email to [sr@apss.com.au](mailto:sr@apss.com.au)  
or by posting it to **APSS, Locked Bag A5005, Sydney South NSW 1235.**

## Employee Members



Date of Preparation 9 December 2020



SuperPhone **1300 360 373** Monday to Friday, 9.00am - 5.30pm (Sydney time).



[sr@apss.com.au](mailto:sr@apss.com.au)



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[apss.com.au/MemberAccess](http://apss.com.au/MemberAccess)



APSS, Locked Bag A5005,  
Sydney South, NSW 1235