



31 March 2023

# IOOF Pension – Term Allocated Pension Supplementary Product Disclosure Statement (SPDS)

**IOOF Pension – Term Allocated Pension is closed to new investment.**

IOOF Pension – Term Allocated Pension SPDS is to be read together with the IOOF Pension – Term Allocated Pension Product Disclosure Statement (PDS) dated 18 December 2020 and related disclosure documents incorporated by reference.

**SPDS:** refers to this document.

**PDS:** refers to the IOOF Pension – Term Allocated Pension PDS dated 18 December 2020.

**General Reference Guide:** refers to the IOOF General Reference Guide.

**The PDS is supplemented and/or amended by the items below and is effective from 31 March 2023.**

Issuer IOOF Investment Management Limited ABN 53 006 695 021, AFS Licence No. 230524, as Trustee of the IOOF Portfolio Service Superannuation Fund | ABN 70 815 369 818.

The information supplemented in this SPDS is generally limited to the disclosure of fees and other material changes in the PDS. Other information not supplemented in this SPDS and accompanying PDS may change from time to time, as disclosed in the General Reference Guide and other guides incorporated by reference to the PDS, available at [www.ioof.com.au](http://www.ioof.com.au).

## 1. The following information replaces the 'About the Trustee' section of the PDS.

### About the Trustee

The Trustee is a part of the Insignia Financial group comprising Insignia Financial Limited ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group). In fulfilling its duties as trustee, IIML has investment, service and other contracts with Insignia Financial Group companies, further details of which are set out in the IOOF General Reference Guide.

IIML is solely responsible for the content of this PDS. This PDS was prepared by IIML based on its interpretation of the relevant legislation as at the date of issue.

Contributions made to, and investments in, an IOOF – Term Allocated Pension do not represent assets or liabilities of IIML (other than as trustee of the Fund) or any other company or business within the Insignia Financial Group.

Neither IIML, nor any other related or associated company, the fund managers providing the managed investments, service providers or the related bodies corporate of the parties mentioned, guarantee the repayment of capital or the

performance or any rate of return of the investment options chosen in IOOF – Term Allocated Pension. Investments made into the investment options in IOOF – Term Allocated Pension are subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

IIML operates IOOF – Term Allocated Pension on the terms and conditions outlined in this PDS and in accordance with the Fund's Trust Deed. We may change any of the terms and conditions set out in the PDS at any time where permitted to do so under the Trust Deed and superannuation (super) law.

Where an investment option is issued by an Insignia Financial Group related entity, the fees received by the Insignia Financial Group entities are charged in accordance with the constitutions of the investment options.

An IOOF – Term Allocated Pension is only available to persons receiving this PDS (electronically or otherwise) within Australia.

2. **'Insignia Financial Group, 'Insignia Financial Ltd' and 'Insignia Financial Group companies'** replace all references to 'IOOF Group', 'IOOF Holdings Ltd' and IOOF Group companies respectively throughout the PDS.
3. The following information replaces the 'Frequency of pension payments' section on page 10 of the PDS.

## Frequency of pension payments

You may elect to receive your annual pension payment as one annual payment or in instalments based on one of the following frequencies:

- fortnightly
- monthly
- quarterly
- half-yearly
- yearly.

Irrespective of the frequency you select, where necessary, we will withhold any PAYG tax liability on the gross pension payment for that frequency as required by law. For more information, please read 'What taxes apply and how do they work?' section of this PDS.

We will deduct the required pension payments from your Cash Account and credit them electronically to your nominated account with a financial institution. Payments can be made on any day of the month for monthly, quarterly, half-yearly and yearly pension payments.

We may process your pension payment earlier than the specified date to ensure it reaches your nominated financial institution on time.

If you choose an 'annual amount paid' in fortnightly instalments, the number of payments and the payment amount you receive will vary between financial years. Alternatively, if you choose an amount per frequency paid in fortnightly instalments, your total annual pension amount will vary based on the amount of fortnights per financial year.

4. The following information replaces the Fees and costs section on page 11 of the PDS.

## 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)** Moneysmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

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

Other fees, such as activity fees and advice fees for personal advice, may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees cannot be charged.

Taxes are set out in another part of this document. Further information on taxes can be found in the 'What taxes apply and how do they work?' section 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.

The fees and other costs for each managed investment offered by the entity, are set out in the **Investment Menu**.

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your super account (subject to law) without your consent. However, before doing so, we will provide you with 30 days' notice of any change. We also have the right to introduce new fees. The fees quoted in this section are inclusive of GST and any applicable reduced input tax credits unless otherwise stated.

5. The following information replaces the Fee table on page 12 of the PDS.

#### Fees and costs summary: IOOF Pension

Type of fee or cost	Amount	How and when paid																		
Ongoing annual fees and costs <sup>10</sup>																				
Administration fees and costs	<b>Administration Fee</b>	The <b>Administration Fee</b> is a percentage-based fee calculated daily on your account balance <sup>13</sup> . It is charged monthly in arrears and is deducted from your Cash Account <sup>11</sup> at the end of each month.  The <b>Account Keeping Fee</b> is the dollar-based fee charged monthly in arrears and is deducted from your Cash Account at the end of the month. Where you are only a member for a portion of the month, the Account Keeping Fee will be charged on a pro-rata basis.  If you hold any investments from the Full Menu, the Account Keeping Fee of \$150 pa for the Full Menu applies. If all funds are in Cash Account and/or Core Menu the Account Keeping Fee of \$90 pa applies.  If your investments change between Cash Account, Core Menu and the Full Menu during a month, the Account Keeping Fee applicable at the end of the month is taken to have applied for the whole month.  We retain a part of the interest that is earned on the <b>Cash Account</b> . The interest retained is the difference between the net rate of interest we credit to your Cash Account and the total interest earned in relation to pooled assets of the Cash Account. The interest credited to you is subject to change in line with the official cash rate set by the Reserve Bank of Australia or changes to the interest retained.  You won't see administration costs paid from the reserve as direct charges to your account. They reduce the balance held in reserves and are used to cover certain costs related to the running of the IOOF Portfolio Service Superannuation Fund.																		
	<table><tr><th>Account balance</th><th>Cash Account and Core Menu</th><th>Full Menu</th></tr><tr><td>First \$250,000</td><td>0.35% pa</td><td>0.70% pa</td></tr><tr><td>Next \$250,000</td><td>0.25% pa</td><td>0.50% pa</td></tr><tr><td>Next \$500,000</td><td>0.10% pa</td><td>0.20% pa</td></tr><tr><td>Next \$1,000,000</td><td>0.05% pa</td><td>0.10% pa</td></tr><tr><td>Amounts above \$2,000,000</td><td>0.00% pa</td><td>0.00% pa</td></tr></table>		Account balance	Cash Account and Core Menu	Full Menu	First \$250,000	0.35% pa	0.70% pa	Next \$250,000	0.25% pa	0.50% pa	Next \$500,000	0.10% pa	0.20% pa	Next \$1,000,000	0.05% pa	0.10% pa	Amounts above \$2,000,000	0.00% pa	0.00% pa
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\$90 pa	\$150 pa																			
<b>Interest retained on Cash Account</b>																				
Interest is also retained on your cash account, estimated between 0.50% and 1.20% pa on the balance of the Cash Account <sup>11</sup>																				
<b>Administration costs paid from the reserve</b>																				
Other administration costs paid from reserves estimated between 0% and 0.03%pa of your account balance. <sup>12</sup>																				
Investment fees and costs <sup>14</sup>	The Trustee does not charge investment fees and costs for IOOF Pension (TAP). The fees and costs charged by us relate only to gaining access to the underlying funds through IOOF Pension and do not include the fees and costs that relate to investing in underlying funds.  However, investment fees and costs will apply and the amount of these fees and costs will depend on the investment options selected by you from the <b>Investment Menu</b> .  Performance fees may also apply to some investment options when the investment return generated by the fund exceeds a specific criteria or benchmark.	Generally calculated daily as a percentage of the amount you have invested in each investment option It is not deducted directly from your account but is generally incorporated into the unit price of the investment option and is generally charged monthly or quarterly in arrears.  The most recent investment fees and costs can be obtained from the relevant PDS for each managed investment.																		
	Transaction costs	We do not charge any transaction costs. However, transaction costs will apply and the amount of these transaction costs will depend on the managed investments selected by you from the <b>Investment Menu</b> .	Generally included in the unit prices of each managed investment. The transaction costs that apply to each managed investment can change from time to time.  The most recent transaction costs applied by each fund manager can be obtained from the relevant PDS for each managed investment.																	

Type of fee or cost	Amount	How and when paid
<b>Member activity related fees and costs</b>		
<b>Buy-sell spread</b>	We do not charge buy-sell spreads. However, buy-sell spread will apply to the managed investments you select. The amount of the buy-sell spread will depend on the managed investments selected by you from the <b>Investment Menu</b> .	A buy-sell spread is added to, or deducted from (as applicable), the unit price of the relevant managed investment. The buy-sell spread that applies to each managed investment can change from time to time. Please refer to relevant PDS for each managed investment for specific details.
<b>Switching fee</b>	Nil.	Not applicable
<b>Other fees and cost<sup>15</sup></b>	Refer to the 'Additional explanation of fees and costs' section for details of other fees and costs. Other fees and costs include: <ul style="list-style-type: none"> <li>• Brokerage</li> <li>• Portfolio Management Fee</li> <li>• Member Advice Fees</li> <li>• Corporate notice and action communications</li> <li>• Dishonour Fees.</li> </ul>	

- 10 If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, certain fees and costs charged to you by the superannuation entity in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded. The Trustee does not charge investment fees and costs for IOOF Pension (TAP).
- 11 The interest we retain on pooled Cash Account assets is considered an indirect cost for administering your Cash Account. It is not deducted from your Cash Account directly, but through the interest generated from its underlying investments prior to crediting the 'net' interest to your Cash Account.
- 12 Administration costs deducted from the reserve during 2021/22 were between 0% and 0.01%.
- 13 Your account balance comprises your Cash Account together with the value of your investment options.<sup>14</sup> Estimate is based on administration costs deducted from the reserve during 2021/22 and is not necessarily a set administration cost that will be deducted on an ongoing basis.
- 14 Refer to the 'Additional explanation of fees and costs' section for more details.

## Example of annual fees and costs for a superannuation pension product

The information in the 'Fees and costs summary' can be used to compare costs between different superannuation pension products.

<b>EXAMPLE — IOOF MultiSeries 70</b>		<b>BALANCE OF \$50,000</b>
Administration fees and costs	Administration Fee: (0.35% x \$50,000) Cash Account Fee: (1.20% x \$500) Account Keeping Fee: \$90 Administration costs paid from reserve (\$50,000 x 0.03%) <sup>15</sup>	For every \$50,000 you have in the superannuation pension product, you will be charged or have deducted from your investment <b>\$196.00</b> in administration fees and costs, plus \$90 regardless of your balance
<b>PLUS</b> Investment fees and costs	0.50%	<b>And</b> , you will be charged or have deducted from your investment <b>\$247.50</b> in investment fees and costs
<b>PLUS</b> Transaction costs	0.07%	<b>And</b> , you will be charged or have deducted from your investment <b>\$34.65</b> in transaction costs
<b>EQUALS</b> Cost of product		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of <b>\$568.15</b> for the superannuation pension product.

<sup>15</sup> Administration costs deducted from the reserve during 2021/22 were between 0% and 0.01%.

Note: Additional fees may apply. This example assumes \$49,500 is invested in IOOF MultiSeries 70 and \$500 in the Cash Account. This is an example only and the fees and costs will vary depending on the managed investments selected by you. Additional costs may be charged by the issuers of the products that you decide to invest in. For more information, please refer to the PDS of the managed investments selected by you.

**Warning:** If you consult a financial adviser you may agree to pay your adviser an advice fee, which is disclosed in the statement of advice provided by your adviser. The amount of the fee may be deducted from your Cash Account if agreed with your financial adviser.

You should read the 'Additional explanation of fees and costs' before making a decision. The material relating to 'Fees and other costs' may change between the time when you read this Statement and the day you acquire the product.

**6. The following information replaces the 'Additional explanation of fees and costs on page 16; and replaces all references to Additional explanation of fees and costs on pages 13, 14 and 16 of the PDS:**

**The information in the 'Fees and costs summary' can be used to compare costs between different superannuation pension products**

### Additional explanation of fees and costs

This section explains the fees and costs set out in the Fees and costs summary in the PDS and this section. It also provides a brief explanation about any additional fees and costs that may apply to your account. The fees and other costs for each underlying investment option offered by the entity, appear on our website in the relevant product disclosure statement for each managed investment. To understand all the fees and costs that may be payable under a particular investment strategy, you should look at both the PDS and the relevant product disclosure statement for each managed investment.

### Your fees may be different

In certain circumstances, your fees may be different from those described in the PDS. Individual Licensees may have arrangements in place with us for lower fees to apply while you remain serviced by a representative of that Licensee and any arrangements will be those that have been agreed between you and your financial adviser.

This can also apply for various historical reasons, including where you joined the Fund as a result of a successor fund transfer or your account was transferred to IOOF Pension from another product within the Fund. Often in these circumstances, the Trustee of the Fund agrees to adopt the same fees as the old super fund or product. This allows the Trustee to transfer the super benefits as a whole, while protecting existing rights of transferring members. If this is the case, your fees may be different than those described in the Fee Table.

### Administration Fees and costs

Administration fees and costs are made up of administration fees charged to your account and other administration costs paid from Fund reserves. This fee includes a percentage-based components and a dollar-based account keeping fee. It includes all administration and other expenses we incur, excluding any member advice fees (outlined in the following pages) and the fees and costs charged by the fund managers for each managed investment.

### Family Fee Aggregation

Family Fee aggregation allows you to link your IOOF account(s) for the purpose of calculating the Administration Fee payable. This can mean a reduction in the Administration Fee payable by all 'linked' members. This is another way that we can help you lower the cost of managing your investments.

Family Fee Aggregation allows you to link:

- Your IOOF accounts.
- Your account(s) with those of your immediate family members (as defined below in the terms and conditions) who also have IOOF accounts.

When accounts are grouped, their balances are combined creating a total aggregated balance. The Administration Fee is calculated using the total aggregated balance and any reduction to the Administration Fee is appropriated across the aggregated accounts based on the balance held in each account. Other fees are applied on a per account basis.

Before considering the Family Fee Aggregation, it is important to read the terms and conditions:

- Any new Family Fee aggregation applications will either need to be signed by all linked members or requested by your financial adviser. Each person applying to link for the purpose of Family Fee Aggregation must be a member of the same immediate family (spouse, son, daughter, partner, father, mother, brother, sister, grandparents) and the spouses of immediate family members.
- A Family Fee aggregation request can be rejected and linking can be cancelled at any time by us.
- Any new Family Fee aggregation nomination will override any previous nomination.
- A maximum of eight accounts are allowed to be linked together for Family Fee aggregation purposes.
- Members nominated for Family Fee aggregation within the same group must be associated with the same financial adviser where a financial adviser has been appointed. Where you change or remove your financial adviser, linking of your account for the purpose of calculating the Administration Fee will be cancelled.
- Each member will be able to access information about the other members in the Family Fee Aggregation group, including names, account numbers, and the aggregate account balance.

The Trustee reserves the right to change the terms and conditions at any time.

## Investment fees and costs

This represents the fees and costs charged by the fund managers for the investment options selected by you and is generally calculated daily as a percentage of the amount you have invested in each managed investment option.

It is not deducted directly from your account but is generally incorporated into the unit price of the investment option.

The most recent investment fees and costs for the available investment options are set out in the **Investment Menu** and the relevant PDSs for each investment option, which are available on our website.

## Performance fees

As Trustee of the Fund, we do not charge any performance fees. However, a fund manager may charge a performance fee for a particular managed investment when the investment return generated by the managed investment exceeds a specific criteria or benchmark referred to in the Fee Table as a 'performance fee'.

The performance fee (if applicable) is generally calculated daily as a percentage of the amount you have invested in the managed investment. The fee is generally deducted on a monthly, quarterly or annual basis. A fund manager would normally incorporate the cost into the unit price of the managed investment. The unit price may reduce as a result of performance fees or increase as a result of negative performance fees.

Any applicable performance fee is included in the investment fees and costs stated in the **Investment Menu** and is current at the date of publication. For up-to-date information please refer to the relevant PDS for each managed investment.

## Transaction costs

Some managed investments have a difference between their entry (purchase) and exit (sale) unit prices; this is referred to as the buy-sell spread. This difference is an allowance for the transaction costs (such as brokerage, clearing and settlement costs and stamp duty, if applicable) of buying and selling the underlying securities/assets incurred by the fund manager of the particular managed investment.

The buy-sell spread (if applicable) is incurred when you purchase or redeem units in a managed investment (at the time of a switch or when you move money in or out of your account). However, the buy-sell spreads are not charged separately to your account – they are generally included in the unit prices of each managed investment. The buy-sell spread that applies to each managed investment can change from time to time. Details of the buy-sell spread (or how to obtain the current buy-sell spread) applicable to each managed investment are outlined in the PDS issued by the fund manager for the particular managed investment which are available on our website ([www.ioof.com.au](http://www.ioof.com.au)).

Other transaction costs may also be incurred in managing the underlying funds of the managed investments selected by you. These transaction costs may include brokerage, buy-sell spreads, settlement costs, clearing costs, stamp duty, and custody costs. The costs of trading in over-the-counter derivatives may also give rise to transaction costs.

These transaction costs are in addition to investment fees and costs but are not charged separately to your account – they are generally included in the unit prices of each managed investment. The transaction costs that apply to each managed investment can change from time to time. Details of the transaction cost applicable to each managed investment are outlined in the **Investment Menu**, and the product disclosure statement and/or other disclosure documents issued by the fund manager for the particular managed investment, which are available on our website.

## Brokerage

Brokerage is a fee charged by IOOF and is the amount paid to the broker when buying and selling listed securities through IOOF on the Australian Securities Exchange (ASX).

## Listed investments

Brokerage of 0.12% of the gross value of each trade (or \$1.20 per \$1,000 trade – minimum \$18.50) applies to each order to buy or sell a listed investment. Brokerage is deducted from your Cash Account at the time of the transaction

## Member advice fees

You can request that we acquire and pay for the services of a financial adviser selected by you to provide financial advice in relation to your IOOF account. We do not supervise the provision of services by your selected financial adviser. The following optional fees are available for you to select the most appropriate remuneration with your financial adviser:

- Member Advice Fee – Upfront
- Member Advice Fee – Ongoing
- Member Advice Fee – Fixed Term Arrangement (FTA)
- Member Advice Fee – One-Off.

You may agree to one or more of these options. For any agreed member advice fee, it must only be applied where the financial advice or services received relate solely to benefits held in your IOOF Pension account.

For each option, we set a maximum amount that we will pay to the financial adviser. You and the financial adviser must agree on the amount of each member advice fee within these relevant limits. The amount of any member advice fee(s) that we pay to the financial adviser, as authorised by you, will be an additional cost to you and charged against your Cash Account. IIML, as Trustee of your super fund, is required to obtain specific written consent before a fee for financial advice can be deducted from your account. You are not under any obligation to consent to the fee being deducted. Any agreed member advice fee(s) will be charged by us to your account and paid in full to the financial adviser, until you instruct us otherwise.

The member advice fees quoted in this section are inclusive of GST. However, the actual amount deducted from your account may be different due to the effects of any applicable reduced input tax credits (RITCs).

On termination of an advice fee agreement accrued but undeducted Member Advice Fees may be deducted after the termination date.

### Member Advice Fee – Upfront

You can agree that this advice fee is to be deducted from contributions and transfers/rollovers made to your account. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for financial advice and services provided to you in relation to the establishment of your account.

You can agree with the financial adviser on the amount of this fee up to a maximum of 5.5% (inclusive of GST) of each contribution made. For example, on an initial contribution of \$50,000, we would pay the financial adviser up to a maximum of \$2,750.

You can agree to a different amount for contributions and transfers/rollovers made to your account. The amount of this fee is deducted from your Cash Account at the time of each contribution. This fee is not applied to:

- transfers from existing accounts within the Fund on the same technology
- any income distributions credited to your Cash Account
- switches between investment options
- any transfer from your spouse's account in the Fund under a contribution splitting arrangement, or
- contributions or rollovers paid for or facilitated by the Government or the Trustee (e.g. Government co-contributions; Low Income Superannuation Contribution).

### Important Note

You cannot elect to have a Member Advice Fee – Upfront at the same time as a Fixed Term Arrangement.

### Member Advice Fee – Ongoing

You can agree to have this advice fee to be deducted based on the value of your account and/or a fixed dollar amount on an ongoing basis. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for ongoing financial advice and services provided to you in relation to your account. You can agree with the financial adviser on the amount of this fee which can be:

- flat percentage fee of up to a maximum of 2.2% per annum (inclusive of GST) of your account balance (calculated daily), or
- tiered percentage fee up to a maximum of 2.2% per annum (inclusive of GST) to apply at different account balance (calculated daily) subject to a maximum of 7 tiers, and/or
- flat dollar fee of up to a maximum of \$18,000 per annum (inclusive of GST).

The amount of this fee is calculated based on your daily balance and/or the number of days in IOOF and is deducted from your Cash Account on the last day of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$1,100 per annum (based on a Member Advice Fee – Ongoing of 2.2% per annum) (inclusive of GST).

Whilst the Member Advice Fee – Ongoing can continue indefinitely, we will require your consent to continue the fee every year. Your financial adviser will arrange for this annual renewal each year. If we do not receive your consent by the 'consent end date' as advised when the fee was established or last renewed, your Member Advice Fee – Ongoing will cease.



## Member Advice Fee – Fixed Term Arrangement (FTA)

You and your adviser may agree for a fee to be charged for financial advice services that are to be provided within a fixed period. A Member Advice Fee – FTA will have a specified start date and end date, where the end date cannot be more than 12 months from the start date. The fee can be calculated based on the value of your account and/or a fixed dollar amount for the period. You can agree on the amount of this fee, up to:

- flat percentage fee of up to a maximum of 2.2% per annum (inclusive of GST) of your account balance (calculated daily), or
- tiered percentage fee up to a maximum of 2.2% per annum (inclusive of GST) to apply at different account balance (calculated daily) subject to a maximum of 7 tiers, and/or
- flat dollar fee of up to a maximum of \$18,000 per annum (inclusive of GST).

The amount of this fee is calculated based on your daily balance and/ or the number of days in your IOOF Pension account and is deducted from your Cash Account on the last day of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$1,100 per annum (based on a Member Advice Fee – FTA of 2.2% per annum) (inclusive of GST). Where a fixed term starts or ends partway through a month, the fee will be proportioned based on the number of days in the month.

### Note:

- You cannot elect to have a Member Advice Fee – Upfront or a Member Advice Fee – Ongoing at the same time as a Member Advice Fee – FTA. Your account can only have one active FTA at any time.
- You must sign the FTA within 90 days of the start date, and the FTA must be received within 90 days of the date signed.
- The FTA start date cannot be backdated, as such if the start date is prior to the processing date, then the FTA will start on the date that it is processed.

## Member Advice Fee – One-Off

You can agree to a one-off advice fee. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for one-off financial advice and services provided in relation to your account. The amount of this fee can be up to:

- a maximum of 10% of the account balance up to a fee of \$11,000 (inclusive of GST), or
- a maximum of \$3,300 (inclusive of GST) where the fee is greater than 10% of the account balance.

A new request must be supplied each time you wish this fee to be applied.

## What happens if IIML does not receive consent to continue fees?

If you have a Member Advice Fee on your account (excluding Member Advice Fee – One-Off) and either you do not provide your consent to continue the fee, or do not apply for a new Member Advice Fee – FTA before the expiry of your current fee, IIML may seek to confirm with your adviser as to whether they are still providing services to you. Should your adviser either confirm no further services are to be provided, or does not provide IIML with any confirmation, we may remove your adviser's access to your account.

## What happens if I change my mind in relation to an advice fee?

Should you wish to revoke your consent to the deduction of any fees, please contact us and/or your adviser to terminate the fee arrangement. Note this will prevent any further deduction of member advice fees from your account after the consent has been revoked, but does not reverse any fees paid before revocation. We may also confirm with you or your adviser whether to remove the adviser's access to your account.

## Other fees and costs

### Expense Recovery Fee

The Trustee is entitled to recoup out-of-pocket expenses from the assets of the Fund, where such expenses are properly incurred (such as certain regulatory levies or government imposts, professional fees and other expenses). The amount charged is the actual amount of the expense incurred. Such expenses will be recovered from the Fund, where practicable, and may flow through as a deduction from your account at the time the expense is applied.

## Corporate notices and actions

As your investment options are held by the Custodian on your behalf, we receive all communications, such as, corporate notices, annual reports.

You may at any time request to provide you with copies of any such communications. If you elect to receive any such communications, we may charge you a reasonable fee for providing the communications.

### Dishonour Fees

If any direct debit transaction from your nominated account with a financial institution is returned unpaid or your cheque is dishonoured, we are entitled to pass on to you any fees associated with the dishonour. This fee will be deducted from your Cash Account at the time of the dishonour.



## Operational Risk Financial Reserve

The Government requires super funds to keep a financial reserve to cover any losses that members incur due to operational risk events. A Reserve has been established and is currently maintained within the fund by the Trustee. We may require members to contribute to the Reserve in the future. If we do, we will notify you in advance of any deductions.

## Low account balances

If there are insufficient funds in your account to pay the fees (including the Administration Fee and any member advice fees) due in any month, the fees will be waived. Where a member advice fee is waived no further member advice fee will be paid to the financial adviser until there are sufficient funds to meet the fees. Any member advice fee waived will not be recovered.

## Fee rebate for low account balances

You will receive a fee rebate if:

- Your account balance is less than \$6,000 at the end of the financial year; or
- The withdrawal benefit on closure of your account is less than \$6,000.

In these cases, a fee cap of 3% of your account balance will apply to the total administration fees, expense recovery and investment fees charged by the superannuation entity during that financial year. If excess fees are charged, you will be paid a fee rebate to your account at the end of the financial year or to your benefit prior to withdrawal.

## GST and taxes

The fees quoted in this section are inclusive of GST, less any applicable RITCs, unless otherwise stated. The benefits of any available input tax credits are passed on to you in the form of reduced fees or costs. See the 'What taxes apply and how do they work' section of this document.

## Netting

We often buy and sell units in a managed investment on the same day. We intend to deal as a net buyer or net seller of units on any given day. As a result, no transactions may need to be made at all to give effect to your investment instructions. However, you will still receive the prevailing sell or buy price applied to your particular investment transaction. We are entitled to retain any benefit that may arise from the netting of transactions.

## Fund manager payments

We may receive a fee from the fund managers of certain investment options for administration and investment related services. The fees for arrangements are in line with government reforms and will be charged on a flat dollar basis but may vary between fund managers. They are an administration-related fee retained by us and are not an additional cost to you.

## Managed investment rebates

Some fund managers provide a rebate on the management fee for some of the investment options which they issue, which we pass entirely back to your Cash Account typically monthly or quarterly, depending on the frequency set by the fund manager.

In general, your entitlement to the rebate is determined by the fund manager and will be based on your holding of the managed investment at the payment date of the rebate and it will be passed onto other members who hold that investment option. Rebates may change or cease to be offered without prior notice to you.

## Alteration to fees

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your account (subject to law). However, before doing so, we will provide you with 30 days' notice of any change. We also have the right to introduce new fees. External cost pressures such as increased regulatory complexity and the introduction of new or improved member services are but two of the circumstances that may give rise to an increase in fees and other costs. The Trust Deed does not impose maximum limits in relation to fees and costs for IOOF Pension.

The Trustee or fund managers may impose redemption fees with the intention of safeguarding members' investments. You will be given 30 days' written notice of these proposed alterations if there is an increase.

## Example of annual fees and costs using the full investment list for a \$250,000 balance.

This table gives an example of how the combined effect of the ongoing annual fees and costs using a choice of investments in this superannuation pension product can affect a \$250,000 superannuation investment over a 1-year period. You should use this table to compare this pension product with other superannuation pension products.

Investment held	Account balance
Cash Account	\$2,500
Term Deposit	\$47,500
Annuity	\$25,000
Listed Investment 1	\$25,000
Managed Investment 1	\$50,000
Managed Investment 2	\$100,000
<b>TOTAL</b>	<b>\$250,000</b>

EXAMPLE – IOOF Pension using a range of investments on the investment menu (including Full Menu).		Balance of \$250,000
Administration fees and costs	Administration Fee: (\$102,500 x 0.35%) (\$147,500 x 0.70%) Account keeping Fee: \$180 Cash Account Fee: (\$2,500 x 1.20%) Administration costs paid from reserve (\$250,000 x 0.03%) <sup>15</sup>	For every \$250,000 you have in the superannuation pension product, you will be charged or have deducted from your investment <b>\$1496.25</b> in administration fees and costs, plus \$180 regardless of your balance.
<b>PLUS</b> Investment fees and costs	Term Deposit: (\$47,500 x Nil) Annuity: (\$25,000 x Nil) Listed Investment 1: (\$25,000 x Nil) Managed Investment 1: (\$50,000 x 0.60%) Managed Investment 2: (\$100,000 x 0.70%)	<b>AND</b> , you will be charged or have deducted from your investment <b>\$1,000</b> in investment fees and costs
<b>PLUS</b> Transaction costs	Term deposit: (\$47,500 x Nil) Annuity: (\$20,000 x Nil) Listed Investment 1: (\$25,000 x Nil) Managed Investment 1: (\$50,000 x 0.06%) Managed Investment 2: (\$100,000 x 0.08%)	<b>AND</b> , you will be charged or have deducted from your investment <b>\$110</b> in transaction costs
<b>EQUALS</b> Cost of IOOF Pension		If your balance was \$250,000 then for that year you'll be charged fees of <b>\$2756.25</b> for IOOF Pension

<sup>15</sup> Administration costs deducted from the reserve between 2021/22 were between 0 and 0.01%.

**NOTE:** Additional fees may apply. This is an example only and the fees and costs will vary depending on the investments selected by you. For more information, please refer to the PDS of the investments selected by you.

- Assumes that the estimated investment fees and cost for Managed Investment 1 is 0.60% pa, the estimated investment fee and cost for Managed Investment 2 is 0.70% pa and no investment fees and costs apply to the listed investment, annuity and term deposit.
- Assumes that the transaction costs for Managed Investment 1 is 0.06% pa and the transaction costs for Managed Investment 2 is 0.08% pa and no transaction costs apply to the listed investment, annuity and term deposits.
- For this example, the contribution of \$250,000 is made at the start of the year.
- The above example does not include brokerage. Brokerage of \$30.00 would also apply to the purchase of the listed investment.

## 7. The following information replaces footnote 5 on page 10.

5. The Government has halved the minimum pension requirement for the 2023 financial year such that the minimum pension is 45% of the fixed amount.

## 8. The following information replaces the first paragraph under the heading 'Transfer balance cap' on page 17.

The Government sets a cap (the transfer balance cap) on the total amount of pension benefits that can transfer to a tax-free investment environment. Retirement phase and Death benefit pension accounts are assessed against the transfer balance cap on pension commencement. Please refer to the ATO for the current transfer balance cap.

## 9. The following information replaces the first paragraph 'Tax on pension payments' on page 17.

If you are aged 60 or over, all pension payments from your IOOF – Term Allocated Pension account will be tax-free. However, if across all our 'capped defined benefit income streams' such as term allocated pensions, complying lifetime income streams or defined benefit income streams, you receive income greater than the general transfer balance cap for the financial year divided by 16, you may have a portion of your income above this amount included in your assessable income. We will send you a PAYG Payment Summary each year, even though no PAYG withholding will apply to your Term Allocated Pension.



# IOOF PENSION

## Term Allocated Pension

### Product Disclosure Statement

The IOOF Pension – Term Allocated Pension is closed to new investment. This PDS is for:

- members who have an existing IOOF Pension – Term Allocated Pension
- the Reversionary Beneficiary of an IOOF Term Allocated Pension who will continue the pension on the death of that member.

Dated: 18 December 2020

Issuer: IOOF Investment Management Limited ABN 53 006 695 021, AFS Licence No. 230524,  
as Trustee of the IOOF Portfolio Service Superannuation Fund | ABN 70 815 369 818

## About this Product Disclosure Statement

This Product Disclosure Statement (PDS) has been prepared and issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No. 230524. IIML is the Trustee of the IOOF Portfolio Service Superannuation Fund (Fund), ABN 70 815 369 818. IOOF Pension – Term Allocated Pension is a pension product in the Fund.

## About the Trustee

The Trustee is a part of the IOOF group comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (IOOF group). In fulfilling its duties as trustee, IIML has investment, service and other contracts with IOOF group companies, further details of which are set out in the **IOOF general reference guide (IOF.02)**. IIML is solely responsible for the content of this PDS. This PDS was prepared by IIML based on its interpretation of the relevant legislation as at the date of issue.

Contributions made to, and investments in, an IOOF Pension – Term Allocated Pension do not represent assets or liabilities of IIML (other than as trustee of the Fund) or any other company or business within the IOOF group.

Neither IIML, nor any other related or associated company, the fund managers providing the managed investments, service providers or the related bodies corporate of the parties mentioned, guarantee the repayment of capital or the performance or any rate of return of the investment options chosen in IOOF Pension – Term Allocated Pension. Investments made into the investment options in IOOF Pension – Term Allocated Pension are subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

IIML operates IOOF Pension – Term Allocated Pension on the terms and conditions outlined in this PDS and in accordance with the Fund's Trust Deed. We may change any of the terms and conditions set out in the PDS at any time where permitted to do so under the Trust Deed and superannuation (super) law.

The IOOF MultiMix Trusts, IOOF MultiSeries, the IOOF Cash Management Trust, Profile Managed Investments, Specialist Funds and the Strategic Funds are operated by IOOF group companies and fees are received by the IOOF group under the constitutions of the Trusts. These are some of the investment options offered in IOOF Pension – Term Allocated Pension (as listed in the **IOOF investment guide (IOF.01) and the IOOF Investment Menu (Investment menu)**).

An IOOF Pension – Term Allocated Pension is only available to persons receiving this PDS (electronically or otherwise) within Australia.

## Investment options offered

IIML makes no recommendation regarding the investment options set out in the **Investment menu**.

As Trustee, IIML regularly monitors the investment options available to members in the IOOF Pension – Term Allocated Pension and provides no assurance that any investment option currently available will continue to be available in the future. We have the right to suspend or cease investments in a specific investment option without reason and can redeem and transfer your investments to your Cash Account in circumstances where the investment option is no longer available and no alternative instructions are provided. We will notify you of any such change where possible before the change occurs. You may incur a buy-sell spread where your investment option is redeemed.

The fund managers have not authorised or caused the issue of this PDS but have consented to the inclusion of statements which relate to their particular managed investment.

In order to choose an investment option for your investment strategy, you should review the information in **IOF.01** and the **Investment menu**. Before selecting an investment option, your financial adviser should give you the product disclosure statement for that managed investment or the product guide for the term deposit. These documents provide you with important information to consider and evaluate before investing. Product disclosure statements for each managed investment and product guides for each term deposit are also available on our website ([www.ioof.com.au](http://www.ioof.com.au)). Please note, product disclosure statements and product guides are not available for listed securities (eg shares).

## General advice warning

The information contained in this PDS is of a general nature only and does not take into account your individual objectives, financial situation or needs. You may want to seek advice from a financial adviser before making changes to and/or deciding if the IOOF Pension – Term Allocated Pension is the right product for you.

## Updated information

The information referred to in this PDS may change from time to time. We will inform you of any significant changes that could affect you or other significant events that may affect the information in this PDS. Any updated information that is not materially adverse may be obtained by:

- checking our website [www.ioof.com.au](http://www.ioof.com.au)
- emailing us at [clientfirst@ioof.com.au](mailto:clientfirst@ioof.com.au)
- calling us on 1800 913 118

A paper copy of the updated information will be provided free of charge on request.



# What is inside?

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## How to find your way around this PDS

This IOOF Pension – Term Allocated Pension PDS contains important information to help you understand the way the product works, including treatment for tax and other impacts. It includes references to additional important information contained in the **IOOF general reference guide (IOF.01)** and the **IOOF investment guide (IOF.01)** and the **IOOF Investment menu (Investment menu)**, each of which forms part of the PDS.

This PDS describes the key features, risks and purpose of the IOOF Pension – Term Allocated Pension. It also contains some information we are required to include by law.

This PDS, the guides and the **Investment menu** can be downloaded from our website (ioof.com.au) or contact us and we will send you a paper copy at no charge. The material in these documents may change between the time when you read this PDS and the day you acquire the product.

## Key words

There may be words in this PDS and the guides you may not be familiar with. To help you understand these terms, we have defined them in the ‘Key words explained’ section in **IOF.01**.

# An introduction to IOOF Pension –Term Allocated Pension

**Managing the investment of your term allocated pension is important. If managed correctly, it could ensure financial security and peace of mind during your retirement. Choosing a quality investment partner is a key step towards achieving your financial goals in retirement.**

In this introduction, you will find important information about the product, including a snapshot of the key features and benefits available to help you meet your retirement needs.

## Investing in an IOOF Pension – Term Allocated Pension

You can select an investment strategy using one convenient administration facility. This product provides access to:

- a range of Australian and international fund managers
- the majority of listed investments in the S&P/ASX 300 Index, including a range of exchange traded funds and other listed investments approved by the Trustee from time to time
- term deposits
- view your account details and generate reports securely online via IOOF Online
- consolidated reporting.

This makes it very simple for you to manage your retirement goals.

The value of the investment options you select forms part of your pension account. You do not directly invest into (or hold an interest in) any investment option. This means investing in this product is not the same as personally investing in term investments, managed investments or listed investments.

## About IOOF Pension – Term Allocated Pension

The product is closed to new investors. Existing members and their reversionary beneficiaries can maintain their accounts but cannot commence a new IOOF Pension – Term Allocated Pension.

Pension payments will cease when your pension account balance or term is exhausted, so this pension may not provide you with an income for the rest of your life. Your account balance depends on withdrawals (where permitted) and the amount of pension payments, as well as investment earnings which may rise or fall.

If you are aged 60 or more, your pension payments will be tax-free unless you receive more than \$100,000 in total pensions from capped defined benefit interests. If you are below age 60, your pension payments will be taxed (until you reach age 60), but you will be eligible to receive a 15 per cent tax offset on the taxable component and no tax is payable on any tax-free component.

## Who is the IOOF group?

The IOOF group consists of IOOF Holdings Ltd ABN 49 100 103 722 and is listed in the top 200 on the Australian Securities Exchange (ASX: IFL). IIML is part of the IOOF group.

As one of the largest financial services groups in Australia, with over 170 years' experience in helping Australians secure their financial independence, the IOOF group provides services to more than 500,000 clients and has more than \$202 billion in funds under management and advice (as at 30 June 2020).

You can find more information about the IOOF group, director details, executive remuneration and other documents by visiting our website ([www.ioof.com.au](http://www.ioof.com.au)).



## Snapshot of IOOF Pension – Term Allocated Pension

The following table provides a snapshot of the key features and benefits.

Investing		Page
Investment options <sup>1</sup>	<p><b>Core Menu</b></p> <p>Our simple low-cost solution consists of:</p> <ul style="list-style-type: none"> <li>Ready-made portfolios – IOOF's range of diversified multi-manager trusts.</li> </ul> <p><b>Full Menu</b></p> <p>Provides access to a wide range of external investment options and consists of:</p> <ul style="list-style-type: none"> <li>Self-selected managed funds – a range of sector or asset class specific managed investments including specialist, regional and diversified funds.</li> <li>Listed investments – access to the majority of the S&amp;P/ASX 300 Index (plus any other securities approved from time to time by the Trustee).</li> <li>Term deposits – a range of term deposits.</li> </ul>	4
Cash Account	The Cash Account records all transactions related to your pension account.	7
Investment income	<p>Investment income received from your investment options is automatically credited to your Cash Account. This income can then be re-invested using one of the following options:</p> <ul style="list-style-type: none"> <li>reinvest the income back into the same managed investment</li> <li>retain the income in your Cash Account.</li> </ul>	7
Options		
Estate planning options	<ul style="list-style-type: none"> <li>Reversionary Pensioner</li> <li>Binding Death Benefit Nomination</li> <li>Non-Binding Death Benefit Nomination.</li> </ul>	4
Social security treatment	<p>Only 50% of your account balance is counted as an assessable asset under the Centrelink assets test. Centrelink income test.</p> <p>The exempt amount is calculated as the purchase price divided by the term of the pension at commencement.</p>	17
Managing your pension		
Pension payment options	<p>You can choose to receive your pension payments:</p> <ul style="list-style-type: none"> <li>fortnightly</li> <li>monthly</li> <li>quarterly</li> <li>half-yearly</li> <li>annually.</li> </ul> <p>We withhold any PAYG tax liability on gross pension payments, as required by law.</p>	10
IOOF Online	Secure access to your account online, 24 hours a day, 7 days a week.	6
Family Fee Aggregation	You can link IOOF Personal Super and IOOF Pension accounts (conditions apply), including your own, those of immediate family members and in-laws of the immediate family. This may reduce the Administration Fee payable.	15
Minimum amounts		
Investment options limits <sup>2</sup>	<ul style="list-style-type: none"> <li>Ready-made portfolios (Core Menu) and self-selected managed funds (Full Menu) – no minimum applies.</li> <li>Listed investments – a minimum parcel of \$2,000 is required per listed investment trade.</li> <li>Term deposits – \$20,000 per term deposit.</li> </ul>	4
Cash Account	You are required to maintain a minimum allocation to the Cash Account of 1%.	7
Pension income	<p>Your annual pension payments are subject to a minimum level set by the Commonwealth Government.</p> <p>Annual pension payments made under a TTR option are also subject to a maximum level set by the Commonwealth Government.</p>	9
Lump sum withdrawals <sup>3</sup>	Super law imposes restrictions on when you can make lump sum withdrawals from a term allocated pension. No minimum applies if a withdrawal can be made under law.	11

<sup>1</sup> A listing of the eligible internal IOOF investments (Core) and all other investments (Full) can be obtained from the IOOF investment menu.

<sup>2</sup> Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits and listed investments. For further information regarding these limits, see the 'Investment limits' section in the **IOOF investment guide (IOF.01)**.

<sup>3</sup> Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals where you have selected the TTR pension option.

# How does an IOOF Pension – Term Allocated Pension work?

**IOOF Pension – Term Allocated Pension is closed to new members. Existing members and their reversionary beneficiaries can maintain their accounts but cannot commence a new IOOF Pension – Term Allocated Pension.**

## Dependants – paying benefits if you die

If you die while you are IOOF Term Allocated Pension account holder, super law requires us to pay your death benefit (the remaining balance of your pension account) to one or more of your dependants and/or your estate.

To provide greater certainty as to who will receive your benefit in the event of your death, there are three estate planning options (only one option can be selected):

- Reversionary Beneficiary (must have been selected when your original pension commenced)
- Binding Death Benefit Nomination (Binding Nomination).
- Non-binding Death Benefit Nomination (Non-binding Nomination).

The most appropriate nomination will depend on your personal circumstances. Any person you nominate must be a dependant as defined by super law, or your Legal Personal Representative. Dependants include your spouse (including de facto) and children.

If you choose to make a Binding or Non-binding Nomination, you can nominate one or more people and allocate your benefit between them in any proportion.

See the 'Estate Planning' section in IOF.01 for further information about dependant nominations, how each nomination works and the available payment options.

IOOF Pension – Term Allocated Pension provides access to a range of managed investments, listed investments and term deposits. With so many investment options, you can construct a portfolio to help achieve your retirement goals.

Your investment strategy should be a reflection of your attitude to investing, the level of risk you are comfortable accepting and your investment timeframe.

## Making investment choices

### What investment options can you choose?

You may choose from a range of investment options within the following sections:

**Important note:** A buy-sell spread may be incurred when switching between managed investments.

Section	Description
<b>Core Menu</b>	
<b>Ready-made portfolios</b>	Offers you access to a spread of different asset classes designed to meet particular investment objectives. IOOF's range of diversified and single sector multi-manager trusts simplify the investment selection process by blending some of the best available managers to suit your investment objectives.
<b>Full Menu</b>	
<b>Self-selected managed funds</b>	This is where you and your financial adviser can tailor the investments to suit your investment strategy. Self-selected managed funds comprise a wide range of managed investments across different asset classes to meet particular investment objectives
<b>Listed investments</b>	Majority of the S&P/ASX 300 Index (plus any other securities approved by the Trustee).
<b>Term deposits</b>	A range of term deposits.

## Managed investments

The managed investment options available vary in risk, investment objectives (goals), strategies (ways of achieving those goals) and the types of assets in which investments are made. This allows you to invest in a range of managed investments, which may be diversified across different asset classes, fund managers and investment styles.

You can normally switch between different managed investments at any time.

We carefully research leading Australian and international fund managers before developing ready-made portfolios or choosing self-selected managed funds to be part of the investment menu. We also monitor and review the fund managers and managed investments on an ongoing basis and may add or remove managed investments from time to time.

The list of managed investment options available is set out in the IOOF investment guide (IOF.01). The list may change from time to time. You can obtain a list of investment options from our website ([www.ioof.com.au](http://www.ioof.com.au)) or request a copy free of charge by calling ClientFirst on 1800 913 118.

## Listed investments

You have the option to invest in various listed investments through your IOOF Pension – Term Allocated Pension account. IOOF Pension – Term Allocated Pension provides you with access to the majority of the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time. You can view the current list on our website. This list may change from time to time. Information on how you can invest in listed investments is set out in **IOOF investment guide (IOF.01)**.

**Important note:** More information about each investment option available is detailed in **IOOF investment guide and menu**. Also refer to the PDS issued by the fund manager for the particular managed investment and the PDS or product guide for the particular term deposit. The information relating to investments in **IOOF investment guide and menu** may change between the time you read the PDS and the day the Application form is signed. The most recent updates appear on our website.

PDSs include information about performance, asset allocation, costs and the risks associated with investing in a particular managed investment and must be read and considered before selecting a managed investment.

Before investing, you should consider the PDS for the managed investment(s) and the PDS or product guide for any term deposit(s) you have selected. You can obtain a copy free of charge by requesting it from ClientFirst by calling 1800 913 118 or directly from our website.

It is recommended you consider consulting a financial adviser prior to selecting the investment options that you would like to invest in.

Please note, listed investments do not have PDSs.

Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits and listed investments. For further information regarding these limits, please read the 'Investment limits' section in **IOOF investment guide (IOF.01)**.

## Term deposits

Terms and conditions relating to an investment in a term deposit are contained in the relevant term deposit PDS or product guide and the 'Investing in a term deposit' section in **IOOF investment guide (IOF.01)**.

**Important note:** Brokerage applies to any listed investment trades (buy or sell). Refer to the Transaction costs in the 'Additional explanation of fees and costs' section of **IOOF general reference guide (IOF.02)** and the 'Investing in listed investments' section of the **IOOF investment guide (IOF.01)** for more information.

# Managing your pension account

**This section provides you with instructions about how to select and maintain your Investment Instructions and manage the operation of your Cash Account.**

## Using IOOF Online

Managing your pension online is a convenient, easy way to keep on top of things. Whether you want to view your balance or investment earnings or update your personal details, you can do so 24 hours a day using a single sign-on to access multiple accounts.

### Functions available online

By using IOOF Online, you can view your:

- account balance
- transaction history
- investments held
- Standing Instructions
- Death Benefit Nominations
- portfolio reporting, including account return information across any period and detailed transaction listing; and
- Family Fee Aggregation details.

Using IOOF Online you can also:

- update personal details
- make, amend or renew a death benefit nomination
- view the Trustee's communications that you may elect to receive electronically.

Also, your financial adviser has the following online transaction options:

- buy and sell managed investments
- buy and sell listed investments
- adjust your Standing Instructions
- re-weight your portfolio
- fee aggregate accounts.

If you do not have a financial adviser, you will have the ability to access and also transact on your account as mentioned above.

### How to register for online access

You can register for online access once you have received your member number by visiting [www.ioofonline.com.au](http://www.ioofonline.com.au).

## Standing Instructions

Your Standing Instructions outline how you would like us to:

- invest your income distributions paid from your investment options
- top up your Cash Account to meet the minimum requirement
- process a withdrawal request (which investment options we should redeem from).

You provide your Standing Instructions on your Application form contained in the Forms booklet.

You are able to supply three types of Standing Instructions.

### Types of Standing Instructions

#### 1. Income preferences

Income distributions that you receive from your investment options are automatically credited to your Cash Account. Income from your managed investments can then be re-invested using one of the following two methods (only one can be selected):

##### Re-invest (default option)

This method allows you to automatically re-invest 100 per cent of the income distribution back into the same managed investment that made the income distribution. The re-investment will normally be completed within five business days following receipt of your income distribution in your Cash Account.

Where we have suspended or stopped investments in a managed investment or where a managed investment is redeemed in full (except where a managed investment is no longer held due to the requirement to top up your Cash Account or continues to form part of your Deposit Instruction) income distributions received from that managed investment will be retained in the Cash Account.

Re-investment of income distributions will involve the purchase of new units in one or more managed investments. Please note that you may not have the most recent PDS for the managed investment at the time these re-investments are made.

##### Retain in your Cash Account

This method allows you to leave all income distributions in your Cash Account to accumulate. Income will remain in your Cash Account until we receive a Switching Instruction from you.

## 2. Cash Account preferences

Your Cash Account is used to process all cash transactions that occur within your pension account. For example, all money paid into your account and any earnings from your investment options go through your Cash Account and all fees, taxes, pension payments and withdrawals (where applicable) are paid out of this account.

Your Cash Account holding is pooled with that of other investors and placed in interest bearing accounts with an authorised deposit-taking institution (ADI) selected by us, currently the Commonwealth Bank of Australia, ABN 61 814 236 264.

The funds in your Cash Account earn interest. We retain a portion of the interest earned on the pooled cash assets and set a net interest to be credited to the Cash Account. The net interest rate is based on daily interest generated from the pooled cash assets, less the interest retained by us (indirect cost) for administering the Cash Account. The target net rate for crediting to the Cash Account is the cash rate set by the Reserve Bank of Australia. This is often referred to as the official cash rate, which is currently 0.25% and is subject to change. Net interest is credited to your Cash Account monthly.

### Reversionary Beneficiary members

We will maintain the investment allocation of the original account owner unless you provide updated standing instructions or a switch instruction.

### Allocation to your Cash Account

You are required to maintain one per cent of your account balance in the Cash Account. This amount is used for funding fees and expenses, taxes and pension payments. You can change this to be the same percentage allocated to the Cash Account in your Deposit Instruction.

In addition, you may nominate a dollar-based cap on the amount held in your Cash Account, subject to a \$5,000 minimum.

### Top up

We will review the balance of your Cash Account in the following scenarios:

- At the end of each month (following the deduction of any applicable fees).
- After tax has been deducted.
- After pension payments have been deducted.
- If the balance of your Cash Account is zero or below, we will top it up to the lower of:
  - the percentage allocated to the Cash Account (one per cent or the percentage nominated in your Deposit Instruction); or
  - your nominated cap amount.

If we are required to top up your Cash Account, the amount required to top it up will be funded from your managed investments using one of the following two methods (only one method can be selected).

### 1. Pro-rata (default option)

Sells funds across all managed investments according to the proportion of the portfolio that they represent.

### 2. Redemption Instruction – Percentage

Sells funds from specified managed investments according to the percentage allocation nominated by you.

Where we have suspended or stopped redemptions in a managed investment or where a managed investment is redeemed in full, the remaining investment options in your Redemption Instruction – Percentage will be used to fund the top up. Where all managed investment(s) in your Redemption Instruction – Percentage have been redeemed in full, your top up method will revert to the default option of Pro-rata as detailed above.

The top up options give you the control and flexibility to determine the most appropriate way for you to manage your Cash Account. Annuity funds, term deposits, listed investments and restricted investments are excluded from the top up process.

Where there are insufficient managed investments to enable top up of your Cash Account, we will redeem some of your other investments in order to fund fees, expenses, taxes, and pension payments and to provide the minimum cash requirement. We will redeem investments in the following order:

- listed investments with the highest balance;
- term deposits with the lowest balance (redeemed in full).

The normal fees, charges, penalties and listed investment minimums will apply to these transactions. There may also be capital gains tax implications.

### Redemption instructions for withdrawals

If you are permitted under superannuation law to make a lump sum withdrawal, you can indicate the investment options to be redeemed on the payment form. If you do not provide specific instructions, we will draw from the investments according to your top up method.

### Changing your Standing Instructions

You can update your Standing Instructions by completing a 'Switching Instruction' form available from our website or your adviser can do so via IOOF Online.

Whenever you request a change to your Standing Instructions we will confirm to you when the change has taken place.

## Switching

IOOF Pension – Term Allocated Pension gives you the ability to change your selected investment options.

This usually involves redeeming units from one or more of your existing investment options and purchasing units in one or more investment options selected by you. This process is often referred to as a switching instruction.

Your adviser can switch your managed investments using IOOF Online or you can by completing a 'Switching Instruction' form available from our website or by calling ClientFirst on 1800 913 118.

The PDS for managed investments may be updated or replaced by the fund manager from time to time. Similarly, we may update the Investment menu from time to time. This means you may not always have the most recent information regarding an investment option before making your switch request. We provide electronic versions of these disclosure documents on our website.

You can also obtain a copy free of charge by contacting your financial adviser or by calling ClientFirst on 1800 913 118.



# Pension options explained

**An IOOF – Term Allocated Pension is designed to provide you with pension payments each year for a fixed term.**

If you have received this IOOF Pension Term Allocated Pension as the Reversionary Beneficiary of a deceased member, the pension will continue for the remainder of the term of the original pension.

## Helpful hint

An IOOF Pension – Term Allocated Pension has restrictions affecting the ability to commute the pension and withdraw as a lump sum. Please consult a financial adviser or contact ClientFirst on 1800 913 118.

## How long will my IOOF Pension – Term Allocated Pension last?

Your IOOF Pension – Term Allocated Pension will provide a pension for the shorter of the term selected when the pension commenced, or when the funds within your account are exhausted. When established, your term was selected within certain ranges set by the Commonwealth Government. These ranges are based on:

- the original account person's life expectancy
- their spouse's life expectancy (if applicable).

## Important note

A spouse's life expectancy can only be used if the original account owner's spouse (legal or de facto) has been nominated and he/she has a longer life expectancy than the original account owner's.

The available terms are:

- the original account owner's life expectancy on the commencement of the pension (rounded to the next whole number)
- the number of years from your last birthday until the original account owner reaches age 100.
- If the original account owner has nominated their spouse (legal or de facto) as the Reversionary Beneficiary who has a longer life expectancy alternatively a term can be chosen between:
  - the spouse's life expectancy<sup>4</sup> on the commencement of the pension (rounded up to the next whole year)
  - the number of years from the spouse's last birthday until they reach age 100.

The actual term selected will impact on the amount of pension you (or your spouse in the case of a reversionary pension) receives each year, the income tax treatment of the annual pension and the calculation of Centrelink/Department of Veterans' Affairs entitlements (if applicable).

## How is your annual pension calculated?

Super law specifies the rules for calculating your annual pension payment.

The annual pension payments for the first year are calculated by dividing your account balance on commencement of the pension by the Pension Payment Factor (PPF) that relates to the term you have selected.

For pensions commencing after 1 July in a financial year, pension payments for the first year will be reduced in proportion to the number of days between the date your pension account was established and the following 1 July.

The annual pension payments for subsequent years are calculated by dividing your account balance on 1 July each year by the PPF that relates to the remaining term of your pension.

The remaining term must be a whole number and must be rounded:

- down if your pension commenced in the first half of a financial year (between 1 July and 31 December)
- up if it commenced in the second half of the financial year (between 1 January and 30 June).

Pension payment amounts will be rounded to the nearest \$10.

<sup>4</sup> Using life expectancy factors from the 2015-2017 Australian Life Tables, Australian Government Actuary ([www.aga.gov.au](http://www.aga.gov.au)).

The following table shows the payment factors for members according to the product's remaining term at purchase, or on 1 July each year.

Terms (years)	Payment factor	Terms (years)	Payment factor
70 or more	26.00	35	20.00
69	25.91	34	19.70
68	25.82	33	19.39
67	25.72	32	19.07
66	25.62	31	18.74
65	25.52	30	18.39
64	25.41	29	18.04
63	25.30	28	17.67
62	25.19	27	17.29
61	25.07	26	16.89
60	24.94	25	16.48
59	24.82	24	16.06
58	24.69	23	15.62
57	24.55	22	15.17
56	24.41	21	14.70
55	24.26	20	14.21
54	24.11	19	13.71
53	23.96	18	13.19
52	23.80	17	12.65
51	23.63	16	12.09
50	23.46	15	11.52
49	23.28	14	10.92
48	23.09	13	10.30
47	22.90	12	9.66
46	22.70	11	9.00
45	22.50	10	8.32
44	22.28	9	7.61
43	22.06	8	6.87
42	21.83	7	6.11
41	21.60	6	5.33
40	21.36	5	4.52
39	21.10	4	3.67
38	20.84	3	2.80
37	20.57	2	1.90
36	20.29	1 or less	1.00

Source: Superannuation Industry (Supervision) Regulations 1994.

## How are pension payments calculated for Reversionary Beneficiaries?

On transfer of the pension to a Reversionary Beneficiary, the deceased member's pension payments continue for the remainder of the financial year. On 1 July the pension payments will be recalculated as described previously in the 'How is your annual pension calculated?' section above.

## Minimum and maximum payment requirements

The payment options available include:

- 90 per cent of the fixed pension payment (the minimum pension)<sup>5</sup>
- the fixed pension payment
- 110 per cent of the fixed pension payment (the maximum pension).

If the original account owner nominated the fixed pension payment option, they can also choose to index the fixed pension by CPI or a fixed percentage (up to a maximum of five per cent per annum). Indexation is subject to the minimum and maximum limits above. If the annual pension payment is outside these ranges, the pension payment will default to the closest limit.

You can vary your pension payments on an annual basis based on the limits above.

Your annual pension payment is also subject to a minimum level set by the Commonwealth Government that applies to allocated (ie. account-based) pensions generally. The minimum is a percentage of your account balance based on your age and is measured at commencement and on 1 July each year.

## Frequency of pension payments

You may elect to receive your annual pension payment as one annual payment or in instalments based on one of the following frequencies:

- fortnightly
- monthly
- quarterly
- half-yearly.

Irrespective of the frequency you select, if you are under 60 at the time of a pension payment, we will withhold any PAYG tax liability on the gross pension payment for that frequency as required by law. For more information, please read the 'Tax and Social Security' section of this PDS.

We will deduct the required pension payments from your Cash Account and credit them electronically to your nominated account with a financial institution. Monthly pension payments are made by the 7th day of the month where a pension payment is due.

Fortnightly pension payments are scheduled every second Tuesday (based on a start date of 9 July 2019).

If you choose an 'annual amount paid' in fortnightly instalments, the number of payments and the payment amount you receive will vary between financial years. Alternatively, if you choose an amount per frequency paid in fortnightly instalments, your total annual pension amount will vary based on the amount of fortnights per financial year.

**If a Reversionary pension is paid to a child, the pension must be commuted to a lump sum on the child's 25th birthday unless the child is permanently disabled.**

## Can a lump sum withdrawal be made?

You cannot make a full or partial cash lump sum withdrawal from your pension account except in the following limited circumstances:

- to give effect to a Release Authority under the *Income Tax Assessment Act 1997*
- to give effect to a payment split under the *Family Law Act 1975*
- upon your death (except, in certain circumstances where you have nominated your spouse as a Reversionary Beneficiary).

You can, however, choose to roll over your pension to purchase another term allocated pension or other complying income stream.

If a lump sum withdrawal is made under one of the limited circumstances outlined above, the top up cash option nominated will be used to identify the investment option(s) that should be redeemed (if required) to pay any withdrawals (when your request is not accompanied by a specific withdrawal instruction). Alternatively, a withdrawal can be redeemed from the investment option(s) you specify.

# Fees and other costs

## Consumer advisory warning

### DID YOU KNOW?

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

For example, total annual fees and costs of 2 per cent of your account balance rather than 1 per cent could reduce your final return by up to 20 per cent 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 administration 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)** MoneySmart website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted directly 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 and advice fees for personal advice may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees cannot be charged.

The fees quoted in this section are inclusive of GST and any applicable reduced input tax credits (RITCs), unless otherwise stated. Definitions of the fees and costs can be found in the 'Additional explanation of fees and costs' section in **IOF.01** available at [www.ioof.com.au](http://www.ioof.com.au).

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. You can also use this information to compare the fees and costs with other pension products.

The fees and other costs for each underlying investment option offered by the superannuation entity are set out in the Investment Menu and in the relevant product disclosure statement for each managed investment.

### Your fees may be different

In certain circumstances, your fees may be different from those described in this PDS. This can apply for various historical reasons, including where your pension was transferred to the Fund as a result of a successor fund transfer or your account was transferred to IOOF Pension – Term Allocated Pension from another product within the Fund.

Often in these circumstances, the Trustee of the Fund agrees to adopt the same fees as the old super fund or product. This allows the Trustee to transfer the super benefits as a whole, while protecting existing rights of transferring members. If this is the case, your fees may be more or less than those described in the Fee table. In all cases, any different fees will be those that have been agreed between you and your financial adviser.

## Fee Table

### IOOF Pension

Type of fee or cost	Amount		How and when paid	
Investment Fee	Nil.		Not applicable.	
Administration Fee <sup>6</sup>	Account balance	Other Investments	<p>The Administration Fee is a percentage-based fee calculated daily on your account balance<sup>7</sup>.</p> <p>It is charged monthly in arrears and is deducted from your Cash Account<sup>8</sup> at the end of each month.</p> <p>The Account Keeping Fee is the dollar-based fee charged monthly in arrears and is deducted from your Cash Account at the end of each month.</p> <p>Where you are only a member for a portion of the month, the Account Keeping Fee will be charged on a pro-rata basis.</p> <p>If you hold any investments from the Full Menu, the Account Keeping Fee for the Full Menu applies.</p> <p>If you only hold Cash and/or Core Menu the Account Keeping Fee of \$117 applies.</p> <p>If your investments change between the Cash Account, Core Menu and Full Menu during a month, the Account Keeping Fee applicable at the end of the month is taken to have applied for the whole month.</p>	
		Cash Account & Core Menu		Full Menu
	First \$250,000	0.35% pa		0.70% pa
	Next \$250,000	0.25% pa		0.50% pa
	Next \$500,000	0.10% pa		0.20% pa
	Next \$1,000,000	0.05% pa		0.10% pa
	Amounts above \$2,000,000	0.00% pa		0.00% pa
Account Keeping Fee	\$117 pa	\$180 pa		
Interest retained on Cash Account	Estimated up to 0.70% p.a. on the balance of the Cash Account <sup>9</sup> . The actual interest retained is expected to be lower.		<p>We retain a part of the interest that is earned on the Cash Account. The interest retained is the difference between the net rate of interest we credit to your Cash Account and the total interest earned in relation to pooled assets of the Cash Account.</p> <p>The rate of interest retained by us will vary depending on movements in the RBA official cash rate, the total interest we receive or credit to the Cash Account.</p> <p>Note, the target net interest rate to be credited to your Cash Account is the official cash rate set by the RBA (currently 0.25% pa).</p>	
Buy-sell spread	Varies across the managed investments available up to a maximum buy spread of 0.61% and a maximum sell spread of 2.50%.		<p>A buy-sell spread is added to, or deducted from (as applicable), the unit price of the relevant managed investment. The buy-sell spread that applies to each managed investment can change from time to time.</p> <p>Please refer to <b>investment menu</b> or the relevant investment options' PDS for specific details.</p>	
Switching Fee	Nil.		Not applicable.	
Advice Fees	Nil.		<p>No advice fees will be charged unless you request us to do so. A range of advice fees are available (please refer to the 'Additional explanation of fees and costs' section of the <b>IOOF general reference guide (IOF.02)</b>. You should refer to your financial adviser's statement of advice for details on any agreed advice fees).</p>	
Relating to all members investing in a particular investment option.				
Other Fees and costs	Refer to the 'Additional explanation of fees and costs' section in the <b>IOOF general reference guide (IOF.02)</b> .			
Indirect cost ratio	<p>No indirect cost ratio applies to listed investments and term deposits.</p> <p>The indirect cost ratio varies across the underlying managed investments available and currently range from 0.00% to 3.92% pa<sup>10</sup> \$0 to \$39.20 pa per \$1,000 invested excluding net transaction costs<sup>11</sup>.</p> <p>Performance related fees<sup>12</sup> may also apply to some managed investments when the investment return generated by the fund exceeds a specific criteria or benchmark.</p>		<p>Generally calculated daily as a percentage of the amount you have invested in each managed investment. <b>It is not deducted directly from your account but is generally incorporated into the unit price of the managed investment</b> and generally charged monthly or quarterly in arrears. The indirect cost ratio and net transaction cost applied by each fund manager for a particular managed investment can be obtained from the <b>IOOF investment menu</b> and the relevant PDS for each managed investment.</p>	

- 6 If your account balance for a product offering by the superannuation entity is less than \$6000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
- 7 Your account balance comprises your Cash Account together with the value of your investment options.
- 8 You are required to maintain a minimum of one per cent of your pension account balance in your Cash Account. Transactions including switches, partial withdrawals and other payments (including fees) may result in your Cash Account temporarily having negative balance. If this occurs, a percentage fee equal to the daily Cash Account interest rate will be charged for each day that your Cash Account has a negative balance. This fee will reduce the interest payable for the month in which your Cash Account has a negative balance and can result in a deduction rather than an interest payment to your account.
- 9 The interest we retain on pooled Cash Account assets is considered an indirect cost for administering your Cash Account. It is not deducted from your Cash Account directly, but through the interest generated from its underlying investments prior to crediting the 'net' interest to your Cash Account. The interest retained is subject to change. Interest on the Cash Account noted is retained at a rate of up to 0.70% pa and is for the purpose of the example only. The actual interest retained is expected to be lower and assumes a net interest crediting rate to the cash account of 0.25% pa.
- 10 Indirect cost ratios applied by each fund manager are estimates only and based on the information provided by each fund manager as at the date of this PDS (for further information refer to **IOOF Investment menu**. Investment options and indirect cost ratios may change from time to time.
- 11 Please refer to the 'Transaction Costs' in 'Additional explanation of fees and costs' section of the **IOOF general reference guide (IOF.02)** for further information on net transaction costs.
- 12 Please refer to the 'Performance fees section in 'Additional explanation of fees and costs' section of the **IOOF general reference guide (IOF.02)** for further information on performance related fees.

## Example of annual platform fees and costs

This table gives you an example of how the fees and costs for accessing an investment option through this pension product can affect your investment over a one year period. You should use this table to compare the fees with other platform pension products.

Example		Balance of \$50,000
Investment Fee	Nil.	For every \$50,000 you have in the pension product, you will be charged \$0 each year.
<b>PLUS</b> Administration fees	<b>Core Menu and Cash Account:</b> 0.35% <b>Account Keeping Fee:</b> \$117	<b>AND</b> , you will be charged \$292 in administration fees.
<b>PLUS</b> Indirect costs for the product (assuming the product minimum of 1% is held in the Cash Account)	Cash Account: Up to 0.70% x \$500	<b>AND</b> , indirect costs of \$3.50 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product	If your balance was \$50,000, and \$500 of that was held in your Cash Account then for that year you will be charged fees of <b>\$295.50*</b> for the product.	

\* **Note:** This example only shows the fees and costs that relate to access to the investments through the superannuation product and not the fees and costs of the underlying investments. Additional costs may be charged by the issuers of the products that you decide to invest in. **Please refer to the example below that illustrates the combined effect of the fees and costs.**

## Example of total costs for a balanced investment option

This table illustrates the combined effect of fees and costs of the pension product and the fees and costs for the IOOF MultiSeries 70 through this pension product.

Example – IOOF MultiSeries 70 investment option		Balance of \$50,000
Cost of product	From example above: \$295.50	If your balance was \$50,000, then for that year you will be charged fees of \$295.50 for the superannuation product.
<b>PLUS</b> Indirect costs for the IOOF MultiSeries 70 investment option	<b>Indirect cost ratio:</b> 0.50% <b>Net transaction cost:</b> 0.17%	<b>AND</b> , indirect costs of \$331.65 each year will be deducted from the underlying investment.
<b>EQUALS</b> total cost of investing in the IOOF MultiSeries 70 investment option through the pension product	If your balance was \$50,000, and \$500 of that was held in your Cash Account and you were invested in the IOOF MultiSeries 70 investment option, then for that year you will be charged total fees and costs of <b>\$627.15*</b> for the product.	

\* **Note:** Additional fees may apply. And, if you leave the super entity, you may be charged a buy-sell spread (which also applies whenever you make an investment purchase or redemption). The current sell spread for the IOOF MultiSeries 70 for exiting is 0.07 per cent (based on this example this will equal \$34.65 (\$49,500 redeemed from the IOOF MultiSeries 70) for every \$50,000 you withdraw).



This is an example only and the fees and costs may vary for your actual investment. For more information, please refer to the product disclosure statement of the managed investments selected by you. For further information on fees and costs set out in the Fee Table, a brief explanation about any additional transactional fees and charges that may apply to your pension account and other fees and costs, refer to the 'Additional explanation of fees and costs' section in the **IOOF general reference guide (IOF.02)**.

The fees and other costs for each underlying investment option offered by the entity, appear on our website in the relevant PDS for each managed investment.

You should read the important information about Fees and costs and the definitions of fees in the **IOOF general reference guide (IOF.02)** available on our website at [www.ioof.com.au](http://www.ioof.com.au) before deciding if this product is right for you. The material relating to 'Fees and costs' may change between the time when you read this PDS and the day you acquire the product

Please note that fees and costs of the platform relate to access to the investments on the list, not the costs within those investments. Additional costs may be charged by the issuers of the products that you decide to invest in.

## Family Fee aggregation

Family Fee aggregation allows you to link your IOOF account(s) for the purpose of calculating the Administration Fee payable.

This can mean a reduction in the Administration Fee payable by all 'linked' members. This is another way that we can help you lower the cost of managing your investments.

Family Fee Aggregation allows you to link:

- Your IOOF Personal Super and IOOF Pension.
- Your account(s) with those of your immediate family members (as defined below in the terms and conditions) who also have accounts in the above IOOF products.

For further information and terms and conditions for Family Fee aggregation, please refer to the **IOOF general reference guide (IOF.02)**.

## What are the risks?

All investments carry some risk. As with the purchase of any financial product, you should consider the risks that may impact your investment.

If you leave the product or switch out of an investment option shortly after selecting it, you could get back less than the amount put in because of the level of investment returns and the effect of fees, costs and taxes.

Other key risks that may adversely affect your IOOF Pension – Term Allocated Pension include the possibility of negative investment returns, insufficient diversification of investments and changes to super and taxation law.

There are also investment risks that may affect the investment options, like market risk or credit risk and general risks associated with changing economic conditions. In the case of an investment in a restricted investment, depending upon the amount of pension required, pension payments may be delayed, reduced or unavailable until sufficient assets from that restricted investment can be redeemed.

Further information on these risks and others is available in the 'More about risks' section in the **IOOF general reference guide (IOF.01)**.

## How can investment risk be reduced?

An important way to help reduce your investment risk is to spread your investment over a number of assets, asset classes and even different fund managers. This process is called diversification. It is designed to help you achieve more consistent investment returns over time.

IOOF Pension – Term Allocated Pension offers you a choice of investment options across all the major asset classes. When determining your investment strategy, this choice allows you to create a level of diversification in your investment portfolio.

A financial adviser can help you understand the various types of investment risk and assess which investment options are appropriate for your specific requirements considering your risk tolerance and risk/return investment objectives.

# Tax and social security information

This section provides you with some general information about the tax implications of investing in a IOOF Pension – Term Allocated Pension.

The laws relating to super, including tax laws, are complex and subject to change from time to time. We recommend that you obtain professional advice on the consequences before investing.

## Rollovers into your term allocated pension

No tax is payable on the rollover of benefits into your IOOF Pension Term Allocated Pension.

## Tax on pension earnings

No tax is payable on your investment earnings (interest, income distributions or realised capital gains). Plus, as your pension investments are held within a tax exempt environment, no CGT applies if you choose to switch your investments or redeem any investments to provide for pension payments.

Your pension account may be entitled to a tax refund due to franking credits. A franking credit is a tax credit available to the Fund for the tax that has already been paid by the issuing company on dividends received by a managed investment.

## Transfer balance cap

The Government limits the total amount that a person can transfer to the tax-exempt investment environment. This limit is called the transfer balance cap and is currently \$1.6 million<sup>13</sup>. Pensions in retirement phase on 30 June 2017 have been assessed against the cap. For each new pension or Reversionary pension, the account balance is assessed against the recipient's remaining transfer balance cap on commencement (or date of death for a Reversionary pension).

Your IOOF Pension – Term Allocated Pension has already been allocated against your transfer balance cap either based on a formula if your account was established within the Fund before 1 July 2017, or the opening balance if established after this date. If your total pension benefits exceed the cap, the ATO will calculate an amount of earnings on the excess, and 15% tax is payable on this amount (or 30% if you have previously breached the cap). As your IOOF Pension – Term Allocated Pension cannot be commuted to a lump sum, you may be required to withdraw the excess from another pension account (if available).

## Tax on pension payments

If you are aged 60 or over, all pension payments from your IOOF Pension – Term Allocated Pension account will be tax-free. However, if you receive more than \$100,000 (the transfer balance cap of \$1,600,000 at 1 July 2020, divided by 16) across all your 'capped defined benefit income streams' such as term allocated pensions, complying lifetime income streams or defined benefit income streams, you may have a portion of the income in excess of \$100,000 included in your assessable income. We will send you a PAYG Payment Summary each year, even though no PAYG withholding will apply to your IOOF Pension – Term Allocated Pension.

If you are under age 60, pension payments from your account are split into a tax-free component and a taxable component. The taxable component is included in your assessable income; however, a 15 per cent tax offset may apply to this component.

PAYG tax (if any) will be deducted from the taxable component prior to each pension payment. At the end of the financial year you will be sent a PAYG payment summary. When you reach age 60, your pension payments will be received tax-free.

## Death benefits

### Lump sum death benefits

If the payment is made directly to your Death Benefits Dependants (a spouse, interdependent, child under 18 or a person wholly or partially financially dependent on you) it will be tax-free. If the benefit is paid to your Legal Personal Representative and is to be distributed to your Death Benefits Dependants via your estate, the benefit received will also be tax-free. We will not apply any PAYG withholding on any death benefit lump sum paid to your Estate.

If the lump sum benefit is to be paid direct to a beneficiary who is not a Death Benefits Dependant or paid to your Legal Personal Representative and the ultimate beneficiaries of your estate are not Death Benefits Dependants, the taxable component of the death benefit will be taxed at the rate of 15 per cent (plus Medicare Levy<sup>14</sup>).

If your Death Benefits Dependant is entitled to receive a death benefit pension, they may choose to roll over the lump sum to commence a new Death benefit pension.

<sup>13</sup> The transfer balance cap is indexed to CPI in \$100,000 increments. If a member has already had pension benefits assessed against the cap, indexation will only apply to that proportion of the cap that is yet to be used.

<sup>14</sup> Medicare Levy does not apply to your Legal Personal Representative and the ultimate beneficiaries of your estate who receive the lump sum benefit.

## Reversionary pensions and Death benefits pensions

A Reversionary pension or new Death benefit pension is tax-free if either the deceased pensioner or the beneficiary is aged 60 or over. Reversionary or Death benefit pensions, where both the deceased pensioner and the beneficiary are under age 60 include the taxable component of the pension payment as assessable income for the beneficiary. The beneficiary will receive the 15 per cent offset even if they are under preservation age. When the beneficiary turns age 60, the pension becomes tax-free.

If the original pension was commenced with a term based on the reversionary beneficiary's life expectancy, the reversionary beneficiary must continue to receive the existing term allocated pension for the remaining term, and cannot commute this income stream. If the term was not based on the reversionary beneficiary's life expectancy, the term allocated pension will continue as a standard IOOF Pension, allowing the beneficiary to access the capital within the pension and with any future pension payments being determined on the basis of a standard IOOF Pension. Please refer to the IOOF Pension PDS for information as how these pensions operate.

If there is no reversionary beneficiary, but the death benefit is paid to a spouse or child under 18, the beneficiary can choose to commence a new death benefit pension as a standard IOOF Pension. Alternatively the beneficiary can arrange for the death benefit to be rolled over to another pension provider to start an alternative death benefit pension.

Lump sum withdrawals from a reversionary term allocated pension (if allowable) or standard death benefit pensions are tax-free. Pensions paid to dependent children must be commuted to a tax-free lump sum benefit once the child ceases to be eligible to receive a Reversionary or Death benefit pension, which is age 25 unless the child has a disability.

## Tax file numbers

Under the *Superannuation Industry (Supervision) Act 1993*, the Trustee is authorised to collect your TFN, which will only be used for lawful purposes and in accordance with the Privacy Act 1988. It is not an offence if you choose not to provide your TFN, but providing it has advantages, including:

- we will be able to accept all permitted initial transfers
- other than the tax that may ordinarily apply, you will not pay more tax than you need to
- it will be easier to find different superannuation and/or pension accounts in your name.

The Trustee requires your TFN in order to process your pension application.

There are different requirements for providing your TFN depending on your age. See the 'How your pension is taxed' section in **IOF.02** for further information.

## Centrelink/Department of Veterans' Affairs information

The Commonwealth Government determines whether you are eligible for a Centrelink or Department of Veterans' Affairs (DVA) pension or allowance payment.

## General information

### Cooling-off period

To ensure that you are happy with your pension account in IOOF Term Allocated Pension, you have a 14-day cooling-off period to check that it meets your needs. The 14-day period starts from the earlier of the date you receive your welcome letter, or five business days after your pension account has been established.

If you want to close your pension account during the 14-day cooling-off period, you must provide written notice by mail to the postal address on the back cover of this PDS.

If your investment options include term investments, or restricted investments or other services there may be penalties or fees charged by the fund managers or service providers for early redemption or the cooling-off period may not apply. These investment options may also have withdrawal conditions imposed by the fund managers that may delay the return of your initial contribution.

The amount returned (if applicable) will be adjusted for any market movements in your chosen investment option(s) (up or down) up to the date we receive your notification. We will not refund taxes and reasonable transaction or administration costs incurred by us in issuing your investment (excluding the payment of any member advice fee or similar fee). As a result, the amount received may be more or less than the amount of your initial rollover.

Please note that the cooling-off period ceases to apply if you exercise your rights or powers in a IOOF Pension – Term Allocated Pension, such as if you make an investment switch during the 14-day cooling-off period.

As you have transferred from another complying income stream, we cannot repay your initial rollover amount directly to you. You must nominate another complying income stream to roll it over to.

If you do not make a nomination within one month after notifying us of your intention to seek the return of your initial rollover or your nominated provider does not accept the transfer, we will retain your initial rollover in the Cash Account.

### Your instructions

Your instructions to us Please refer to the **IOOF general reference guide (IOF.02)** for information on, and the terms applicable to, sending us instructions and communications.

### Electronic communications

You can choose to receive any or all of the following communications from the Trustee electronically via IOOF Online:

- your Annual Statement
- confirmation of transactions which are required by law to be confirmed

- notice of any change or event required by law to be given to members
- all communications including those points listed immediately above.

You will be able to access and download these communications electronically at any time while you are a member and registered user of IOOF Online.

When a communication is available for you to access online, we will send a notification to your preferred email address. You will need to let us know your preferred email address when registering to join IOOF Online and then tell us your new email address if it changes.

By making these communications available to you electronically, we satisfy our obligations under the *Corporations Act 2001*.

However, if you ever change your mind and would like paper copies of any of these communications, we will provide them to you free of charge on request.

### Terms and conditions for electronic communications

Where you elect to receive communications from the Trustee electronically via IOOF Online, you agree:

- to receive the communications from the Trustee electronically by regularly accessing them using IOOF Online
- to register or be registered and remain registered as a user of IOOF Online
- any communication given to you electronically by making it available to you to access online will be taken to be delivery of the communication to you
- the Trustee will send an email notification to your preferred email address when a communication is available for you to access online
- you have provided your preferred email address and are responsible for notifying the Trustee of any change to your preferred email address
- you will be able to access such communications at any time while you are a member and registered user of IOOF Online
- you can download a copy of any such communication
- the Trustee will send you a free paper copy of any communication you request
- IOOF Online is a 'facility' for the purposes of section 1017F(5) of the *Corporations Act 2001*
- the Trustee may give you any communication in any other method permitted by law.

## Keeping track of your investments

We provide you with comprehensive and consolidated reporting on all of your investments in your pension account.

We provide regular communications which are sent to you for your records. Additionally, you can view your account information via IOOF Online or request reports from ClientFirst on 1800 913 118.

What you will receive from us
<b>Account Schedule</b>
Sent on the establishment of your IOOF Pension account.
Your Account Schedule confirms your pension account details and initial investment instructions.
On receipt of all your contributions to commence your Retirement phase or Death benefit pension we will send IOOF Pension applicants a Centrelink/Department of Veterans' Affairs Schedule.
<b>Annual Statement</b>
Provides a summary of all transactions over the period including: <ul style="list-style-type: none"> <li>• your contributions and withdrawals over the period</li> <li>• taxation and other fees or costs deducted</li> <li>• details of your pension account value, current investments and historic performance results for each of your investment options</li> <li>• pension payments</li> <li>• estate planning nominations</li> <li>• preservation status of your benefit.</li> </ul>
An Annual Statement is provided within six months of the end of each financial year and following the closure of your pension account.
<b>Annual Pension Pack</b>
You will also receive a Pension Pack each year detailing your new annual pension payment for the following financial year and your PAYG payment summary for tax purposes (where required).
The Annual Pension Pack is sent to you by 14 July each year.
What other information is available for you to access?
<b>Additional information available free of charge</b>
You can request a copy of: <ul style="list-style-type: none"> <li>• the most recent audited accounts for the Fund, together with the auditor's report</li> <li>• the Trustee's Annual Report</li> <li>• the Trust Deed</li> <li>• the Fund's Risk Management Plan.</li> </ul>
You can also request other information that is reasonably required to help you understand your benefit entitlements in the Fund.
<b>Trustee's Annual Report</b>
We will provide on our website the Trustee's Annual Report for the Fund, which covers financial statements, general super updates and managed investments information for each financial year ending 30 June.
It is provided within six months of the end of each financial year.
<b>Internet access and functionality</b>
IOOF Online is a user friendly internet facility. It provides you and your financial adviser with convenient and secure access to your key pension account details, including the value of your investment options and provides your financial adviser the ability to switch your investments and adjust your Standing Instructions.
You can register for access to IOOF Online at our website ( <a href="http://www.ioofonline.com.au">www.ioofonline.com.au</a> ).



## Appointment of Representative (financial adviser authority)

If you appoint a financial adviser you are taken to have automatically authorised your financial adviser and their staff (financial adviser), as your agent, to operate your account, to give any instructions on your behalf in relation to your account to us by any method acceptable to us, including electronically. This authority **does not authorise** your financial adviser to:

- withdraw any funds from your account **except** to authorise payment of withdrawals to the bank account nominated by you (or any bank account you nominate in future)
- authorise any change in fees and charges
- sign any form on your behalf where the law or an external party requires your signature on the form (such as a Binding Nomination form or a Transfer form)
- change the name on your account
- authorise any other person to operate your account.

Accordingly, your current or any future financial adviser you appoint can do everything you can do with your account **except the things listed above**. We will continue to follow instructions given by your financial adviser under this authority until we receive notice in writing signed by you to cancel the authority.

If you have authorised your financial adviser to do so, your financial adviser may submit switch or re-weight instructions, authorise payment of withdrawals from your IOOF Pension – Term Allocated Pension account to the bank account nominated by you (or any bank account you nominate in future) and establish or change standing instructions in relation to your account.

Your financial adviser may also be authorised to use IOOF Online to complete and submit on your behalf any forms which the Trustee permits to be submitted electronically using IOOF Online.

For example, your financial adviser may submit, switch or re-weight instructions, establish or change standing instructions or apply for Family Fee Aggregation on your behalf using IOOF Online.

Your financial adviser is required to provide you with a PDS for the investment options you choose to invest in. Alternatively, you can access the PDS for the available investment options through our website.

## What if you have a complaint?

If you have a complaint about your IOOF Pension – Term Allocated Pension account (or want to obtain further information about the status of an existing complaint), please contact the Manager, Customer Care on 1800 913 118 or write to:

Manager, Customer Care  
IOOF Investment Management Limited  
Reply Paid 264  
Melbourne VIC 8060

If you let us know of any concerns arising from your dealings with us, we can work towards providing suitable resolutions and better service for all clients in the future. When you get in touch with us, please provide:

- your contact details
- your account number
- a detailed description of the facts surrounding your complaint.

Where possible, concerns will be resolved immediately.

If further investigation is required, our Customer Care Team will acknowledge your complaint in writing and will consider and respond to your complaint as quickly as possible. We are required by law to respond to your complaint within 90 days.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

**Website:** [www.afca.org.au](http://www.afca.org.au)  
**Email:** [info@afca.org.au](mailto:info@afca.org.au)  
**Tel:** 1800 931 678 (Free call)  
**Mail:** Australian Financial Complaints Authority  
GPO Box 3, Melbourne, VIC 3001

## Your privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of the IOOF group privacy policy, please contact ClientFirst on 1800 913 118 or visit our website ([www.ioof.com.au/privacy](http://www.ioof.com.au/privacy)).

We collect your personal information from the application form you complete when applying for this product for the purpose of providing you with the products and services that you request and for related purposes, including providing you with financial advice and ongoing services in relation to your account with us, or providing information about other products and services that may be of interest to you. If you do not provide all the information requested in your application form, we may not be able to process your application.

To verify your identity for Know Your Customer (KYC) purposes, we may also solicit personal information about you from reliable identity verification service providers.

For the purpose of providing you with the products and services that you have requested, we may disclose your information to our related bodies corporate or external parties, including your financial adviser or employer, banks or other financial institutions, medical professionals, insurers, legal or accounting firms, auditors, mail houses, or when required or authorised to do so by law. It is generally unlikely that we will disclose your personal information overseas, however any overseas disclosure does not affect our commitment to safeguarding your personal information and we will take reasonable steps to ensure any overseas recipient complies with Australian privacy laws.

## Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) legislation

We are required to by law carry out proof of identity procedures before establishing a pension. These requirements arise under the AML/CTF Law.

Where you have not already provided us with appropriate identification, we will be required to collect customer identification information and to verify it by reference to a reliable independent source. You will be notified of these procedures during the application process and/or when you request a pension payment. We may also be required to collect customer identification at other times. If you do not provide the information or we are unable to verify the information, payment of benefits (including your pension) may be delayed or refused.



# Contact us

**Postal address**

GPO Box 264  
Melbourne VIC 3001

**Telephone**

1800 913 118

**Fax**

03 8614 4431

**Email**

[clientfirst@ioof.com.au](mailto:clientfirst@ioof.com.au)

**Website**

[www.ioof.com.au](http://www.ioof.com.au)

**Trustee**

IOOF Investment Management Limited  
ABN 53 006 695 021  
AFS Licence No. 230524

**Registered address**

Level 6, 161 Collins Street  
Melbourne VIC 3000