

# PensionSelect

## *Product Disclosure Statement*

### Part 2 – Fees and Tax

**This Product Disclosure Statement (PDS) is provided in two parts:**

**Part 1 – General information**

**Part 2 – Fees and Tax**

**You should read both Part 1 and Part 2.**

If you have not received both Parts, simply call **133 731** between 9 am and 5 pm (AEST/AEDT), Monday to Friday, excluding public holidays.

**Issued by Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757**

#### **Notices**

#### **What you need to know**

Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL No. 229757, RSE Licence No. L0001458 (Trustee) as trustee of the Super Retirement Fund ABN 40 328 908 469 (Fund) is the issuer of the product. Resolution Life Australasia Limited ABN 84 079 300 379 (Resolution Life) is the administrator of the Fund on behalf of the Trustee. The information contained in this document is factual information only. It does not contain any financial product advice or make any recommendations about a financial product or service being right for you. Resolution Life is part of the Resolution Life Group and can be contacted via [resolutionlife.com.au/contact-us](https://resolutionlife.com.au/contact-us) or by calling **133 731**.

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# Part 2 – Fees and Tax

## 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 two per cent of your account balance rather than one 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 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 ([moneysmart.gov.au/how-super-works/superannuation-calculator](https://moneysmart.gov.au/how-super-works/superannuation-calculator)) 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, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. Entry and exit fees cannot be charged.

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 investment option offered by the entity are set out on page 6.

## Fees and costs summary

### PensionSelect type of fee

Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Dollar-based administration fees and costs</b>	\$75 p.a. per account	The administration fees and costs are deducted annually on the anniversary of your account opening and on termination (a pro-rata amount if you leave before your next anniversary) by cashing units from your account.
<b>Percentage based administration fees and costs*</b>	0.40% p.a.	Accrued daily in the unit price, and deducted monthly in arrears, for each investment option.
*Not applicable to any balance held in the Savings option		
<b>Investment fees and costs</b>	0.15% – 0.62% p.a. (estimated)	Accrued daily in the unit price and deducted monthly in arrears, for each investment option.
<b>Transaction costs</b>	0% – 0.07% p.a. (estimated)	Accrued daily in the unit price and deducted monthly in arrears, for each investment option.
<b>Member activity related fees and costs</b>		
<b>Buy/sell spread</b>	0% – 0.40% per transaction depending on the option.	It is an allowance for transaction costs and is applied before the deposit and withdrawal unit prices for the investment options are declared.
<b>Switching fee</b>	Nil	N/A
<b>Other fees and costs</b>	Nil	N/A

1 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 in relation to administration and investment are capped at three per cent of the account balance. Any amount charged in excess of that cap must be refunded.

## Fees and other costs for each investment option

Option name	Investment fees and costs	Transactional costs	Buy/sell spread
Multi-Manager Australian Share	0.55%	0.06%	0.35% / 0%
Multi-Manager Global Share	0.57%	0.05%	0.40% / 0%
High Growth	0.58%	0.07%	0.30% / 0%
Growth	0.59%	0.07%	0.30% / 0%
Balanced	0.61%	0.07%	0.25% / 0%
Capital Stable	0.62%	0.07%	0.20% / 0%
Capital Defensive	0.56%	0.05%	0.15% / 0%
Savings	0.15%	0.00%	0% / 0%
Capital Secure	0.40%	0.03%	0.10% / 0%

## Example of annual fees and costs for superannuation products

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

Example	Balanced option	Balance of \$50,000
Administration fees and costs (dollar-based)	\$75	For every \$50,000 you have in the superannuation product, you will be charged or have deducted from your investment \$75 in administration fees and costs, regardless of your balance.
Plus (Percentage based p.a)	0.40%	The percentage-based administration fee of \$200 is accrued daily in the unit price and deducted monthly in arrears.
Plus Investment fees and costs	0.61%	And, you will be charged or have deducted from your investment \$305 in investment fees and costs.
Plus Transation costs	0.07%	And, you will be charged or have deducted from your investment \$35 in transaction costs.
Equals Cost of product		If your balance was \$50,000, then you will be charged fees and costs of \$615 for the superannuation product.

These figures are inclusive of the net effect of GST.

**Note:** Additional fees may apply.

# Cost of product for one year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your superannuation investment over a one-year period for all superannuation products and investment options. It is calculated in the manner shown in the example of annual fees and costs.

The cost of product information assumes a balance of \$50,000 at the beginning of the year. (Additional fees such as a buy/sell spread may apply: refer to the Fees and costs summary for the relevant superannuation product or investment option.)

You should use this figure to help compare superannuation products and investment options.

Investment option	Cost of product
Multi-Manager Australian Share	\$580
Multi-Manager Global Share	\$585
High Growth	\$600
Growth	\$605
Balanced	\$615
Capital Stable	\$620
Capital Defensive	\$580
Savings	\$350
Capital Secure	\$490

# Additional explanation of fees and costs

## Defined fees

The Trustee may only charge the following fees. Please note all fees are tax exempt.

Type of fee	Description	Does this fee apply?
Administration fees and costs	<p><b>Administration fees and costs</b> relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:</p> <p>a. relate to the administration or operation of the entity, and</p> <p>b. are not otherwise charged as investment fees and costs, a buy/sell-spread, a switching fee, an activity fee, an advice fee or an insurance fee.</p>	Yes – refer to page 5 of the PDS (Part 2) dated 4 August 2024 for details
Advice fees	<p>A fee is an <b>advice fee</b> if:</p> <p>a. the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:</p> <p>i. a trustee of the entity, or</p> <p>ii. another person acting as an employee of, or under an arrangement with, the trustee of the entity, and</p> <p>b. those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.</p>	N/A
Transaction costs	<p><b>Transaction costs</b> are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy/sell spreads.</p>	Yes – refer to page 5 of the PDS (Part 2) dated 4 August 2024 for details
Buy/sell spreads	<p>A <b>buy/sell spread</b> is a fee to recover costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.</p>	Yes – refer to page 5 of the PDS (Part 2) dated 4 August 2024 for details
Exit fees	<p>An <b>exit fee</b> is a fee, other than a buy/sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.</p>	N/A



Type of fee	Description	Does this fee apply?
Investment fees and costs	<p><b>Investment fees and costs</b> are fees and costs that relate to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> <li>a. fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees) and</li> <li>b. costs incurred by the trustee of the entity that: <ul style="list-style-type: none"> <li>i. relate to the investment of assets of the entity and</li> <li>ii. are not otherwise charged as administration fees and costs, a buy/sell spread, a switch fee, an activity fee, an advice fee or an insurance fee.</li> </ul> </li> </ul>	Yes – refer to page 5 of the PDS (Part 2) dated 4 August 2024 for details
Switching fees	<p>A <b>switching fee</b> for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another investment option.</p>	N/A
Activity fees	<p>A fee is an <b>activity fee</b> if:</p> <ul style="list-style-type: none"> <li>a. the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: <ul style="list-style-type: none"> <li>i. that is engaged in at the request, or with the consent, of a member, or</li> <li>ii. that relates to a member and is required by law, and</li> </ul> </li> <li>b. those costs are not otherwise charged as an administration fee, an investment fee, a buy/sell spread, a switching fee, an advice fee or an insurance fee.</li> </ul>	N/A

## Increases or alterations to the fees

While we strive to keep fees competitive, they may increase as the cost of running PensionSelect varies and:

- We will give you notice to any variation to fees, within the time period specified by law
- We may increase the administration fee as at 1 July each year in line with increases in the Consumer Price Index.

The law and the trust deed allow us to charge reasonable fees for requests for information relating to family law cases and the superannuation splitting provisions. At this time we have elected not to charge these fees; however we reserve the right to charge them at a later date.

## How is my pension taxed?

The following information provides an overview of the tax rules that apply to PensionSelect as at 4 August 2024.

The statements are general in nature and you should seek professional advice regarding your individual circumstances.

We will advise you of any changes to the taxation legislation affecting your superannuation arrangements with PensionSelect as required by law.

## What taxes will be deducted from your pension payment amount?

On commencement of your pension, your account balance will be proportioned between your:

- taxable component, and
- tax-free component.

For further information on your tax components, please call our customer service representatives on the number shown at the back cover of this document.

The taxation components of each pension payment amount will be in the same proportion as your account balance at the commencement of your pension. You should talk to your financial adviser about what this means for you given your individual objectives, financial situation and needs.

No tax is payable:

- on your whole pension payment amount if you are age 60 or over
- on the tax-free component of your pension payment amount, or
- if you are receiving a pension because you are an eligible pension dependant of a member who died age 60 or over.

If you are under age 60, tax may be withheld from the taxable component of your pension payment amount:

- calculated using PAYG tax scales (taking into account whether you can claim the tax-free threshold and various tax offsets), or
- at the highest marginal tax rate, if you have not quoted your Tax File Number (TFN) or do not have a TFN exemption. Please contact us to obtain a Tax File Number Declaration.

If you were under age 60 at any time when in receipt of pension payments, then regardless of whether tax is withheld from your pension payment amounts, we will give you a Payment Summary annually to assist you to complete your personal income tax return.

## Can you withdraw an additional lump sum super benefit from your account balance?

You should talk with your financial adviser about the taxation and social security benefit consequences that may apply as a result of withdrawing a lump sum super benefit from your pension.

You can withdraw an additional lump sum super benefit from your allocated pension in excess of your pro-rated minimum pension payment amount.

If a particular investment option is suspended, restricted or unavailable, we may not process withdrawal requests for an additional lump sum super benefit (including a rollover) from that option until further notice. Any decisions about whether to process withdrawal requests for additional lump sum super benefits will be made in the best interests of members as a whole.

No tax is payable on:

- your whole super benefit if you are age 60 or over
- the tax-free component of your super benefit, or
- a death benefit paid to you as a lump sum because you are a dependant of a deceased member receiving a pension who nominated you on their valid death nomination form.

If you are under age 60, tax may be withheld by the fund from the taxable component of your super benefit.

Also if you were less than age 60 at the time of the withdrawal, we will give you a Payment Summary for your personal income tax return.

## **How will your pension affect your social security benefits?**

Centrelink and the Department of Veterans' Affairs both have an assets test and an income test to determine the amount of your social security benefits, including age pension or service pension you are eligible to receive.

The account balance of your pension may be assessed under the assets test. Your pension payment amount (less a non-assessable amount) may be assessed under the income test.

Laws about your social security benefits are complex and subject to change. You should talk with your financial adviser about how your pension may affect your eligibility for social security benefits given your individual objectives, financial situation and needs.

## **Death benefits paid as a pension**

A death benefit paid as a reversionary pension will generally be tax-free if either the primary or reversionary beneficiary is aged 60 or over. If both are under age 60 at the time of death, then the pension, less any tax-free portion will continue to be taxed at the reversionary beneficiary's marginal tax rate (less 15 per cent pension tax offset) until the reversionary beneficiary turns age 60 (at which time it will become tax exempt).

## **Resolution Life**

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