

# North Super and Pension /

This document provides additional information to the North Super and Pension Product Disclosure Statement – Part A (PDS Part A) and should be read in conjunction with the current PDS Part A.

A printed copy of this document can be provided to you free of charge by contacting the North Service Centre at [north@axa.com.au](mailto:north@axa.com.au) or on 1800 667 841.

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## Important information

This publication has been prepared to provide you with general information only. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. Before making an investment decision, you need to consider (with or without the assistance of a financial adviser) whether this information is appropriate to your needs, objectives and circumstances. You should obtain a copy of the relevant Product Disclosure Statement (PDS) before making a decision to invest in any financial product. Copies of our PDSs can be obtained from your financial adviser or by contacting the North Service Centre at [north@axa.com.au](mailto:north@axa.com.au) or on 1800 667 841. Detailed information about the product is contained in the PDS. The National Mutual Life Association of Australasia Limited and its associates derive income from issuing interests in the products, full details of which are contained in the PDSs. This information is provided for persons in Australia only and is not provided for the use of any person who is in any other country.



**redefining /** superannuation

## Section 1

# What type of contributions can be made?

### Contributing to North Super

North accepts all contributions allowed by law as per the following table, subject to product minimums.

Your age	Types of contributions that can be made
Under 65	<ul style="list-style-type: none"><li>▪ Mandated employer contributions (Superannuation Guarantee (SG) and award)</li><li>▪ Employer voluntary contributions</li><li>▪ Salary sacrifice</li><li>▪ Personal contributions</li><li>▪ Spouse contributions</li><li>▪ Government co-contributions</li><li>▪ Rollovers from a closed First Home Saver Account</li></ul>
Age 65 to 69	<ul style="list-style-type: none"><li>▪ Mandated employer contributions (SG and award)</li><li>▪ Employer voluntary contributions once you have been gainfully employed (including self-employed) for at least 40 hours in a period of 30 consecutive days in the financial year</li><li>▪ Personal contributions including spouse contributions once you have been gainfully employed (including self-employed) for at least 40 hours in a period of 30 consecutive days in the financial year</li><li>▪ Government co-contributions</li><li>▪ Rollovers from a closed First Home Saver Account</li></ul>
Age 70 to 74	<ul style="list-style-type: none"><li>▪ Mandated employer contributions (award only)</li><li>▪ Employer voluntary contributions once you have been gainfully employed (including self-employed) for at least 40 hours in a period of 30 consecutive days in the financial year</li><li>▪ Personal contributions excluding spouse contributions once you have been gainfully employed (including self-employed) for at least 40 hours in a period of 30 consecutive days in the financial year</li><li>▪ Government co-contributions (if aged under 71 at the end of the financial year for which the co-contribution applies)</li></ul>
Age 75+	<ul style="list-style-type: none"><li>▪ Mandated employer contributions only (award only)</li></ul>

For more information contact your financial adviser or visit [www.ato.gov.au](http://www.ato.gov.au).

### Rollovers

North Personal Superannuation can generally accept investments in the form of rollovers (including transfers) from other complying superannuation funds, income streams, retirement savings accounts and some employment termination payments. There are no age-based restrictions on rollovers.

### Concessional contributions

Concessional contributions include the following:

SG/Award contributions	SG contributions and award contributions are mandated contributions paid into your account by your employer. The amount your employer must contribute is set by legislation or the relevant industrial agreement and is a percentage of your before-tax income. At present the SG contribution percentage is set at 9% of your salary.
Additional employer contributions	Your employer can make extra contributions to your account in addition to mandated SG contributions. These extra contributions may include payments for insurance premiums and fees.
Salary sacrifice contributions	Salary sacrifice contributions are deducted from your before-tax salary. You will need to enter into an agreement with your employer to be able to make such contributions.
Directed termination payments (DTP)	Employment termination payments arising from an entitlement outlined in an employment contract that was in place before 10 May 2006 and is contributed into an employee's superannuation account before 1 July 2012.
Personal contributions for which a tax deduction has been claimed	Members of North Personal Superannuation who are self-employed or substantially self-employed and are making personal contributions may be eligible to claim a tax deduction. If a tax deduction is claimed, the contribution will be treated as a concessional contribution.

Subject to very limited exceptions, payments made by employers to employees in consequence of the termination of employment (ie 'employment termination payments') will not be able to be rolled into superannuation funds. Speak to your financial adviser for more information.

For information on the maximum concessional amounts that can be contributed in any one year, refer to Section 5.

## Section 1 What type of contributions can be made?

### Non-concessional contributions

Non-concessional contributions are contributions made to a superannuation fund that are generally made from a member's after-tax income, though some exceptions to this rule apply.

Non-concessional contributions include the following:

Personal contributions	You can arrange with your employer to make regular contributions via a payroll deduction from your after-tax salary. Alternatively, you can make contributions directly to the Fund. If you make personal contributions, you may qualify for the government's co-contribution scheme.
Spouse contributions	These are contributions paid by your spouse into your account. Your spouse does not need to be a member of the Fund to make spouse contributions.
Other contributions	These may include transfers made from foreign funds and rollovers from closed First Home Saver Accounts.

For information on the maximum non-concessional amounts that can be contributed in any one year, refer to Section 5.

### Other contributions

Other contributions the Fund may accept include government co-contributions and personal injury payments.

### How to make a contribution

Using your bank's online banking facilities you can make a contribution by EFT or direct credit:

BSB: 033 806  
BPAY biller code: 38778

#### Plus

Account number or BPAY reference number.

Contributions can also be made by cheque. All cheques should be attached to a deposit advice created on North Online and made payable to 'North'. Forward the cheque along with the deposit advice to:

North Service Centre  
GPO Box 2915  
MELBOURNE VIC 3001

### How to use EFT and BPAY through your banking facilities

#### EFT

- 1 Log onto your online banking facility
- 2 Enter account name – your first name and surname
- 3 Enter BSB number – 033 806
- 4 Enter bank account number – this is your 8 digit North account number (Note: Do not include the Y)

#### Plus

- 1 for member non-concessional
- 3 for spouse contributions
- 4 for Superannuation Guarantee (SG) contributions
- 5 for employer contributions
- 6 for salary sacrifice contributions

#### Example

An SG contribution for John Doe  
Account name: John Doe  
BSB: 033 806  
Account number: 123456784

#### BPAY

- 1 Log onto your online banking facility
- 2 Enter BPAY biller code – 38778
- 3 Enter BPAY reference number – this is your 8 digit North account number (Note: Do not include the Y)

#### Plus

- 1 for member non-concessional
- 3 for spouse contributions
- 4 for Superannuation Guarantee (SG) contributions
- 5 for employer contributions
- 6 for salary sacrifice contributions

#### Example

An SG contribution for John Doe  
Account name: John Doe  
Biller code: 38778  
BPAY reference: 123456784

Note: Any contributions processed via North Online will provide an account number or BPAY reference number with the final digit of 9.

# When can I access my superannuation? /

Your superannuation benefit is the total of all contributions made, benefits rolled over or transferred in, plus investment earnings, insurance and Guarantee proceeds (if any), less fees, taxes, lump-sum withdrawals, insurance premiums (if any) and other charges. Most superannuation benefits are preserved and superannuation law provides that preserved benefits can only be paid in any of the following circumstances:

- when you reach age 65
- if you cease employment after age 60
- when you reach your preservation age (see table to the right) and are still working full time, your superannuation benefit can be used to commence a non-commutable allocated pension
- when you permanently retire, after attaining the preservation age applicable to you (see table to the right)
- if you suffer permanent incapacity as defined by the Superannuation Industry (Supervision) Act 1993
- if you satisfy the criteria for early release of part or all of your benefit on the grounds of severe financial hardship to the satisfaction of the Trustee
- if the relevant government authority approves the release on specified compassionate grounds
- if you satisfy the criteria of terminal medical condition as specified by superannuation law
- on complying with any other condition of release specified by superannuation law
- when you have been a lost member and are subsequently found, and your account value is \$200 or less
- upon your death.

## Preservation rules

All superannuation contributions plus any investment earnings are preserved.

### Preservation age

Date of birth	Preservation age
Before 1 July 1960	55
From 1 July 1960 to 30 June 1961	56
From 1 July 1961 to 30 June 1962	57
From 1 July 1962 to 30 June 1963	58
From 1 July 1963 to 30 June 1964	59
On 1 July 1964 or after	60

Some or all of a benefit you roll over to North Personal Superannuation may be restricted non-preserved or unrestricted non-preserved. The benefits you roll over will retain this status. This means that in some cases you may be able to access these unrestricted non-preserved benefits without meeting the requirements listed previously.

## Withdrawals

Preserved benefits can be rolled into another complying super fund, retirement savings account, deferred annuity or approved deposit fund. They may (in some cases must) be used to pay any excess contributions tax liability you may have. If you have such a liability you will be provided with a 'release authority' by the ATO, which you can (and in some cases must) provide to the Fund.

Speak to your financial adviser if you require further information about restricted non-preserved and unrestricted non-preserved benefits.

Superannuation payments can be made as a lump sum or as an income stream by transferring your benefit to a pension account.

North offers the ability to conduct super to pension transfers through North Online quickly and easily. If you have any queries please contact the North Service Centre at [north@axa.com.au](mailto:north@axa.com.au) or on 1800 667 841, or speak to your financial adviser.

# How are pension payments calculated? /

## Calculating your pension payment

### Allocated pension

Allocated pensions require payments of a minimum amount to be made at least annually. There is no restriction on how much you can withdraw from your allocated pension above the minimum level other than your maximum account value. This may include cashing out the whole amount.

The minimum amount of income that must be paid in a year is calculated by multiplying the withdrawal value of the account by the applicable percentage factor prescribed by government legislation each 1 July.

The table below sets out the minimum annual pension payments.

### Minimum annual pension payments

Age at 1 July	Per cent of withdrawal value <sup>1</sup>
Less than 65	4
65 – 74	5
75 – 79	6
80 – 84	7
85 – 89	9
90 – 94	11
95 or more	14

<sup>1</sup> The Federal Government has announced that for the 2011/12 financial year, these minimums have been reduced by 25 per cent. If you aren't starting your pension in July, your annual minimum payment will be pro rated.

### Non-commutable allocated pension

If your pension is a non-commutable allocated pension (NCAP), your funds may consist of three preservation components. Income payments will be made from your preservation components in the following order (if applicable):

- unrestricted non-preserved
- restricted non-preserved
- preserved.

A maximum annual payment applies to an NCAP. In the first year of the NCAP, the maximum is 10 per cent of your initial investment. In subsequent years, the maximum annual income payment is 10 per cent of your withdrawal value as at 1 July.

In the first year of an NCAP or allocated pension, the amount you choose to receive as income will be distributed pro rata across the remaining months in the financial year, unless you instruct us otherwise.

### Allocated pension minimum payments

Your pension payments must satisfy the following rules:

- you must receive at least one payment each financial year, unless you commence your pension during June, in which case no pension payment is required in that financial year, and
- your gross annual payment must be at least the prescribed minimum amount.

If you make a full lump-sum withdrawal from your North Personal Pension, we are legally required to first pay your minimum pension amount for the relevant portion of that financial year. If you have already received more than this amount, no additional pension payment is required. If you make a partial lump-sum withdrawal, you need sufficient funds in your account to meet minimum pension payments for the remaining portion of the financial year.

You can choose to receive the minimum pension or any amount above this. Additionally, you can choose to have income distributions paid as a pension or added to a specified amount.

### How long will allocated pension payments continue?

We will continue to make pension payments from your account until the withdrawal value of your account is nil.

The length of time your pension payments continue depends on the size of your investment, the amount of pension you take each year, and any lump-sum commutations, fees and the investment earnings generated from the investment option or options you choose. There is no guarantee that your pension payments will continue for life.

### Changing your pension

On 1 July each year we are required to review and recalculate your minimum pension level based on your age and account withdrawal value. You are advised of your new minimum pension level shortly after the review is completed. If you do not ask us to alter your annual pension amount, then your payment will be the same as for the previous financial year, unless you have asked us to automatically increase the amount each year, either by CPI or by a nominated percentage, or we have to adjust your payment to your minimum level applicable for that year.

### Flexible payment options

Your North Personal Pension payment is flexible to suit your changing needs. You can choose to receive your pension:

- fortnightly
- monthly
- quarterly
- half-yearly, or
- yearly.

Whichever frequency you choose, you can also nominate the date you wish to receive your pension and you may change the frequency and/or payment date at any time. You can select a day between the 1st and 28th of the month or the last day of the month.

If your regular payment date falls on a weekend or a national public holiday, we will pay your pension on the preceding business day.

### How is your pension paid?

Your pension payments are paid into your nominated Australian bank account. Note: Your bank may charge you a fee for this service.

## Section 3 How are pension payments calculated?

### Withdrawals

Withdrawals (being those other than regular pension payments) of \$500 or more can be made at any time from your allocated pension (subject to trade minimums as described on page 3 of the North Super and Pension PDS – Part A). For pensioners aged 60 or over, lump-sum benefits and income stream payments are tax free.

For pensioners under age 60, withdrawals can be:

- ad hoc pension payments, which may be taxed at marginal tax rates, or
- lump-sum withdrawals (called commutations), which are treated as superannuation lump-sum benefits and may be subject to lump-sum tax.

If you do not specify whether you would like your additional withdrawals as an ad hoc pension payment or a commutation, we will treat them as a commutation.

### NCAP withdrawals

If your pension is an NCAP, withdrawals other than pension payments are only allowed in the following circumstances:

- to withdraw any unrestricted non-preserved benefit
- to pay a superannuation surcharge liability
- to effect a superannuation split under Family Law
- where a condition of release (eg retirement or reaching age 65) has been met after the allocated pension commenced
- to roll back to superannuation (eg if the income stream from the NCAP is no longer required)
- to roll over to another non-commutable income stream, or
- to pay for non-concessional contributions tax liability.

### Withdrawal payment options

Withdrawal payment options include:

- direct credit to your nominated bank account held in your name, or
- transfer to another complying superannuation fund.

When you withdraw we will ask you to supply copies of certain proof of identity documents, for example a copy of your driver's licence or passport.

For partial withdrawals of up to 80 per cent of your account value we will automatically process the withdrawal of your funds without awaiting sale proceeds from underlying investments. The withdrawal will be made from your cash account balance. During this period your cash account balance may fall below zero unless there are sufficient funds for the withdrawal.

# How will the benefit be paid upon death? /

## Invested assets switched to the cash account

Upon receipt of written notification of the member's death, applicable assets will be switched into the cash account (unless a reversionary pension has been selected). This amount and any insurance benefits (if applicable) will then be made available to the Trustee for distribution to beneficiaries. Members invested in term deposits will continue to be invested based on terms associated with the asset until maturity date, unless otherwise notified by the beneficiary/ies as determined by the Trustee.

## Investment instructions, adviser remuneration and online authorities

Any existing investment instructions, regular savings plans, pension payments, adviser remuneration and online authorities may also be cancelled upon receipt of notification of the member's death.

## Payment of superannuation assets

In the case of superannuation assets, if a death benefit becomes payable it will consist of both your superannuation benefit and the proceeds of any insurance claim paid by the Insurer, if applicable.

The death benefit may also include an anti-detriment component that effectively represents a refund of tax paid on contributions. Refer to page 9 for more information.

Payments of death benefits in the form of a lump sum are tax free when paid to a beneficiary who is a death benefit dependant (as defined in tax legislation) of the deceased.

A beneficiary who is not a death benefit dependant (as defined in tax legislation) of the deceased can only be paid a lump-sum death benefit, which may be subject to tax, and not an income stream.

## Payment of pension assets

In the case of pension assets, if a death benefit becomes payable it will consist of both your pension benefit and the proceeds of any insurance claim paid by the Insurer, if applicable.

A dependant beneficiary of your death benefit can ask to receive payment as a lump sum or pension or a combination of both.

No tax is paid on lump-sum death benefits paid to a death benefit dependant (as defined in tax legislation). A pension payable to your dependant, including a reversionary pensioner, may be tax free depending on, for example, your age when you die and the age of the recipient dependant beneficiary.

A beneficiary who is not a death benefit dependant can only be paid a lump sum. The taxable component of a lump sum paid to a non-dependant (including children 18 and over) is taxed as assessable income.

In the case of a child death benefit dependant, a death benefit income stream may be paid only where, at the time of the member's death, the child dependant is:

- under 18 years of age
- between 18 and less than 25 years of age and financially dependent on the member, or
- disabled as defined in disability services legislation.

A death benefit income stream paid to a child dependant must be commuted when the child reaches age 25, unless the child is disabled within the meaning of the Disability Services Act 1986.

Contact your financial adviser for further details.

## Dependant

A dependant is defined as any of the following:

- the spouse of the member
- each child (including an adopted child, step child or an ex-nuptial child) of the member, or the child of a member's spouse
- any person who at the date of death, in the opinion of the Trustee, had an interdependency relationship with the member (defined in the legislation and which generally means a close personal relationship between two people who live together, where one or both provides the other with financial support, domestic support and personal care)
- any person who in the opinion of the Trustee is, or was at the date of death, dependent either wholly or in part upon the member, and
- any other person treated for the purposes of superannuation law as a dependant.

## Spouse

A spouse is a person who is legally married to the member or a person who, although not legally married to the member lives (or lived at the time of the member's death) with the member on a genuine domestic basis in a relationship as a couple and includes a same sex partner.

## Binding death benefit nomination

A binding death benefit nomination gives you certainty about who will receive your superannuation or pension benefit in the event of your death. North Personal Pension members' dependants can elect to receive the death benefit as a pension or a lump sum.

The Trustee is bound to pay your benefit to the person(s) you have nominated as long as your nomination:

- is valid
- has been made in the prescribed manner (ie the Binding nomination of beneficiaries form is completed and the original form sent to the North Service Centre)
- is received by the Trustee before your death
- has not expired, and
- the nominated person(s) is a dependant at the time of your death and/or your legal personal representative.

If your nomination is no longer valid or has expired, the Trustee will have discretion to determine who your death benefit is paid to.

To be valid, a nomination must:

- be fully completed, signed and dated by you
- be witnessed by two people who are 18 years of age or over and neither of whom is nominated on the form. Each witness must also sign and date the Witness declaration section.
- nominate one or more dependants or your legal personal representative and provide the percentage of the death benefit for each nominee to receive in the event of your death. The proportional entitlements must total 100 per cent.

Your nomination expires after three years. We strongly recommend that you review your nomination regularly and update your nomination as your personal circumstances change. It is your responsibility to keep your nomination up to date and review it every three years. You may update your nomination by completing a new binding death benefit nomination form at any time.

## Section 4 How will the benefit be paid upon death?

If your binding death benefit nomination expires and is not replaced by a new binding death benefit nomination, your benefit will be paid at the discretion of the Trustee to one or more of your dependants and/or your legal personal representative as if a non-binding death benefit nomination or no nomination had been made.

If you wish to revoke a binding death benefit nomination, you must complete and sign the revocation in the presence of two witnesses who are 18 years of age or over and neither of whom was nominated on the form. Each witness must also sign and date the witness declaration section.

If you nominate your legal personal representative as your beneficiary, please make sure that you have a valid and current will. Payment to a legal personal representative may also take longer to effect as it is necessary for a Grant of Probate or Letters of Administration to be issued before the benefit can be paid.

You should note that by directing payment to your legal personal representative you may be exposing the benefit to claims by creditors of your estate.

### Non-binding death benefit nomination

If you elect to nominate a non-binding beneficiary, the Trustee will consider the nomination provided by you but has the discretion to pay your benefit to one or more of your dependants and/or your legal personal representative in proportions it determines.

### Reversionary pension

At the commencement of your North Personal Pension, you can request that your benefit continue after your death by nominating your spouse or your child as a reversionary pensioner. If you decide to change or remove the reversionary beneficiary details after your pension has commenced, your current pension will be commuted and set up again with the new details.

When you die, the nominated person will continue to receive the income payments until the benefit is exhausted. If you have nominated your spouse as the reversionary pensioner, they must be your spouse at the time of your death. If the nominated person is not a dependant at the time of your death, the Trustee will use its discretion to determine how the benefit will be paid.

The taxation of a death benefit paid as a reversionary pension will depend on the age of the primary and reversionary beneficiary.

- If the primary beneficiary was aged 60 or over at the time of death of the primary, then payments to the reversionary beneficiary will be tax exempt.
- If the primary beneficiary was under age 60 at the time of death, the pension will continue to be taxed at the reversionary beneficiary's marginal tax rate (less any deductible amount and pension rebate) unless, or until, the reversionary beneficiary is aged 60 or over, in which case it will be tax exempt.
- Death benefits will be able to be paid as a pension to a dependant child, although when the child turns 25 they will be paid as a lump sum (tax free) unless the child was permanently disabled within the meaning of the Disability Services Act 1986, in which case they may commence a pension.

### No nomination

In the event that no nomination or no valid nomination is made, your benefit will be paid at the discretion of the Trustee to one or more of your dependants and/or your legal personal representative.

### No dependant or legal personal representative

If there is no dependant or legal personal representative, the Trustee is required to pay the benefit to another suitable person – for example, a parent or other close relative.

# What about taxation?

## Taxation information for superannuation

### Contributions tax

All concessional contributions (including salary sacrifice and SG contributions and any personal contributions for which you claim a tax deduction) paid to North Personal Superannuation are currently taxed at a rate of 15 per cent.

This tax may be reduced by deductions for items such as life insurance premiums and fees. This is subject to the provision of your tax file number (TFN).

Tax will be deducted from your account quarterly.

### Contribution limits

All contributions made into a superannuation fund receive certain tax concessions. There are limits (referred to as 'contributions caps') on the number of contributions you can make in a financial year that qualify for these concessions. Contribution caps apply to concessional and non-concessional contributions made in a financial year.

### Concessional contributions caps

A cap of \$25,000 per person per year applies to concessional contributions. The cap is indexed. Excess concessional contributions will be taxed at the top marginal rate, which includes the 15 per cent contributions tax. The excess concessional contributions tax is imposed on the individual, who may pay the liability themselves or withdraw some or all of the liability from their superannuation fund.

If you incur this additional tax, you may elect to have it paid by way of a deduction from your account with the Fund. To do so you will need to complete a release authority (which will be provided to you by the ATO at the relevant time) and forward it to the Fund accordingly.

A transitional concessional contributions cap of \$50,000 per person per year will apply for people who are aged 50 and over on the last day of a financial year until 1 July 2012. This transitional cap will not be indexed. From 1 July 2012, the concessional contributions cap for individuals aged 50 and over will reduce to \$25,000 (indexed).

### Non-concessional contributions caps

An annual cap of \$150,000 per person applies to non-concessional contributions. Members under age 65 on 1 July can make non-concessional contributions up to \$450,000 averaged over three years. Members aged 65 or over on 1 July can only make non-concessional contributions up to \$150,000 in that year and each subsequent year to age 75. The non-concessional contributions cap will be calculated as six times the level of the (indexed) concessional contributions cap.

Non-concessional contributions in excess of this cap will be taxed at the top marginal rate. This tax is imposed on the individual, who must withdraw from their superannuation fund an amount equal to their tax liability. To do so, you will need to complete a release authority (which will be provided to you by the ATO at the relevant time) and forward it to the Fund accordingly.

The Trustee is prevented by law from accepting a non-concessional contribution that is greater than three times the non-concessional cap. The Trustee is required by law to refund the excess contribution and is entitled to deduct an administration fee and any transaction costs and premiums that have been paid in relation to cover for a specific period.

For more information on the contribution caps contact your financial adviser.

### No-TFN contributions rules

#### Concessional contributions

You do not commit an offence if you choose not to provide the trustee with your TFN, and you are not otherwise required by law to provide your TFN. However, if you do fail to do so, a no-TFN contributions tax rate of 31.5 per cent applies to your concessional contributions. It applies in addition to the excess contributions tax (as well as the standard contributions tax at 15 per cent) and there is no reduction to the taxable amount for insurance premiums that you might pay.

However, the Fund may be entitled to a tax offset for tax it has paid on no-TFN contributions income if the member quotes their TFN to the Trustee within four financial years of the tax on the no-TFN contributions income being payable.

#### Non-concessional contributions

The Trustee is required by law to refund any non-concessional contributions received if a TFN has not been provided within 30 days. The Trustee is entitled to deduct an administration fee and any transaction costs and premiums that have been paid in relation to insurance cover for a specific period.

### Tax deductions

Members who are eligible to claim a tax deduction for their personal contributions may do so up to and including the age of 74.

If your employer contributes for you, or is obliged to do so under an award or the Superannuation Guarantee legislation (whether or not the employer fulfils those obligations), you will generally not be eligible for a tax deduction for any personal contributions you make.

If you are self-employed or substantially self-employed, ie not receiving employer support (less than 10 per cent of your assessable income is from employment where an employer pays superannuation for you), you may be eligible to claim a tax deduction for contributions you make to superannuation. Limits apply on contributions made by you or on your behalf. For more information, contact your financial adviser or visit [www.ato.gov.au](http://www.ato.gov.au).

### Tax on investment earnings

Earnings on your superannuation investment are taxed at a rate generally lower than other forms of savings. The rate is 15 per cent. This tax may be reduced by deductions for items such as life insurance premiums, franking credits and tax offsets.

## Section 5 What about taxation?

### Taxation information for pension accounts

#### Tax payable when starting a pension

If your non-concessional contributions from your superannuation account have exceeded the non-concessional cap, you may incur an excess non-concessional contributions tax liability. In this case you will be provided with a release authority from the ATO to withdraw an amount equal to your tax liability from your fund.

#### Tax on pension payments

##### Aged under 60

Your pension payments can have two components – the taxable component and the tax-free component. The taxable component forms part of your assessable income and is taxed at your marginal tax rate (plus the Medicare levy if applicable).

However, you may be entitled to a tax offset on your income payments relating to the taxable component from your Fund of up to 15 per cent of the taxable amount if you are under the age of 60 but have reached your preservation age, or if you are under 55 and are receiving a pension as the result of a permanent incapacity payment.

Your financial adviser can help you calculate the likely tax payable in your circumstances.

##### Aged 60 and over

For pensioners aged 60 or over, lump-sum benefits and income stream payments are tax free.

#### Tax on investment earnings

Earnings on your North Personal Pension investment are currently exempt from tax if you are aged 60 and over.

### General taxation information

#### Lump-sum benefits

The way any lump-sum benefit is taxed depends on your age and the make-up of your lump-sum benefit (ie tax free and taxable components).

For members under age 60, the taxable component is determined by factors such as the source of the contributions and whether a tax deduction has been claimed for the contribution. Usually, the taxable component consists of contributions made to the Fund by employers and by members (to the extent a deduction has been claimed for those contributions), together with any earnings on those contributions. If tax is payable on your benefit, the Trustee is required to withhold tax from your benefit. You will be provided with a PAYG payment summary – superannuation lump sum to include in your next tax return.

For members aged 60 and over, superannuation benefits from a taxed source, whether in the form of a superannuation lump-sum benefit or income stream payments, are tax free and are not required to be declared on your tax return.

The actual tax rates and the levels at which they apply are determined by the ATO. As you may not be making a withdrawal for a number of years this material is provided for general information only and you should check with your financial adviser, the Trustee or the ATO at the time you make a withdrawal. Further information on current rates and thresholds is available from [www.ato.gov.au](http://www.ato.gov.au).

The following is a summary of the components and how they are taxed as the law currently stands.

Component	Taxation
Taxable component – taxed element	If you are under 55, all of this amount is subject to tax at 21.5% (including Medicare levy). If you are between 55 and 59, an amount up to a threshold will be tax free and any amount over this will be subject to tax at 16.5% (including Medicare levy). If you are aged 60 years or over, any superannuation benefits paid to you are tax free.
Taxable component – untaxed element	Any taxable component – untaxed element rolled over to this fund will be subject to contributions tax upon receipt and will then convert to a taxable component – taxed element. Other tax rates apply if a taxable component – untaxed element is paid to you in the form of a lump sum or a pension. As this Fund is a taxed fund, these tax rates will not be relevant to you when your superannuation benefits are paid to you or your dependants.
Tax free component	Untaxed

#### Withdrawals

The following is a summary of how withdrawals from superannuation are taxed depending on your age at the time of payment.

Age	Superannuation lump sum	Superannuation income stream
60 years and above	Tax free (not assessable, not exempt income)	Tax free (not assessable, not exempt income)
Preservation age to 59 years	0% up to low rate threshold (indexed) Any amount above low rate threshold is subject to 16.5% tax (including Medicare levy)	Marginal tax rates and 16.5% tax offset may apply (including Medicare levy)
Below preservation age	Taxable component is subject to 21.5% tax (including Medicare levy)	Marginal tax rates (no tax offset) <sup>1</sup>

1 A disability superannuation income stream also receives a 15 per cent tax offset.

#### Tax on death benefits

In the event of your death, a pension or income stream paid to your dependants may also be entitled to tax concessions depending on a number of factors including their age and your age at the date of your death. For more information speak to your financial adviser.

#### Anti-detriment payment

Under the Income Tax Assessment Act, following the death of a member of a complying superannuation fund, the benefit payable may be increased to take account of the tax paid in respect of the contributions credited to the member's account. In effect the contributions tax is refunded by the ATO to the deceased member's dependant spouse, former spouse\* or child. Anti-detriment payments can also be made to the estate of the deceased member but only if the beneficiary of the estate is one of the persons aforementioned. It should be noted that financial and interdependent beneficiaries are not entitled to the benefits of the anti-detriment payment.

#### Tax refunds

Tax payments may be deducted from your account throughout the year. You may also be eligible for a tax refund. Tax refunds will only be reimbursed if you remain a member at the time of distribution.

\* Under SIS laws, a former spouse must also be a dependant (such as a financial dependant) in order to be eligible to receive a death benefit from the fund.

## What else do you need to know? /

### Cash account

In the event that your investments become illiquid, the value of your cash account may fall into negative due to the inability to sell down the assets of your illiquid funds to pay the costs incurred on your account, such as fees and insurance.

To protect the value of your cash account from falling further into negative and to reduce the amount of interest you would need to pay on your cash account balance, we may invoke certain restrictions on your account. These restrictions include, but are not limited to, reducing pension payments and certain fees, ceasing withdrawals and cancelling your insurance.

### Family law and superannuation

The Family Law Act allows for the splitting of your superannuation by agreement or by court order with your spouse if you are permanently separated or divorced.

### Supply of member information to the Australian Taxation Office (ATO)

Lost superannuation member accounts and unclaimed superannuation contributions are currently registered with the ATO. AXA may provide superannuation member information to the ATO, including account details and TFNs, for the purposes of searching for lost superannuation accounts via the ATO's SuperMatch system.

The ATO will check the information supplied by us against its lost members register, SG and superannuation holding account reserve records in order to identify benefits belonging to Fund members. If funds are identified, we will notify you in writing. This service is provided free of charge and will help you better manage your superannuation for your retirement.

Where your account balance is less than \$200, this total amount may be withdrawn tax free.

### The Trust Deed

The North Personal Superannuation and Personal Pension Plans are part of the Fund and are governed by the Trust Deed. The Trustee must operate the Fund in accordance with the provisions of the Trust Deed and the law relating to superannuation.

Members' entitlements are determined by the provisions of the Trust Deed and the laws relating to superannuation. The investments of the Fund are held by the Trustee on behalf of all members of the Fund, and no member has an entitlement to any individual asset within the Fund. In administering the Fund the Trustee is obliged to act in the interests of the members of the Fund as a whole. While it has the power to amend the provisions of the Trust Deed, the Trustee cannot do so in a way that is adverse to members' entitlements without their consent. The Trust Deed has special provisions relating to how and when the Fund can be wound up and how members are to be treated if this occurs.

The Trust Deed also permits the Trustee to charge the following fees and charges to the limits set out. The Trustee does not currently charge these fees and charges. These fees and charges may be calculated and charged by the Trustee in the manner notified to members from time to time.

- Service fee: cannot exceed 2.5 per cent per annum of the member's account balance
- Termination fee: cannot exceed 2.5 per cent per annum of the member's account balance
- Transaction fee: the greater of either \$50 per transaction; and \$250 per annum plus 2.5 per cent per annum of the member's account balance
- Switching fee: \$50 per switch
- Zero balance account fee: maximum of \$500 per annum
- Contribution splitting fee: maximum of \$100 per transaction
- Trustee charge: may be equal to 0.25 per cent per annum of the member's account balance or an amount equal to \$5,000 per annum
- Benefit payment fee: maximum of \$100 per payment
- Administration fee for the administration of the expenses reserve account: maximum of 2.5 per cent per annum of the member's account balance
- Other charges that the Trustee may, in its discretion, levy.

The Trustee can annually adjust the maximum dollar amount of any dollar-based fee to reflect any increase in the CPI. You will be notified of any changes via the annual Trustee report.

Note that in relation to the fees and charges described we may, at our discretion, make agreements with some members to rebate a part or all of their fees.

A copy of the Trust Deed is available upon request by contacting the North Service Centre at [north@axa.com.au](mailto:north@axa.com.au) or by calling 1800 667 841.

### Relationship between the Trustee and some companies in which the Fund will invest

The Trustee invests in a wide range of managed investment schemes (investment funds). National Mutual Funds Management Limited (NMF) ABN 32 006 787 720, AFS Licence No. 234652 and ipac asset management limited (ipac) ABN 22 003 257 225, AFS Licence No. 234655 are the responsible entities for a number of these investment funds and may receive a fee for services provided. NMF and ipac are a part of AXA APH. For a full list of these investment funds please refer to the North Investment Options document.

AllianceBernstein Australia Limited (AllianceBernstein) is also a joint venture partner with AXA APH. AllianceBernstein may provide investment management services to the investment funds issued by NMF, including management of the Wholesale Cash Fund and AXA's Wholesale Cash Management Trust.

NMF will pay a fee to AllianceBernstein for this service according to a sub-delegation agreement.

The Trustee has appointed NMMT Ltd ABN 42 058 835 573 to provide services in relation to the Fund. This includes selecting the range of investment options made available and managing the cash account. The Trustee has appointed NMLA as the administrator of the Fund. Both NMMT and NMLA receive a fee for the services they provide.

The Trustee advises that, under the law, where the Trustee invests money of the Fund it must deal with the other party to the transaction at arm's length or on arm's length terms.

## Section 6 What else do you need to know?

### Relationship between the Trustee and some service providers

The Trustee has appointed RBC Dexia Investor Services Trust (RBC), ABN 75 116 809 824 as the Custodian to hold all assets in the Fund. The Trustee reserves the right to change the Custodian without prior notice to members.

The Trustee does not deal with service providers to the Fund who are associates of the Trustee more favourably than it would deal with any other independent service providers.

### Cooling-off period

A 14-day 'cooling-off period' will apply to your initial investment in North Personal Superannuation and Personal Pension.

If, during the cooling-off period, you decide that the investment does not meet your needs, then simply advise us in writing.

The 14 days start when confirmation of your membership is received by you or 5 days after your application is accepted, whichever is earlier.

If you cancel your membership, we will refund your investment, reduced or increased for market movements in your chosen investment option(s). We will also deduct any tax or duty incurred and any other fees previously described in this document or PDS, pro rated for the period you have held your North account. As a result the amount returned to you may be less than your original investment.

Delays may be experienced if the investment option(s) selected have redemption restrictions imposed by the underlying investment manager.

If you satisfy a condition of release under superannuation law we can refund the initial investment amount directly to you. However, amounts rolled over or transferred from another superannuation fund or retirement savings account (RSA) that are 'preserved' or 'restricted non-preserved' cannot be refunded directly to you under the 14-day cooling-off period. We will roll over or transfer these amounts to the superannuation fund or RSA you nominate.

### Your privacy

The privacy of your personal information is important to you and also to us. The purpose of collecting your information is to assess your application for, and manage your membership of, North Personal Superannuation and Personal Pension.

If you are also applying for insurance cover, additional information about you and your immediate family background that is necessary for the purpose of assessing your application for insurance, or a claim you may make, and managing your insurance cover may be collected. This may include information about health, financial situation, occupation and lifestyle. If the information you give us is not complete or accurate in any way, we may not be able to provide you with the products and services for which you have applied.

In assessing your application for and managing your membership of the Fund, we may need to disclose your personal information to other parties, such as other providers of retirement and savings products, a financial adviser, the ATO, and other AXA Australia companies. We will only use information about your nominated dependants in the event of your death.

The Trustee does not give your personal details to any external parties for their marketing purposes. In the future, the Trustee may contact you about new products or special offers. If at any time you do not want to receive this information, you can let us know by calling us on 1800 667 841 and quoting your member number.

You are entitled to request reasonable access to information we have about you.

Our policy on privacy is available from [axa.com.au](http://axa.com.au) or by calling us on 1800 667 841. If you have any complaints or questions about the privacy of your personal information please contact our Privacy Officer by writing to:

Group Privacy Officer  
AXA Australia  
PO Box 14330  
MELBOURNE VIC 8001

If your complaint is not resolved by us to your satisfaction you may write to the Privacy Commissioner at:

Office of the Privacy Commissioner  
GPO Box 5128  
SYDNEY NSW 2001

### Payment of benefits to an Eligible Rollover Fund

An Eligible Rollover Fund (ERF) is a special type of superannuation fund that is able to accept benefits transferred from another superannuation fund without a member's consent. Typically an ERF has a conservative investment strategy and the administration fees charged by the fund cannot exceed the fund's earnings.

There are a number of circumstances in which your benefit in North Personal Superannuation might be transferred to an ERF. One situation where we may do so is if your account value falls below the minimum account value required in North Personal Superannuation. We will issue you with an exit statement, and the ERF will write advising you that it has received your benefit and outline the options available to you.

We may also pay your benefit to an ERF if we lose contact with you and, after a reasonable time, we are unable to locate you.

The ERF used by North is the:

National Preservation Trust  
NPT Administration  
PO Box 6003  
WOLLONGONG NSW 2500  
Telephone: 1800 331 210

### Direct debit service agreement

This agreement outlines our and your responsibilities to ensure the smooth and secure operation of our direct debit agreement.

#### Our responsibilities

- We will only deduct contributions from your chosen account.
- We will confirm the contribution amount and how often we have agreed to deduct it.
- We assure you that we will not disclose your bank details to anyone else, unless you have agreed in writing that we can or unless the law requires or allows us to do this.
- We will debit your account on your nominated day of the month. If the payment date is a weekend or national public holiday, we will debit your account on the next business day.
- We will give you at least 14 days notice when changes to the terms of this arrangement are made.

## Section 6 What else do you need to know?

### Your responsibilities

- Before sending us your account details, please check with your bank or financial institution that direct debit deductions are allowed on the account you have chosen.
- Please make sure that you have enough money in your account to cover payment of your instalments when due. Your bank or financial institution may charge a fee if the payment cannot be met.
- The financial institution may charge you a small fee for the direct debit arrangement. This will be reflected in your financial institution account statement.

### Changing your payments details

You may cancel or change direct debit deductions at any time.

### Can we help?

If you have any queries about your direct debit agreement, please contact your financial adviser or contact us at [north@axa.com.au](mailto:north@axa.com.au) or on 1800 667 841. We undertake to respond to queries concerning disputed transactions within 10 business days of receipt of notification.

## [north.axa.com.au](http://north.axa.com.au)

North Service Centre  
GPO Box 2915 Melbourne VIC 3001 Tel: 1800 667 841  
Wealth Personal Superannuation and Pension Fund  
ABN 92 381 911 598  
Trustee: N.M. Superannuation Proprietary Limited  
ABN 31 008 428 322 AFS Licence No. 234654



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