

Issued 1 July 2011

# CONCEPT ONE PENSION PRODUCT DISCLOSURE STATEMENT



## Take control of your income and investments in retirement

- An income in retirement or while making a gradual transition to retirement
- Tax concessions
- Low fees and no commissions

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This Product Disclosure Statement (PDS) for the Concept One Superannuation Plan Pension is issued by Concept One Pty Ltd ABN 25 009 179 613 as Trustee for the Concept One Superannuation Plan ABN 21 059 451 252 RSE Registration No. R1056808.

### Warning

This PDS contains general financial advice and is only a guide. It does not take into account your individual financial circumstances, needs or objective. If you need personal financial advice to help you decide whether Concept One's Pension is right for you please contact an independent licensed financial adviser.

The information in this PDS may change from time to time. If there is a materially adverse change the Trustee will either issue a new PDS or a Supplementary PDS. Where a change is not materially adverse, the Trustee will provide an update on the Concept One website. You may request a written copy of the update from the Trustee, who will provide it to you free of charge.

Further information about Concept One is available:

- on our website [www.conceptonesuper.com](http://www.conceptonesuper.com); or
- By contacting the Administrator (see page 3 for contact details).

## Over view of Concept One Pension

### About Concept One

Concept One Superannuation Plan (Concept One) was established in 1986, so we have a great deal of experience in managing superannuation.

Concept One operates on a not-for-profit basis. No dividends are paid to shareholders and no commissions are payable to any party.

Concept One is run by a Trustee Company called Concept One Pty Ltd (ABN 25 009 179 613, RSE Licence No L0002813).

The Trustee ensures that Concept One operates according to its Trust Deed and the relevant legislation. The Trustee does not hold an Australian Financial Services Licence. This means that the Trustee can only provide “general financial product advice” in limited circumstances including in this PDS, Annual Report to Members, and other documents exempt under legislation.

The Trustee Directors act on your behalf in deciding important policies and procedures affecting your interest in Concept One.

### **The Trustee**

You can contact the Trustee at any time by writing to:

Ms Theresa Howe  
Plan Secretary  
Concept One Pty Ltd  
PO Box 739  
Belmont WA 6984

To assist with the day to day management of Concept One, the Trustee has appointed the following professional advisers and service providers:

### **Administrator and Plan Consultant**

The administrator of Concept One is The Australian Superannuation Group (WA) Pty Ltd (ABN 61 082 510 236) (Administrator). The Administrator keeps membership records, receives contributions, prepares annual benefit statements and reports for members and processes withdrawals.

If you have any questions about Concept One or your pension contact the Administrator:

Concept One Administration  
Locked Bag 90  
West Perth WA 6872  
T: (08) 9211 6677 or 1300 720 182  
F: (08) 9481 0096  
E: [conceptone@tasgwa.com](mailto:conceptone@tasgwa.com)

For all **other queries**, please contact the Concept One Consultant:

Locked Bag 90  
West Perth WA 6872  
T: (08) 9211 6677 or 1300 720 182  
F: (08) 9481 0096  
E: [conceptone@tasgwa.com](mailto:conceptone@tasgwa.com)

The Administrator is an authorised representative of Pacific Custodians Pty Limited (ABN 66 009 682 866 AFSL 295142).

**Investment Managers**

The Trustee reviews the investment managers on a quarterly basis. This is to ensure that the investment managers are continuing to meet Concept One's objectives which include aiming to maximise the investment returns. If a manager is not performing to the Trustee's expectations, that manager will be replaced. For the most up to date details of which investment managers Concept One uses contact the Administrator.

**Investment Consultant**

WP Invest Pty Ltd (ABN 55 111 685 226, AFSL No 301210) provides the Trustee with investment advice and monitors the performance of the investment managers.

**Auditors**

KPMG (ABN 51 194 660 183) has been chosen to audit the annual accounts and undertake compliance audits.

## What is the Pension Division?

If you take your superannuation benefit in the form of a pension rather than a lump sum, you receive income at regular intervals of your choice, while your remaining capital remains with Concept One. Any investment returns (positive or negative) on your capital used to support your pension is tax free. Also, depending on your age, part of each pension payment to you may be tax free, and the rest may attract a 15% tax offset. Pension payments paid to a member aged 60 or over are tax free (see page 29).

We recommend that you seek independent financial advice before making any decisions.

Concept One offers two account based pension products:

- Full Pension; and
- Transition to Retirement Pension (TTR).

### **Full Pension**

The Full Pension product is aimed at providing retired persons a regular income.

To be eligible to take up a Concept One Full Pension, you must have:

- A minimum of \$50,000 in super to invest (see page 6) ; and
- Reached your preservation age and are permanently retired; or
- Have retired due to permanent incapacity; or
- Are aged 60 or more and have left employment; or
- Are aged 65 or over.

Main features of the Full Pension Product include:

- You cannot add to it by way of rollover or contribution once the pension has commenced
- Paid at least once annually
- Pension payments can be made monthly, quarterly, half yearly and annually
- is subject to a minimum pension payment amount (see page 8 and 9)
- lump sum withdrawals are allowed
- Concessionally taxed (see page 29)
- Three (3) investment options to choose from (see page 15)
- Competitive fees (see page 25)

### **TTR**

The TTR is a product offered which aims to help you move gradually to retirement and provides a regular income while you may be considering retirement.

To be eligible to take up the TTR option, you:

- Must have a minimum of \$50,000 in super to invest (see page 6)
- need to have reached your preservation age (see page 32).

Main features of TTR include:

- You cannot add to it by way of rollover or contribution once the pension has commenced
- The TTR is subject to minimum and maximum pension payment amounts (see page 8 and 9)
- Pension payments can be made monthly, quarterly, half yearly and annually
- Lump sum withdrawals are allowed in limited circumstances (see page 10)
- Concessionally taxed (see page 29)
- Three (3) investment options to choose from (see page 15)
- Competitive fees (see page 25).

### How to open a Pension account

#### Before you start

You should read carefully the information contained in this PDS as you will need to determine:

- What superannuation money you will use to commence your pension (e.g. do you want to roll over any other superannuation accounts before you commence this account) (see page 6)
- Frequency of payments (see page 7)
- Amounts of your payments (see page 8)
- Which investment options you want to invest in (see page 15)
- If you have made more than one investment choice, which option(s) you want your payments drawn from (see page 10)
- Who you would like to receive the balance of any pension in the event of your death (see page 11).

Once you decide the above you will need to complete the Pension Application Form which is available from the website see "Application Kit" at [www.conceptonesuper.com](http://www.conceptonesuper.com). If you are under 60 you must complete a Tax File Number Declaration form. If you are transferring monies from another fund, you will also need to complete the Authorisation to Rollover or Transfer, to consolidate your superannuation into your Concept One superannuation account.

We have prepared a checklist to help you make sure you send everything required so that your Concept One Pension starts as soon as possible. See the Application Kit at [www.conceptonesuper.com](http://www.conceptonesuper.com).

**Please note that your pension cannot commence until all of the above details are provided.**

#### Minimum investment amount

You need at least \$50,000 to start a Concept One pension.

#### Transferring money into your Concept One Pension

If you have other superannuation monies you would like to transfer into your account prior to commencing your Pension, please use the Authorisation to Rollover or Transfer form which is in the Application Kit. You will need to complete a separate form for each transfer you wish to make. Additional copies of the form can be obtained from [www.conceptonesuper.com](http://www.conceptonesuper.com)

If you are transferring or rollover funds from other superannuation funds these amounts will be deposited into your Concept One pension account and the balance of this account will be used to fund your pension. Pension payments will not commence until we have received all the rollovers and transfers that you have listed on the Application form.

If you are taking a Transition to Retirement Pension and leaving your Concept One Superannuation account open, you must leave at least \$1,200 in this account.

#### Can you add funds to a pension account?

No. Money cannot be added to an existing pension account once the pension has commenced. If you wish, you may commence another pension, but eligibility requirements, including the minimum investment account, apply separately to each pension.

#### Frequency and amounts of your pension payments

You can choose to receive your pension payments monthly\*, quarterly, half yearly or yearly. You may change the frequency of your pension payments throughout the year, by:

- contacting the Administrator; or
- visit the website to download a Change of Details form.

\*Monthly Pension payment frequency incurs a monthly fee, see the Additional Explanation of Fees and Costs on page 26.

Please allow five business days prior to the date of the pension payment to enable us to action your request in time for your next pension payment. Should you submit a change after this time it may not be processed until the next pension payment due date.

The dates that payments are made for each option are set out below:

Monthly	20 <sup>th</sup> of the month
Quarterly	20th of March, June, September, December
Half-yearly	20th June, December
Yearly	20th June

If the 20th is a weekend or public holiday in Western Australia the pension payment will occur on the next business day. Pension payments usually take one business day to be credited to your bank account (as nominated in your application form). It may take slightly longer where your account is with a building society or credit union.

Your Pension payments can only be made by direct credit to the account that you have nominated.

## Minimum limits on pension payments

The Government has set an age-based minimum pension payment amount which you must withdraw in any one financial year from your pension.

For the 2011/12 year the minimum draw down amounts are reduced by 25% (see Table 1 on page 8). By 2012/13 'normal' amounts are expected to apply (see Table 2 on page 9).

If your minimum pension amount for each financial year has not been reached by the date of the last payment is due to be made to you in the financial year, an additional payment will be made to ensure the minimum amount is paid.

Your limits will be calculated on your initial deposit and then recalculated as at 1 July and each year thereafter. We will write to you each year to advise your limits for each year and issue a form so you can nominate your new pension amount annually. This will generally occur in July each year. If you do not, respond we will automatically continue payments at the minimum rate.

If you would like to change the amount of pension payment write or call the Administrator:

Concept One Administration  
 Locked Bag 90  
 West Perth WA 6872  
 T: (08) 9211 6677 or 1300 720 182  
 F: (08) 9481 0096  
 E: [conceptone@tasgwa.com](mailto:conceptone@tasgwa.com)

If a request is received up to five working days prior to a pension payment, the change will take effect from that pension payment. If it is received less than five days prior to payment, the change may not be processed before the scheduled payment is made.

**Table 1 – 2011/2012 - Pension Payment Limits**

Pension Payment Limits				
Age	Full Pension		TTR Pension	
	For the Financial Year 2011-2012 Minimum % of Account Withdrawal	Maximum % of Account withdrawal	For the Financial Year 2011-2012 Minimum % of Account withdrawal	Maximum % of Account withdrawal
Under 65	3.00%	No Maximum	3.00%	10%
65 – 74	3.75%		3.75%	
75 – 79	4.50%		4.50%	
80 – 84	5.25%		5.25%	
85 – 89	6.75%		6.75%	
90 – 94	8.25%		8.25%	
95 and over	10.50%		10.00%	

**Table 2 – Normal Payment Limits (expected to return 2012/13 onwards)**

Pension Payment Limits				
Full Pension		TTR Pension		
Age	For the Financial Year 2011-2012 Minimum % of Account Withdrawal	Maximum % of Account withdrawal	For the Financial Year 2011-2012 Minimum % of Account withdrawal	Maximum % of Account withdrawal
Under 65	4.00%	No Maximum	4.00%	10%
65 – 74	5.00%		5.00%	
75 – 79	6.00%		6.00%	
80 – 84	7.00%		7.00%	
85 – 89	9.00%		9.00%	
90 – 94	11.00%		10.00%	
95 and over	14.00%		10.00%	

### Maximum Pension Payments

For Full Pension members there is no limit on the amount of pension that you can take in a year – you can take your entire account balance in one year if you wished.

For TTR Pensions, you are prohibited from withdrawing more than 10% of your balance. If the maximum pension amount is reached during the financial year, no further pension payments can be made to you for that year.

### First pension payment

If you commence your pension on or after 1 June in any year no minimum payment is required to be paid for that financial year.

### How will your money be invested?

We encourage you to actively choose one or more investment option(s) for your account balance, in consultation with a licensed financial adviser. Investment returns (can be positive or negative) will be applied to your pension account balance. See page 15 for the investment options available and pages 19 for Risks.

### How are investment earnings allocated to your account?

Investment earnings (positive or negative) are allocated to your account after 30 June each year.

If you switch between investment options, or leave Concept One before a final crediting rate is declared, an interim crediting rate will be used to calculate the amount allocated to you. The interim rate depends on your chosen investment option and market conditions at the time. Interim crediting rates are reviewed on at least a quarterly basis.

## What happens if I don't make a choice?

If you do not choose an investment option for your pension account, the default Trustee Balanced option described on page 23 will apply to your pension account balance.

## What investment option will your pension payment be drawn from?

Your pension payments will be deducted from your investment options nominated.

If you select more than one investment option, the payment will be withdrawn in the same proportions as your investment options, except if there are insufficient funds in one or more of the selected options to pay the full specified proportion. In that case, the pension payments will be drawn in the manner and proportions determined by the Concept One trustee.

*For example, if you have invested 50% of your pension account in the Trustee Balanced Option and 50% in the Cash Enhanced Option, withdrawals will be made in proportion as per your investment selection. This will continue until the amount available in that option has been reduced to zero.*

If you would like to change which investment option your pension payments are drawn from write to the Administrator this information can be found on page 3.

If a request is received up to five working days prior to a pension payment, the change will take effect from that pension payment. If it is received less than five days prior to payment, the change may not be processed before the scheduled payment is made.

## Lump Sum Withdrawals

### Full Pension

In addition to your regular pension payments you can make a lump sum withdrawal at any time by completing a Withdrawal Form.

The minimum withdrawal amount is \$1,000 and will be paid by cheque or to your nominated bank account. If your account balance is less than \$2,000 then you must withdraw the entire balance.

### TTR

If your pension is a TTR you can only make lump sum withdrawals in limited circumstances, including:

- You have an 'Unrestricted non-preserved' amount, which means you can access your super without the normal restrictions. If this is applicable to you, you can withdraw that part of your super without it counting towards the 10% limit.
- Reached your preservation age (between 55 and 60) and permanently retired from the workforce;
- Aged 60 and over and ceased employment with your current employer(s);
- Aged 65 or over;
- Elect to roll your pension account balance back to a superannuation fund;
- You become permanently incapacitated;
- You suffer from a terminal medical condition;

- You are required to pay a Contribution Surcharge or superannuation related tax liability; or
- Are to give effect to a payment split under family law;
- You satisfy the conditions for release of preserved benefits due to severe financial hardship (limit of \$10,000 in any twelve-month period) or compassionate grounds.

Please note:

- People under age 60 should be aware of tax implications (see page 29)
- \$60 Withdrawal fee applies to each lump sum withdrawal (see page 25).

### What if I'm working and my employer is paying superannuation contributions?

#### Full Pension

If you have used all of your account balance to commence a pension but continue to work, a new superannuation account can be set up in your name to receive future contributions. Future contributions cannot be added to your pension account.

#### TTR

If you remain working while being paid a Concept One TTR pension, TTR may continue to receive superannuation contributions for you. Such contributions will be paid into another Concept One superannuation account, as you cannot make additional contributions to a pension account once it has commenced.

### Who gets your pension when you die?

The Application form requests that you indicate who you wish to receive any remaining pension in the event of your death. If there is no nomination at the time of your death, the Trustee will pay the benefit to one or more of your dependants and or legal personal representative.

You can either nominate a:

- Reversionary beneficiary; or
- Non binding preferred beneficiary

to receive your benefit.

#### Choosing a reversionary beneficiary

If you nominate a reversionary beneficiary, in the event of your death, the Trustee must continue to pay the remaining balance of your pension account to your nominated reversionary beneficiary.

The pension will continue to be paid in the form of a pension until the balance is exhausted. The reversionary beneficiary may choose to make a lump sum withdrawal, rather than continue to receive pension payments.

Your reversionary beneficiary must be one of the following types of person as at the date of your death:

- your spouse;
- a person with whom you had an interdependency relationship;
- your financial dependant; or
- your child who is:
  - less than 18 years of age; or
  - 18 years old but less than 25 and financially dependent on you; or
  - suffering a disability that meets the definition in subsection 8(1) of the Disability Services Act 1986.

If your beneficiary is a child who does not meet one of the requirements above, your pension will be paid to them as a lump sum.

You can select only one reversionary beneficiary and you cannot change your nomination once your pension commences.

### Choosing a preferred beneficiary

You may nominate one or more of your dependants (see below) or your legal personal representative to receive the balance of your pension account in the event of your death. The Trustee will take your nomination into consideration but is not bound by it.

### Definition of a “dependant”

Your dependants include:

- your spouse (including de-facto or same sex partners);
- your children including step children, adopted children and children of same sex partners;
- any other person who the Trustee considers is wholly or partially dependent on you; and
  - any other person with whom you have an interdependency relationship. This occurs where you have a close relationship with another person (whether or not related by family) and
    - you live together;
    - you, the other person or both of you provide the other with financial support; and
    - you, the other person or both of you provide the other with domestic support and personal care.

You should always obtain independent advice before making decisions.

To nominate a:

- reversionary beneficiary or
- preferred beneficiary

complete the nomination found in Section 5 of the Application Form.

## Centrelink Treatment of Pensions

Receiving a Concept One Pension does not necessarily prevent you from receiving an age pension or other Social Security Benefits. You may still be able to receive a partial age pension whilst you are receiving your Concept One Pension.

The rules for age pension entitlement are complex. We recommend that you consult Centrelink or speak to an independent qualified financial adviser to ensure that you maximise your entitlements.

## How long will the pension last?

Your pension will be paid until your pension account reaches zero. Each time you receive a pension payment or make a lump sum withdrawal, the balance of your account reduces.

How long your pension lasts depends on a number of factors including:

- the amount you deposit into your account to commence your pension
- the level of pension payments you choose
- if eligible, the number of lump sum withdrawals
- level of returns on your investment (positive or negative)
- applicable taxes.
- the amount of fees and costs deducted from your account.

Please note:

- Your pension is not guaranteed for any specific period.
- Just like any other investment, your investment returns will move up and down with economic market conditions.
- Your investment returns are not guaranteed.
- Your pension payments are subject to splitting in a Family Law context.
- You cannot use your pension account balance or pension income stream as security for any borrowing.

## Keeping in touch with you

Once your application is accepted by Concept One, you will receive a Welcome Letter containing information about your Pension account. You should check that your pension details are correct.

Once you become a Pension member, you will be regularly informed of the progress of your account.

1. Every year around October, we will send you a Member Statement detailing returns on your investment, the total of your withdrawals and any fees and taxes deducted for the period 1 July to 30 June.
2. Every year we will send you a Pension Election form to tell you the minimum (and maximum for Transition to Retirement Pensions) pension available to you for the following financial year.
3. You will receive an Annual Report highlighting Concept One's performance and any changes to superannuation or to Concept One during the year.
4. If you are under 60 years of age you will receive a PAYG summary in July each year.

## Keeping in touch with us

You can contact us by:

Phone: (08) 9211 6677 or 1300 720 182

Email: [conceptone@tasgwa.com](mailto:conceptone@tasgwa.com)

Fax: (08) 9481 0096

Address: Locked Bag 90, West Perth WA 6872

Website: [www.conceptonesuper.com](http://www.conceptonesuper.com)

If you need to change:

- the frequency of payments; or
  - amount of the pension payment (subject to being within the minimum or maximum if applicable); or
  - nominated bank, building society or credit union account; or
  - request a lump sum withdrawal; or
  - change preferred nominated death beneficiary
- contact us.

Our website [www.conceptonesuper.com](http://www.conceptonesuper.com) also has further information which you may find useful.

## Choosing an investment option

### Investments

Concept One offers a choice of three investment options. You can choose to invest in one option or in any combination of the options. If you do not make a choice, your money will be invested in the Trustee Balanced option (the default option).

This section covers:

- How Concept One manages your money
- Essentials of investing
- The risks involved with investing
- Your investment options

### How Concept One manages your money

We use a four-step approach to the investment of your superannuation

<b>Step 1 – Setting the objectives and asset allocation</b>	<b>Step 2 – Selecting the managers</b>	<b>Step 3 – Measuring investment performance</b>	<b>Step 4 – Regular reviews and reporting</b>
The Trustee and the Plan’s Investment Consultant decide on the objectives and asset allocation for each option. See page 23 for each option’s strategic asset allocation.	Investment managers are chosen in consultation with the Plan’s Investment Consultant. The aim is to select the right mix of managers with expertise in different asset classes.	Each manager appointed is closely monitored and evaluated on their ongoing performance. This is to ensure that they continue to perform in members’ best interests. An investment manager may be added or removed by the Trustee at any time, in consultation with the Investment Consultant.	Every quarter, the Plan’s Investment Consultant provides a written report and presentation to the Trustee. The report covers economic updates, investment recommendations and manager performances.

## Essentials of Investing

To help you decide which of the options to select, you must first understand some basic essentials of investing. Below are some of the fundamentals that affect investment choices.

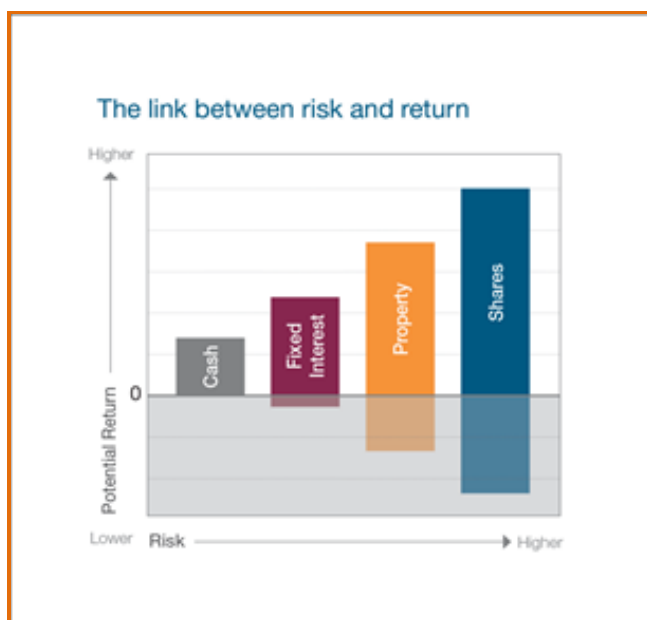
### 1. Understanding risk and return

Risk can be defined as the possibility of your investment declining in value. All investments involve some level of risk and the various types of risk are listed on pages 19 to 21.

The following diagram illustrates the relationship between the four main asset classes and the levels of risk and return. As you can see, the higher the potential return on your investment, the higher the potential risk.

Applying the information in the above graph to the Plan's three investment options, you could expect the Growth and Trustee Balanced options to offer more potential for growth on your money, however at a higher risk of negative returns. This is because these two options invest more heavily in the **growth assets** of shares and property. The Cash Enhanced option, on the other hand, invests solely in cash, which is a **defensive asset**, with less risk exposure.

If you want to achieve higher returns over time, you must generally accept higher levels of risk (or volatility). On the other hand, you might be tempted to limit your risk exposure. The downside of doing this is that over time, you are likely to achieve lower returns.



## GROWTH INVESTMENTS

**Australian shares:** Australian shares represent a slice of the ownership of a company that are listed on the Australian Stock Exchange. Investment returns from shares come from increases in share value over time or dividends, which are company profits distributed to shareholders. Shares historically earned higher investment returns over long term, however because of its volatility the share market is one of the more risky asset classes.

**International shares:** International shares represent a slice of ownership in overseas public listed companies. The performance of overseas shares is influenced by factors such as the economy of the particular country and the relative value of the Australian dollar to overseas currencies. Shares historically earned higher investment returns over long term, however because of its volatility the share market is one of the more risky asset classes – See Currency Exchange Risks page 19.

### **Property:**

Property investments are typically made by investing in property trust, either listed on the stock exchange or unlisted. Property investments can include office buildings, shopping centres, factories and warehouses. Property returns come from rental income and increases in the capital value of the property. Property has historically earned medium to high investment returns over the long term, but the volatility of the property market makes it a medium to high risk assets class.

### **Alternatives:**

Alternative assets generally comprise those investments which do not fit within traditional asset classes (typically shares, property, fixed interest and cash). Examples of alternative assets may include fund of fund hedge funds, infrastructure, private equity, forestry and commodities, both listed and unlisted. Some alternative assets may be considered to have more growth than defensive characteristics, and vice-versa.

## DEFENSIVE INVESTMENTS

**Fixed Interest:** These investments include Government bonds, international and Australian corporate bonds, bank bills, debentures, convertible preference shares, convertible notes and income securities. They are investments that offer a fixed return for an agreed period of time. These investments can also be bought or sold before the end of the fixed period. Fixed interest investments generally provide a lower long term return on investment than most asset classes except cash, but they have a low to medium risk of volatility in their returns.

**Cash:** Cash is an investment in term deposits and bank bills for a short period of time. Cash investments earn interest. Cash investments historically earned a low level of investment return and have the lowest level of risk.

## 2. Knowing your time horizon

You need to consider your investment horizon when selecting investment products. Your investment horizon is the length of time from now until you will need to access your investment (wholly or partially).

You should consider your investment time horizon and what risks you are prepared to take. It is generally accepted that the longer your investment timeframe the more risk you can afford to take.

### **3. Diversification**

Diversification is considered the key to managing risk and simply means spreading your assets across different asset classes.

Each of the main asset classes, shares, property, fixed interest and cash, can rise and fall. However, it is unusual for all of the markets to move in the same direction at the same time. Diversification helps to smooth your overall return by counterbalancing any losses in a particular asset class with positive returns in another. Generally, a good investment strategy will contain a mix of asset classes..

## **RISKS**

### **The risks involved with investing**

Please note the investments in this Plan are not guaranteed. Investments are subject to various risks and can fluctuate in value. There are different types of risk that can affect your pension investment at any one time. These include:

#### **Investment risk**

In addition to the risk/return correlation illustrated on page 21, there is also investment risk. Investment risk is the degree of which investment returns fluctuate over time, including the likelihood of negative returns. For example:

- If the investment holds Australian or International Shares, these shares can be affected by the performance of the company, inflation, interest rates, political factors and currency exchange rates.
- Fixed interest investments can be affected by interest rates (for example, the risk of default on the repayment of a loan or the depreciation of capital).
- The value of property investments can be impacted by general economic factors, including inflation, employment levels and the location and quality of the property.
- Alternative investments can be affected by any of the factors which affect the equities, fixed interest and property sectors. Liquidity risk is often linked to alternative investments.

#### **Market risk**

The risk associated with investing in a certain investment market which can be driven by economic, natural, political and monetary (for example, inflation and interest rates) factors that can influence market valuations either positively or negatively.

#### **Currency exchange risk**

This is the risk that the changing value of currency either in Australia or overseas may change the value of any overseas investment.

#### **Interest rate risks**

The exposure to investments in cash or fixed interest will be subject to interest rate risk where an interest rate change directly affects your return. Interest rate changes also have an effect on share markets and property markets. The effect may take some time to be seen and in these markets the expectation of a change is often built into prices. It is the difference between the expectation and the actual change in the interest rate that will affect the return on your investment.

#### **Inflation risk**

The risk your investment will lose value because the rate of inflation is above the rate of return on your investment. The risk is greater in long term investments due to the difficulty in forecasting inflation rates over long periods.

## **Foreign risks**

Investing internationally brings with it a range of specific risks. Each country's market is regulated by a different regulatory body, resulting in different levels of consumer protection. Economic and political conditions may be more volatile in other countries, creating uncertainty and an increase in unforeseen factors. Investing internationally also brings with it currency risk, as the value of foreign currency moves differently to the Australian dollar.

## **Risk from a lack of diversification**

Concentrating your investments adds risk. A lack of diversification of your portfolio can increase volatility and expose you to unexpected changes in market conditions.

## **Capital risk**

The risk that the value of your investment will go down rather than up. Several factors that may affect your capital include:

- (i) general market conditions and share market sentiment
- (ii) taxation and other laws
- (iii) changes in the value of the Australian dollar
- (iv) specific events, at a company level
- (v) worldwide, often known as "unforeseen factors"

## **Liquidity risk**

The risk that an asset may be difficult to sell into the market to generate cash when required. An illiquid asset takes time to sell and may require the price to be marked down in order to achieve the sale. This risk is most often associated with property and alternative investments.

## **How do we manage risk?**

It is important to manage risk. Concept One aims to obtain the highest possible returns, while protecting your investment at the same time. In addition to using diversification to manage risk, our investment managers also use derivatives such as futures, options and hedging strategies to manage risk. Concept One allows the use of derivatives for this purpose, but not for gearing purposes.

Where Concept One's professional investment managers invest directly in derivative investments, they must adopt a Risk Management Statement. This statement details the controls in place to protect against the improper use of derivatives.

The Trustee regularly reviews the Risk Management Statements of each of the Concept One's investment managers and satisfies itself that these are in line with the Concept One's investment strategy.

Other Risks that may impact your investment include:

- Changes to Superannuation and tax laws
- There is a risk that your investment with the Pension will not be sufficient to provide you with an income stream for the whole of your life.

The table below provides a snap shot of the types of risks that each of Concept One's investment option is potentially exposed to.

Risk	Investment Option		
	Growth Option	Trustee Balanced Option	Cash Enhanced Option
Investment risk	✓	✓	
Market risk	✓	✓	
Currency Exchange risk	✓	✓	✓
Interest rate risk	✓	✓	✓
Inflation risk	✓	✓	✓
Foreign markets risk	✓	✓	
Lack of diversification	✓	✓	✓
Capital risk	✓	✓	
Liquidity	✓	✓	
Negative return	✓	✓	

### Labour standards and environmental, social or ethical considerations

The Trustee does not select investments based on environmental, social or ethical considerations for the purpose of selecting, retaining or realizing an investment. However, our investment manager may do so when making their selection.

### Your investment options

Concept One offers three investment choices to members. Your investment choices are:

1. Growth option
2. Trustee Balanced option (default)
3. Cash Enhanced option

Each investment option has a different investment objective, investment strategy and level of risk and return. Please refer to page 23 for more detail.

### Get financial advice

This section is not intended to provide you with personal financial advice and is to be used as a general guide only. Naturally, everyone’s personal retirement goals will be different, so it is important you choose an investment option that suits your needs. We recommend that prior to selecting an investment option you seek independent financial advice that is tailored to your particular circumstances.

### How many options can I invest in at once?

You can invest your funds in up to three options at any one time. You must ensure that the percentage split you nominate adds up to 100%. Each selection must be 5% or more.

For example, you might decide to invest your money like this:

Existing Account Balance	
Trustee Balanced option	40%
Cash Enhanced option	60%
<b>Total</b>	<b>100%</b>

*The above example is for illustrative purposes only.*

### Can I change my option?

You can switch options at any time at no cost. The change is effective from close of business on the date your nomination is received by the Administrator. For security reasons, Concept One must have your switch instructions in writing along with your original signature. Switch instructions are not acceptable by fax, photocopy or email.

### What happens if I don’t make a selection?

If you do not make a selection upon joining, or your application form is incorrectly completed your money will automatically be invested into the default option, currently the Trustee Balanced option.

## Investment Options

<b>Growth option</b>	<b>Trustee Balanced (default option)</b>	<b>Cash Enhanced option</b>																																												
<p><b>Investor profile</b> This investment option is likely to suit members seeking medium to long-term growth of their pension high risk.</p> <p><b>Investment objective</b> Primary: to achieve annual investment returns that on average exceed the Consumer Price Index (CPI) plus 4% after tax and fees over a rolling 5 year period. Secondary: to achieve investment returns exceeding the average performance of superannuation funds with a similar proportion of growth assets over a rolling 5 year period.</p> <p><b>Investment strategy</b> Maintain asset allocation within the ranges nominated below and appoint investment managers or select direct investments in accordance with asset allocation guidelines.</p> <p><b>Minimum investment timeframe</b> Medium to long term: 5 + years</p> <p><b>Expected frequency of negative annual return</b> Approximately one year in every five.</p> <p><b>Risk classification</b> High risk. Returns can fluctuate considerably from year to year</p> <p><b>Strategic asset allocation</b></p> <table border="1"> <thead> <tr> <th></th> <th>Range %</th> <th>Benchmark %</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>30-50</td> <td>40</td> </tr> <tr> <td>International Shares</td> <td>15-25</td> <td>20</td> </tr> <tr> <td>Property*</td> <td>0-30</td> <td>10</td> </tr> <tr> <td>Alternatives**</td> <td>0-20</td> <td>10</td> </tr> <tr> <td>Fixed Interest***</td> <td>0-20</td> <td>15</td> </tr> <tr> <td>Cash</td> <td>0-20</td> <td>5</td> </tr> </tbody> </table> <p>*Includes listed and unlisted property investments in Australian Property. ** Includes fund of fund hedge funds, infrastructure and private equity. *** Includes Australian and International bonds, hybrids, convertible preference shares, convertible notes and income securities.</p>		Range %	Benchmark %	Australian Shares	30-50	40	International Shares	15-25	20	Property*	0-30	10	Alternatives**	0-20	10	Fixed Interest***	0-20	15	Cash	0-20	5	<p><b>Investor profile</b> This investment option is likely to suit members seeking medium term growth of their pension with moderate risk.</p> <p><b>Investment objective</b> Primary: to achieve annual investment returns that, on average exceed the Consumer Price Index (CPI) plus 3% after tax and fees over a rolling 5 year period. Secondary: to achieve investment returns exceeding the average performance of superannuation funds with a similar proportion of growth assets over a rolling 5 year period.</p> <p><b>Investment strategy</b> Maintain asset allocation within the ranges nominated below and appoint investment managers or select direct investments in accordance with asset allocation guidelines.</p> <p><b>Minimum investment timeframe</b> Medium term: 4+ years.</p> <p><b>Expected frequency of negative annual return</b> Approximately one year in every six.</p> <p><b>Risk classification</b> Moderate risk. Returns can fluctuate from year to year.</p> <p><b>Strategic asset allocation</b></p> <table border="1"> <thead> <tr> <th></th> <th>Range %</th> <th>Benchmark %</th> </tr> </thead> <tbody> <tr> <td>Australian Shares</td> <td>20-50</td> <td>38</td> </tr> <tr> <td>International Shares</td> <td>5-30</td> <td>18</td> </tr> <tr> <td>Property*</td> <td>0-20</td> <td>9</td> </tr> <tr> <td>Alternatives**</td> <td>0-8</td> <td>5</td> </tr> <tr> <td>Fixed Interest***</td> <td>0-40</td> <td>20</td> </tr> <tr> <td>Cash</td> <td>5-30</td> <td>10</td> </tr> </tbody> </table> <p>* Includes listed and unlisted property investments in Australian Property. ** Include fund of fund hedge funds, infrastructure and private equity. *** Includes Australian and International bonds, hybrids, convertible preference shares, convertible notes and income securities.</p>		Range %	Benchmark %	Australian Shares	20-50	38	International Shares	5-30	18	Property*	0-20	9	Alternatives**	0-8	5	Fixed Interest***	0-40	20	Cash	5-30	10	<p><b>Investor profile</b> This investment option is likely to suit members with a short investment timeframe.</p> <p><b>Investment objective</b> The primary objective is to preserve capital. Gross investment returns before fees and taxes are expected to be approximately equal to the UBS Australian Bank Bill Index in any financial year period.</p> <p><b>Investment strategy</b> To invest in cash or cash equivalent investment accounts to achieve competitive rates of return.</p> <p><b>Minimum investment timeframe</b> Short term: 12 months or more.</p> <p><b>Expected frequency of negative annual return</b> No negative return expected in any 12 month period.</p> <p><b>Risk classification</b> Low risk. Returns are most likely to be consistent year on year.</p> <p><b>Asset allocation</b></p> <table border="1"> <tbody> <tr> <td>Cash</td> <td>100%</td> </tr> </tbody> </table>	Cash	100%
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## Fees and 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% of your fund 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 may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.**

#### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website ([moneysmart.gov.au](http://moneysmart.gov.au)) has a superannuation calculator to help you check out different fee options.

The Consumer Advisory Warning is prescribed by legislation. Fees and costs are not negotiable.

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

Taxes are detailed on page 29.

You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for a particular investment option are shown on page 25.

### Fees and costs table

Type of fee or cost	Amount <sup>1</sup>	How and when paid
<b>FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE PLAN</b>		
<b>Establishment fee</b> The fee to open your investment.	\$300.00	Deducted from your account upon joining
<b>Contribution fee</b> The fee on each amount contributed to your investment – either by you or your employer.	Nil	Not Applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment.	\$60.00	Deducted from your account at the time of payment. This fee only applies to lump sum withdrawals that you take out of your pension; it does not apply to your regular pension payments.
<b>Termination fee</b> The fee to close your investment.	\$60.00	Deducted from your account at the time you close your account.
<b>MANAGEMENT COSTS<sup>2</sup></b>		
The fees and costs for managing your membership.	\$3.00 per week (\$156.00 pa)  +	Calculated on a weekly basis and deducted monthly in arrears from your account.
The amount you pay for specific investment options.	Growth 1.53%  Trustee Balanced 1.16%  Cash Enhanced 0.82%	An Investment Management Fee is deducted from the gross investment returns of each investment option on a daily or monthly basis before allocating returns to your account.  The figures provided are based on calculations for the 2009-10 financial year for the superannuation product. <sup>3</sup>
<b>SERVICE FEES<sup>4</sup></b>		
<b>Investment switching fee</b> The fee for changing investment options	Nil	Not Applicable

1 All figures disclosed are inclusive of Goods and Service Tax (GST) and net of Reduced Input Tax Credits (RITC), unless otherwise stated. The above fees also include Stamp Duty, where applicable.

2 See the "Additional explanation of fees and costs" section.

3 See the "Additional explanation of fees and costs" section.

4 A monthly frequency fee and family law fee apply. See the "Additional explanation of fees and costs" section".

## **Additional explanation of fees and costs**

### **Management Costs**

Management costs are the costs associated with administering Concept One, including the administration fee, amounts paid or payable in investing in the assets of Concept One (including performance based fees).

#### Administration Fee

This is a weekly fee that covers the administrative costs of operating Concept One. It is deducted monthly in arrears from your account or upon leaving Concept One.

#### Investment Fees

As the pension is a new product the:

- investment management fee; and
- performance based fee;

figures are based on the Concept One superannuation fees for the year 2009-2010. We have used these figures because the Concept One superannuation product has the same investment options and managers as the Concept One pension product.

These fees and costs change every year. The 2010/11 updated fees will be available from our website in approximately October.

Investment Manager Fee: This is the fee for investing in the Concept One's investment assets. They are charged by the investment managers.

The amount you pay depends on which investment option(s) you have selected and the fee is deducted from the gross investment returns of each investment option on a daily or monthly basis before allocating returns to your account.

#### Performance Based Fee

In certain circumstances, if an investment manager out performs their performance target, they may be paid a Performance Based Fee (PBF). The Management Fees section of the fee table above includes PBFs, where it is applicable. The PBF can range from 0% to 1.07%.

### **Buy/sell costs**

When investments are bought or sold, the investment manager must pay certain costs such as brokerage and taxes. This is called the "buy/sell spread". The buy /sell spreads vary between each asset class and investment manager, and ranged from 0% to 1.53% to buy and 0% to 0.40% to sell for the investment managers at 31 March 2011.

The costs are deducted at the time of the transaction from the net investment funds with the individual investment manager.

This is an additional cost to the investor which is deducted prior to the earning rate being declared. No part of the buy/sell spread is paid to the trustee or external manager.

**Please note:** As the pension is a new product and it has the same investment options and managers as the Concept One superannuation product we have used the Concept One Superannuation buy/sell spread figures. Updated buy/sell spread details will be available on the website in approximately October.

### **Service fees**

The following service fees are payable:

#### Payment frequency fee

If you elect to have your pension payment paid monthly, you will be subject to a monthly frequency fee of \$10.00 per month. This fee is deducted from your account on 20<sup>th</sup> of each month.

This fee does not apply if your pension payments are paid quarterly, half yearly or annually.

#### Family Law Fee

The Trustee charges for some costs incurred in attending to certain inquiries and administration work on family law matters. A Family Law Fee of \$165.00 will apply to any information requested about your superannuation or the flagging or splitting of your superannuation for financial settlement. This fee will apply each time a request for information is made after a 12 month period.

This fee is payable by the person who makes the application for information. That is, if the member requests the information, the member can elect to pay the fee by cheque or by deduction from their account. If the applicant is the non-member spouse, the fee is payable by cheque.

Where the fee is charged upon the flagging or splitting of your superannuation, it will be shared equally by both parties and deducted from each party's superannuation entitlement at the time of the flag or split.

### **Tax deductions**

Please note that any tax deduction received by Concept One is passed onto members via the crediting rate that applies to each investment option.

### **Increases to fees**

The Trustee reserves the right to change any fees from their present levels, without member consent. However, you will always be advised in writing at least 30 days before any increase occurs.

### Example of annual fees and costs

This table gives an example of how the fees and costs in Concept One's Trustee Balanced Option can affect your investment over a one year period. You should use this table to compare this product with other pension products.

<b>Example – Trustee Balanced Option : Balance of \$50,000</b>	
<b>Quarterly Pension Payment</b>	
Management costs	1.16% pa + \$156.00 pa (\$3.00 per week)
<b>Equals Cost of Plan</b>	For every \$50,000 in Concept One you will be charged \$580 each year plus \$156.00 in Administration Fees. If your balance was \$50,000, then for that year you will be charged a fee of \$736. <b>What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.**</b>

\* Additional fees may apply. If you make partial withdrawals, you may be charged a withdrawal fee of \$60. If you leave the Concept One early, you may also be charged a Termination Fee of \$60.

\*\* This wording is prescribed by law and fees are not negotiable.

<b>Example – Trustee Balanced Option : Balance of \$50,000</b>	
<b>Monthly Pension Payment</b>	
Management costs	1.16% pa + \$156.00 pa (\$3.00 per week) + \$120.00 (\$10 per month payment frequency fee)
<b>Equals Cost of Plan</b>	For every \$50,000 in Concept One you will be charged \$580 each year plus \$156.00 in Administration Fees plus \$120.00 for the monthly payment frequency fee. If your balance was \$50,000, then for that year you will be charged a fee of \$856. <b>What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.**</b>

\* Additional fees may apply. If you make partial withdrawals, you may be charged a withdrawal fee of \$60. If you leave Concept One early, you may also be charged a Termination Fee of \$60.

\*\* This wording is prescribed by law and fees are not negotiable.

## Tax and your account-based pension

### Taxation on Investment Earnings

There is no tax payable on the investment earnings of your Concept One Pension.

### How is an account-based pension taxed?

The tax treatment for payments made from your pension depends on your age and whether it is a lump sum withdrawal or pension payment.

#### Members over age 60

If you are 60 or over, you do not pay tax on lump sum withdrawals or pension payments.

#### Members under age 60

If you are under age 60 your pension benefits are split into two components, a tax-free component and a taxable component.

You don't pay tax on your tax-free component.

The table below details the tax payable on the taxable component.

Your age at the date payment is received	Your pension payments	Any lump sum withdrawals
Under age 55	Taxed at your marginal tax rates, plus Medicare levy*, with no tax off set***	Taxed at 21.5%**
Age 55-59	Taxed at your marginal tax rate, plus Medicare levy, less the 15% tax offset**	First 165,000**** is tax free balance is taxed at 16.5%**
Age 60 and over	Tax free	Tax free

\*Flood Levy (if applicable) will apply

\*\*Figures include Medicare levy. The Flood Levy (if applicable) will apply to this payment.

\*\*\*Tax offset available if it is a superannuation disability benefit.

\*\*\*\*This is the figure for 2011-12. This amount is indexed in line with Average Weekly Ordinary Times Earnings, in increments of \$5,000.

#### Pension Payments

If you are under 60 and your pension payments are taxable, they will be subject to income tax and will be taxed through the Pay As You Go (PAYG) withholding system, in a similar way to your salary or wages.

However, depending on your age and circumstances, you may be eligible for benefits that reduce the overall tax you pay on your pension payments, including the:

- 15% tax offset
- Tax free threshold.

#### Flood Levy for 2011-12

People, who have a taxable income over \$50,000 in the 2011-12 financial year will have to pay a once off flood levy, unless they are exempt because they were affected by the natural disasters. Strict exemption conditions apply, for further information visit:

[www.ato.gov.au/floodlevy](http://www.ato.gov.au/floodlevy).

### Flood levy table.

Taxable income	Flood levy on this income
\$0 to \$50,000	Nil
\$50,001 to \$100,000	0.5% for each \$1 over \$50,000
Over \$100,000	\$250 plus 1% for each \$1 over \$100,000

### Tax offset

You will be entitled to a tax offset of 15% of the taxable component amount of your pension payments if you are:

- aged between your preservation age (55 to 59) and 60 (once you turn 60 your pension payments are tax free); or
- Permanently incapacitated at the commencement of your pension;
- Receiving the pension as a result of another person if you are 60 or over or the deceased was 60 or over when they died.

At the end of the financial year, we will issue a PAYG payment summary to members who were under age 60 at the start of the financial year which you should retain for your tax records. It shows the total amount of pension paid and the tax instalments deducted for that financial year. We will also forward a copy of your PAYG tax details each year to the Australian Taxation Office (ATO).

### Tax-free threshold

For taxation purposes, if you are an Australian resident, currently the first \$6,000 of your yearly income is not taxed. This is called a tax-free threshold.

### Tax on money you roll over into your Concept One Pension

There is no tax payable when you roll over money from another superannuation fund to Concept One, unless the amount includes an untaxed element (for example, a benefit from certain public sector funds). We are required to deduct tax of 15% from any untaxed element and this is done on receipt of the untaxed benefit.

## Tax on death benefits

The tax payable on death benefits will depend on who receives the payment and the amount received and whether the benefit is received as a pension or lump sum.

A “death benefit dependant” is:

- Your spouse or de-facto.
- Your child\*:
  - under age 18; or
  - between 18 and 25, who is financially dependant on you immediately prior to your death; or
  - who are permanently disabled.
- Any person who was financially dependant on you at the time of your death
- Any person who had an interdependent relationship with you.

\* A pension paid to a child is only allowed to continue until the child turns 18, or ceases to be financially dependant or turns age 25 (save in the case of a disabled child). At that point, the remaining balance will be paid as a lump sum, but this will be tax free.

### Death benefit paid to - death benefit dependant – taxable component

Age of deceased	Superannuation death benefit	Age of recipient	Tax treatment
Any age	Lump Sum	Any age	Tax free
Age 60 and above	Pension	Any age	Taxable component <ul style="list-style-type: none"> <li>• Element taxed in the fund is tax free</li> <li>• Element untaxed in the fund is taxed at marginal rates. Recipient is entitled to a 10% tax off set on this amount.</li> </ul>
Below age 60	Pension	Above age 60	Taxable component <ul style="list-style-type: none"> <li>• Element taxed in the fund is tax free</li> <li>• Element untaxed in the fund is taxed at marginal rates. Recipient is entitled to a 10% tax off set on this amount.</li> </ul>
Below age 60	Pension	Below age 60	Taxable component <ul style="list-style-type: none"> <li>• Element taxed in the fund is taxed at marginal rates. Recipient entitled to 15% tax offset on this amount</li> <li>• Element untaxed in the fund is taxed at marginal rates.</li> </ul>

*Medicare Levy of 1.5% is added to whichever tax rate applies.*

### Death benefit paid to non- death benefit dependant – taxable component

Age of deceased	Superannuation death benefit	Age of recipient	Tax treatment
Any age	Lump Sum	Any age	Taxable component: <ul style="list-style-type: none"> <li>• Element taxed in the fund is tax at a maximum rate of 15%*</li> <li>• Element untaxed in the fund is taxed at a maximum of 30%*</li> </ul>
Any age	Pension	Any age	Benefit cannot be paid in the form of a pension

\*Medicare Levy of 1.5% and Flood Levy (if applicable) is added to whichever tax rate applies.

## General information

### Accessing your benefits

The Government has placed restrictions on when you can access your superannuation benefits. Superannuation is classified into three types:

- Preserved
- Restricted non-preserved
- Unrestricted non-preserved.

#### Preserved

All new contributions made to Concept One and investment earnings must be preserved. Amounts transferred into Concept One from another fund may also be preserved – this will depend on how they transferred amounts were classified in the previous fund.

Preserved benefits can only be paid when you satisfy a condition of release. The current conditions of release are:

- Reaching preservation age (provided you take a TTR)
- Permanent retirement from the workforce on or after your preservation age
- reaching age 65
- Permanent Incapacity
- Terminal Illness
- Death
- On grounds of severe financial hardship (subject to certain conditions and trustee approval)
- On compassionate grounds, as approved by the Australian prudential Regulatory Authority (APRA)
- On termination of employment where your preserved benefit are less than \$200
- Where you are an eligible temporary resident\* who permanently departs Australia.

\*Temporary Residents have restricted conditions of release. If you are a temporary resident, please contact the Administrator for further details on when you can access your superannuation (for example you are not entitled to take out a TTR despite reaching your preservation age) and tax implications that apply.

#### Preservation Age

Your preservation age depends on your date of birth, as shown in the table below:

Date of Birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1964 – 30 June 1964	59
1 July 1964 onwards	60

#### Restricted non-preserved

Amounts transferred into Concept One from another complying superannuation fund may be restricted non-preserved benefits. This will depend on how they were classified in the other fund.

Restricted non-preserved benefits can be accessed on satisfaction of a condition of release as apply to preserved benefits. However, where you had an arrangements with an employer to contribute super form you before 1 July 1999, these benefits may be classified non-preserved. As long as you are employed by the same company, access to these benefits are restricted and cannot be paid. If you terminate your employment (i.e. resigning, retrenchment, dismissal prior to retirement) with an employer who had at any time contributed to Concept One on your behalf, your restricted non-preserved benefits (if any) become unrestricted and can be accessed at any time

#### Unrestricted non-preserved benefits

Amounts transferred into Concept One from another complying superannuation fund may be unrestricted non-preserved benefits. This depends on how they were classified in the other fund.

Unrestricted non-preserved benefits are not subject to preservation and subject to Concept One's rules, may be paid to you at any time.

#### Cooling-off period

You have a 14 day cooling-off period, during which you may cancel your application without incurring fees, however any amount refunded will be adjusted for any increase or decrease in the investment value, any pension payments made and any applicable tax.

The 14 day cooling-off period starts from the date of our Welcome Letter.

You must advise the Trustee in writing of your intention to withdraw your application.

Some restrictions apply to any preserved amounts or restricted non-preserved amounts paid into your pension account. For this reason, any refund may need to be paid into another complying superannuation fund or approved deposit fund or transfer it back into your superannuation account with Concept One.

If you do not have preserved amounts or restricted non-preserved amounts you may take the refund as a lump sum (tax may apply) or roll it over to a Concept One superannuation account or another complying fund.

#### You need to provide ID when you access your pension

Laws were introduced by the Federal Government to help superannuation funds and other financial service providers such as banks and credit unions detect and prevent money laundering and the possible financing of terrorism.

Members must provide identification when receiving certain services such as the payment of benefits or pensions. Concept One is required to collect basic information (including the member's full name, date of birth and residential address) and be able to verify this through the use of reliable and independent documentation such as driver's licence or passport etc. Concept One will advise you of these requirements when you seek payment of a benefit.

## Supplying your Tax File Number (TFN)

Providing your TFN is voluntary. The main advantage of providing your TFN is to ensure that you do not pay any unnecessary tax. You need to provide us with your TFN by using the Tax File Number declaration form included with the application forms at the back of the PDS.

Under the *Superannuation Industry (Supervision) Act 1993* the Plan is authorised to collect your TFN, which will only be used for lawful purposes. These purposes may change in the future as a result of legislative change. The Trustee may disclose your TFN to another superannuation provider when your benefits are being transferred, unless you request in writing to the Trustee that your TFN may not be disclosed to any other superannuation provider.

Providing your TFN to Concept One will have the following advantages (which may not otherwise apply):

- Other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down on your superannuation benefits; and
- It will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

If you do not provide your TFN you may pay more tax on your benefits or pension payments than necessary.

## Protecting your privacy

Your privacy is important to Concept One. Concept One operates within the strict guidelines laid down by the Commonwealth Privacy Act.

The personal information that is collected from you assists us in establishing and servicing your account, processing your contributions, corresponding with you and providing you with superannuation benefits. This information can include your name, address, date of birth, telephone number, Tax File Number and other financial information.

If you choose not to provide your personal information to Concept One, then it may not be able to adequately provide these services to you.

There are also other organisations that provide services to Concept One, which may have access to your personal information. These include:

- mailing companies contracted to manage mail outs to members for Concept One.
- archiving companies to ensure that all documents are stored in a secure environment.
- auditors to oversee Concept One's compliance with legislation.
- legal companies providing advice to Concept One and the Administrator.
- regulatory authorities such as the Australian Taxation Office, Australian Securities and Investments Commission and AUSTRAC, to the extent required by law.
- Your spouse, former spouse or any person who is entitled to seek information from us under the Family Law Act.
- Our professional advisers.

## Enquiries and Complaints

Enquiries can be made directly to the Administrator. Most enquiries can be dealt with over the phone. If the Administrator cannot satisfactorily resolve your initial enquiry, a formal letter of complaint should be sent to the Trustee:

The Complaints Officer Concept One Superannuation Plan Locked Bag 90 WEST PERTH WA 6872
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Your complaint will generally be acknowledged within 30 days of receipt and you will generally receive a written response no later than 90 days after Concept One has received your complaint.

If you are not happy with the decision, you can take the matter further by contacting the Superannuation Complaints Tribunal (SCT). The SCT is an independent tribunal set up by the Federal Government to assist in the resolution of complaints. The SCT will only deal with your complaint if you have already been through Concept One's internal complaints process first.

Time limits may apply, depending on the type of complaint you have. If you do not lodge your complaint within prescribed time limits, the SCT will not have the power to hear the complaint. Please contact the SCT for further information about time limits:

The SCT may be contacted at:

Superannuation Complaints Tribunal

Locked Bag 3060

Melbourne VIC 3001

Telephone: 1300 780 808

Website: [www.sct.gov.au](http://www.sct.gov.au)

## Bankruptcy and superannuation

The Bankruptcy Act 1996 has a number of provisions that affect superannuation. Contributions made with an intention to defeat creditors in a set period before bankruptcy may be returned to creditors.

## Unclaimed benefits

If you reach the eligibility age for an Age Pension (65 for males, and between 60 and 65 for females), have not claimed your benefit and the Trustee is unable to locate you, the benefit will become unclaimed money.

The Trustee must report and pay all unclaimed benefits to the Australian Taxation Office (ATO). The member must then claim the benefit directly from the ATO.

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