Defined Benefit Account guide

Issued: 30 November 2023

This guide is for Brighter Super's Defined Benefit account for former members of City Super's defined benefit section and contains important information on how your Defined Benefit account works. The guide also includes Queensland Urban Utilities and associated employees who are part of the defined benefit section.

Brighter Super respects the privacy of your personal information. You can find out how we use and protect your personal details by getting a copy of our *Privacy Policy* from our website at **brightersuper.com.au** or call us on **1800 444 396** and we will send you a paper copy.

PLEASE NOTE: This product is a closed product, including to existing holders of Brighter Super products. The information contained in this guide is for members holding an existing Brighter Super Defined Benefit account for former members of City Super's defined benefit section. This guide will not be updated in future and is available for information purposes only. If you have any questions about your existing holding, please contact Brighter Super on **1800 444 396**.

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This document has been prepared and issued by LGIAsuper Trustee (ABN 94 085 088 484 AFS Licence No. 230511) (Trustee) as trustee for LGIAsuper (ABN 23 053 121 564) (Fund), trading as Brighter Super. In this document, Brighter Super may refer to the Trustee or LGIAsuper as the case may be. The Trustee is an authorised MySuper product provider (Product number 23 053 121 564 638).

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Brighter Super recommends that you should, before acting on this information, consider your own personal objectives, financial needs and situation. Brighter Super recommends you consult a licensed financial adviser if you require advice that takes into account your personal circumstances. . Brighter Super has representatives that are authorised to provide personal advice on Brighter Super products and superannuation in general.

The information in this document is up to date at the date of preparation of the document. Some of the information may change following its release. If the change is not significant we may not update the document immediately. Current information about investment performance and other issues will be published on our website and in our newsletters. We will send you a free printed copy at your request. Where there is an inconsistency between this document and the Fund's rules as per the LGIAsuper Trust Deed and Government regulations, the rules in the Trust Deed and Government regulations shall prevail.

Let's Grow!

For over 50 years we've helped members plan and enjoy a comfortable retirement by delivering trusted advice and industry-leading performance that is consistently reliable.

From solid, long-term investment performance to good governance and a unique understanding of the needs of local communities, there are many reasons why Brighter Super members choose us to look after their financial future.

As a member with a Brighter Super Defined Benefit account you have access to:

A defined benefit

Calculated as a multiple of final average salary (FAS).

An accumulation account

Made up of an Occupational plan account plus any extra contributions and money transferred into Brighter Super from other funds. This amount fluctuates with investment earnings, which may be positive or negative.

Compulsory member contributions

You are required to contribute 5% standard contributions (or 5.89% if you choose to salary sacrifice). Your employer must make the contributions necessary to fund your defined benefit.

Low fees

Fees and insurance premiums are generally paid by your employer, but some investment fees are taken into account before setting the investment earnings rate on the accumulation components of your benefit.

Insurance

We offer insurance solutions to protect the financial future of you and your family. Some of your benefits are supported by Death and Total and Permanent Disablement (TPD) insurance that covers you 24 hours a day, 7 days a week and may continue after you leave your employment. Income Protection cover is also provided automatically.

Trusted, reliable service

Brighter Super is committed to giving you trusted, reliable service you can count on. When you phone or visit us you speak to someone who cares about you and understands super.

Information

Come to our free seminars, read our regular newsletter, or see the wide range of publications on our website. Register for Member Online and you can view your account balance and update your details whenever you wish.

Financial advice

Our trusted and reliable team can show you how to make your super work harder and give you information to help you actively make informed decisions on a range of topics while you're working and when you stop. You can also meet with an authorised representative for more comprehensive personal advice.

Personal contributions

We can accept personal contributions if you want to add to your accumulation benefit.

Flexible pension products

Brighter Super offers a Transition to Retirement Pension account (some restrictions apply) and if you're retired you can access our Pension account. See our *Pension accounts Product Disclosure Statement (PDS)* for details.

Lifetime Pensions are also payable for certain former Councillors and their spouses.

How a Defined Benefit account works

As a member with a Defined Benefit account, most of your employer's contributions, your standard member contributions and investment earnings are pooled with those of other members with Defined Benefit accounts. Benefits are paid from this common pool as and when required.

Your benefits are defined by a formula and are generally not subject to fluctuations in investment returns.

Your employer contributes the amount determined by Brighter Super's Actuary as necessary to fund the defined benefit component of all members of the Defined Benefit scheme, including pensions payable to former Councillors and their spouses. All benefits are subject to a legislated minimum requisite benefit or any other minimum benefit that may apply.

Brighter Super does not keep a separate account for these contributions for each member. We invest the assets of the pool and the employers bear the investment risk through the contribution rates determined by the Actuary. Your employer's contributions and your standard member contributions cease when you attain the age of 70 years.

Accumulation accounts

As a Defined Benefit member your employer pays an additional 3% of your salary into an Occupational plan account. In addition, any voluntary contributions, voluntary salary sacrifice contributions or other super you transfer to Brighter Super will go into an accumulation account. See *Contributing to your super* on page 4 for more details.

Amounts in your accumulation accounts are paid in addition to your defined benefit.

Lifetime and Contingent Pensioners

Lifetime Pensioners are certain former Brisbane City Councillors and their spouses that are currently in receipt of a lifetime pension payable from Brighter Super.

Contingent Pensioners are spouses of former Councillors whom previously elected to commute their lifetime pension to a lump sum. Contingent Pensioners are entitled to a pension on the death of the former Councillor.

Defined benefit contributions are generally from:

- your employer
- you.

Any other contributions add to your accumulation account and grow with investment earnings. These could be from:

- your employer
- you
- your partner
- the Australian Government, if you are eligible to receive the super co-contribution.

Lifetime Pensioners cannot contribute

Former councillors and their spouses who are in receipt of, or entitled to, receive a Lifetime Pension from Brighter Super are not able to contribute to their Lifetime Pension account. As such, the contribution arrangements and caps described in this section do not apply. Brisbane City Council contributes the amount required to fund this pension.

Employer contributions

Your employer contributes 3% of your salary to your Occupational plan account plus whatever is required to fund the balance of your defined benefit (determined by an Actuary).

Standard member contributions

You are required to contribute 5% of your salary in standard member contributions toward your defined benefit. The contributions can be made from after-tax pay, or if your employer agrees, by salary sacrifice. See *Salary sacrifice* in this section for more information.

Personal contributions

Personal contributions are extra amounts that add to your accumulation account and grow if there are positive investment returns. They do not form part of your defined benefit.

For more information, refer to our *Accumulation account Product Disclosure Statement (PDS)* available at **brightersuper.com.au** or by calling us on **1800 444 396**.

Salary sacrifice

Salary sacrificing contributions is where your employer agrees to pay a certain amount of money into your super from your before-tax pay instead of paying that amount to you as salary. You can salary sacrifice your standard member contributions and/or extra contributions if your employer allows it.

Because your super contributions are taken from your before-tax salary you will not have to pay income tax on them. And if you're paying less income tax then you could receive an increase in your take home pay.

Salary sacrifice contributions are still subject to the 15% contributions tax (subject to contributions caps, see page 5, and higher income earners, see page 23) and are deducted at the time of contribution.

If you choose to salary sacrifice your standard member contribution, it increases from 5% to 5.89% so that a full 5% is left to fund your defined benefit after the deduction of the 15% contributions tax.

Salary sacrificed amounts are not eligible to receive the super co-contribution from the Australian Government. So, if you are eligible, you have the option to do a combination of salary sacrifice and after-tax personal contributions.

Super co-contributions

The super co-contribution is an incentive offered by the Australian Government to encourage you to save for retirement.

Here's how it works.

The government will contribute up to 50 cents for each $1 you contribute to super, if you are employed and your total income is less than the limit set each year. The 5% standard member contribution may be eligible for the co-contribution if paid from your after-tax salary.

Salary sacrificed contributions or personal contributions for which you claim a tax deduction do not attract the co-contribution.

For more information on this government incentive, including current limits, refer to the *Super support for low and middle-income earners info sheet* from our website or call us. You can also find out more from the Australian Taxation Office website at **ato.gov.au**.

Spouse contributions

You can contribute to Brighter Super on behalf of your partner or have your partner contribute to your account, so long as you are living together and the receiving spouse is under age 67 (in some cases up to age 75).

For more information, refer to our *Accumulation account Product Disclosure Statement (PDS)* available at **brightersuper.com.au** or by calling us on **1800 444 396.**

Contribution splitting

Any additional salary sacrifice contributions made to your accumulation account can be split with your spouse. You can do this once a year for contributions made in the previous financial year.

You are unable to split the employer contribution or the standard member contribution as these go toward your defined benefit. For more information get a copy of our *Super for your partner info sheet*.

Transfers from other super fund

By transferring your other super to Brighter Super you could save money on fees and insurance costs. And it's easy to do. Simply:

- use our online transfer tool to roll your other super into Brighter Super. It only takes 5 minutes!
- complete the *Transfer to Brighter Super* form available from our website or by calling us and return it to Brighter Super.

Contribution caps

There are limits on amounts that you and your employer can contribute to super each year.

Concessional (before-tax) contributions

The cap on concessional contributions (including employer contributions, any salary sacrifice contributions and personal contributions for which you claim a deduction) is $27,500 for the 2023/24 financial year. Contributions up to this limit are taxed at 15%, while amounts above it are taxed at your marginal tax rate (including the Medicare levy).

Special rules apply for members with a Defined Benefit account. A notional taxed contribution based on a formula prescribed in the *Income Tax Assessment Act 1997* counts toward your concessional cap.

This formula is generally:

NTCC = 1.2 x (NER x S x D/365 - M)

Where:

NER	is the New Entrant Rate, which is fixed at 9%;
S	is your superannuation salary on the first day of the financial year in which you had a defined benefit in Brighter Super;
D	is the number of days in the financial year that your defined benefit accrued;
M	is the amount of post-tax (non-concessional) standard member compulsory contributions you made to fund your defined benefit during the financial year. If you make your compulsory contribution via salary sacrifice for the entire financial year, M will be equal to nil.

The above calculation is modified if you work part-time, take extended leave without pay or where there is a change in your defined benefit. To find out how we calculate your notional taxed contributions, please call us.

Any other concessional contributions such as your 3% occupational contributions or additional salary sacrifice contributions will be added to your notional taxed contributions and you may exceed your concessional cap and be taxed at the higher rate. You should contact Brighter Super for further information.

Additional contributions tax may apply to concessional contributions for high income earners.

Refund of excess concessional contributions

If you exceed your cap you can elect to withdraw your excess contributions from super. The ATO will contact you to explain your options. If you are likely to exceed the cap you should talk to us on **1800 444 396** or seek advice from a financial adviser.

Non-concessional (after-tax) contributions

The amount of non-concessional contributions (including 5% standard contributions, not salary sacrificed and personal contributions for which you don't claim a deduction) you can pay into super is capped at $110,000 for the 2023/24 financial year. If you are under age 74 you can make larger payments of up to $330,000 by using your cap for up to 3 years.

For the 2023/24 financial year, the amount of the non-concessional contributions cap you can bring forward is either:

- ✓ three times the annual non-concessional contributions cap over three years (that is, $330,000) if your total super balance on 30 June of the previous financial year is less than $1.68 million
- ✓ two times the annual cap over two years (that is, $220,000) if your total super balance on 30 June of the previous financial year is above $1.68 million and less than $1.79 million
- ✓ nil ($0) if your total super balance is $1.9 million or above.

Your benefits

The benefit you receive is determined in accordance with a formula contained in the Fund's Trust Deed. The formula used to calculate your benefit depends on the circumstances under which you leave your employer. Benefits for Lifetime and Contingent Pensioners are described at the end of this section.

There are some important terms that are used when calculating your benefits:

Final average salary (FAS) is the average of your annual salary each year in the three years immediately before the date your benefit becomes payable. Your salary is advised to us by your employer at 1 April and 1 October each year.

For example, if you finished work on 1 December 2009, your FAS would be the average of the salaries advised to us by your employer on 1 October 2009, 1 April 2009, 1 October 2008, 1 April 2008, 1 October 2007 and 1 April 2007.

Completed membership is the period of your membership in the fund calculated in years, with complete months counted as fractions of a year. Your completed membership is modified to calculate benefits on death or total and permanent disablement.

Completed membership excludes any period during which you were temporarily absent from employment and not receiving salary, unless you continue to contribute to the fund as required during the period of absence or the Trustee decides to include the period under special circumstances.

Retirement multiple is the annual percentage of final average salary that accrues to you per year of completed membership. The rate for a full-time employee is 17.5% per annum.

Salary for the purposes of working out your benefits means your regular remuneration calculated in accordance with the classification rate, and includes the amount of any:

- supplementary payment (where relevant)
- over award payment
- shift loading.

It does not include any:

- bonuses
- commissions
- overtime payments
- vehicle hire allowances
- weekend or other penalty rates
- other fee or allowance.

Normal retirement benefit

If you retire at any time from age 55 to age 69, your benefit is calculated as:

17.5% x your FAS x your completed membership

+ the balance of your accumulation accounts

- any government charges or taxes

This calculation is subject to an additional calculation to ensure your benefit meets the minimum legislated requisite benefit and may also be subject to a minimum benefit from a former fund (such as the BCC Staff Provident Fund). If this applies to you, the calculation will be shown on your exit statement and at the time your benefit is paid.

Examples

Dave

Dave joined the fund on 1 January 1987 and retired at age 65 on 31 December 2008.

Dave's multiple

22 years completed membership x 17.5% **= 3.85**

Dave's salary history

1 October 2008	$47,500
1 April 2008	$47,500
1 October 2007	$42,500
1 April 2007	$42,500
1 October 2006	$40,000
1 April 2006	$40,000

Dave's FAS

($47,500 + $47,500 + $42,500 + $42,500 + $40,000 + $40,000) ÷ 6 **= $43,333**

Dave's retirement benefit is calculated as

3.85 x $43,333 **= $166,832**

plus the balance of his other accumulation accounts

Terry

Terry joined the fund on 31 May 1993 and retired at age 60 on 1 June 2010.

Terry's multiple

17 years completed membership x 17.5% **= 2.975**

Terry's salary history

1 April 2010	$145,000
1 October 2009	$145,000
1 April 2009	$130,000
1 October 2008	$130,000
1 April 2008	$120,000
1 October 2007	$120,000

Terry's FAS

($145,000 + $145,000 + $130,000 + $130,000 + $120,000 + $120,000) ÷ 6 **= $131,667**

Terry's retirement benefit is calculated as

2.975 x $131,667 **= $391,709**

plus the balance of his other accumulation accounts

Late retirement benefit

Once you reach age 70, your contributions and retirement multiple cease and your Defined Benefit account is converted to an accumulation style account, which will be subject to market fluctuations ('smoothed' over a 3-year average).

You do not have investment choice on this component of your late retirement benefit, however you can ask us to convert your Defined Benefit account to an Brighter Super Accumulation account.

You will also receive the balance of your other accumulation accounts when your benefit is paid.

Leaving your employer prior to age 55 (withdrawal benefit)

If you leave your employer before age 55, your defined benefit is reduced by a discount factor of 1% for each year and completed months (expressed as a fraction of a year) prior to age 55, calculated as:

17.5% x your FAS x your completed membership

x (1 - discount factor)

+ the balance of your accumulation accounts

- any government charges or taxes

Example

Jeff

Jeff joined the fund on 1 July 1997 and ceased working with his employer at age 53 (13 years completed membership). Jeff's FAS when he resigned was $40,000.

Jeff's discount factor	
The discount factor is 1% for each year prior to age 55.	
Therefore, Jeff's discount factor is equal to 1% x (55 - 53)	**= 2%**
Therefore, Jeff's multiple is	
13 years competed membership x 17.5% x (1 - 2%)	**= 2.2295**
Jeff's withdrawal benefit is calculated as	
2.2295 x $40,000	**= $89,180**
	plus the balance of his other accumulation accounts

You can leave your super with Brighter Super indefinitely. Once you leave your employer, your super is transferred to an Accumulation account. See page 12 for more details.

Death benefit

A death benefit is calculated in the same way as your normal retirement benefit, however your retirement multiple is adjusted as if you had continued to work until age 65, multiplied by your salary at the date of your death, calculated as:

17.5% x your salary as at the date of your death

x your completed membership to age 65

+ the balance of your accumulation accounts

– any government charges or taxes

Example

Jill

Jill joined the fund on her 40th birthday and died on her 57th birthday. Jill's salary was $45,000 at the time of her death.

Jill's multiple

17.5% x completed membership to age 65 = 17.5 x (65 - 40)	**= 4.375**

Jill's death benefit is calculated as

4.375 x $45,000	**= $196,875**
	plus the balance of her other accumulation accounts

If you die after age 65 but before you retire, your death benefit is calculated as per the late retirement benefit on page 8, as if you had retired on the date of your death. Once a death benefit calculation takes place, the benefit is invested in the Cash investment option until payment can be made.

If you die, your superannuation and any insurance payable can help support your dependants. There are rules set out in the Fund's Trust Deed and in Australian Government legislation that allow us to pay death benefits to:

- Your spouse — married, de facto or same-sex partner.
- Your children — including step-children, adopted children, mature-age children or the child of a spouse.
- Someone in an interdependent relationship with you (someone who lives with you and shares a close personal relationship where one or both of you provide financial and domestic support, and personal care of the other).
- Your legal personal representative (i.e. Executor of your Will or the administrator of your Estate).
- Financial dependants (such as someone who relies on you financially).

Nominating who will receive your benefit

Before we pay a death benefit, Brighter Super will look at whether you have advised us who you would prefer to receive your money. You can do this in one of three ways:

- **Preferred beneficiary nomination -** this is not binding, meaning that we will have discretion to decide who will receive your Death benefit. Upon your death, we will consider your nomination but will take into account a range of other factors (such as the personal circumstances of your dependants) when making a decision about who will receive your benefit.
- **Binding death benefit nomination -** this is binding if a valid nomination. This means that we must pay your Death benefit to your nominated dependents or legal personal representative in accordance with your instructions, without taking into account any other factors. A binding death benefit nomination lapses after three years.
- **Non-lapsing death benefit nomination -** this is also binding if it is a valid nomination. We will pay your Death benefit in accordance with your instructions if we have consented to the nomination and it is still valid.

Tax implications for beneficiaries of a death benefit

There are different tax rules that apply to a death benefit paid from a superannuation fund, depending on whom the benefit is paid to or, where the benefit is paid to your estate, who benefits from the estate. Brighter Super recommends you seek financial advice regarding the treatment of your estate after your death. For more information on how death benefits are paid, visit our website or call us for a copy of our *Death benefits info sheet*.

You may be able to access your accumulation account balance if you have a medical condition that is likely to result in your death in the next 24 months. Please contact us to discuss your situation.

Total and Permanent Disablement (TPD) benefit

If you become totally and permanently disabled and cease employment as a result of the disability, Brighter Super will pay you a TPD benefit calculated as:

17.5% x FAS as at the date of your disablement x your completed membership to age 65 (adjusted for any periods of part-time employment or leave without pay)

+ the balance of your accumulation accounts

– any government charges or taxes

If you cease employment as a result of the disability after age 65, you will receive the retirement benefit applicable to your age at the date of disablement.

You would be considered to be totally and permanently disabled if you meet the relevant TPD definition in place at the time of your disablement.

Total and Permanent Disablement (TPD)

"Totally and Permanently Disabled", "Total and Permanent Disablement", "Total and Permanent Disability" or **"TPD"** means:

- you satisfy Part (1), (2) or (3) of the definition below; and
- as at the date of disablement and continuing since then, you are determined by the insurer to be permanently incapacitated solely as a result of injury or illness to such an extent as to render you unable ever to engage in any gainful occupation, business, profession or employment, for which you are, or may become, reasonably suited by education, training or experience. In making this determination, the insurer will consider any reasonable retraining.

Part 1: Unable to return to work

At the event date you were:

- not a casual and working for a minimum of 14.5 hours per week in the 6 consecutive months immediately prior to the event date; or
- not a casual and working for less than 6 consecutive months immediately prior to the event date but had worked for a minimum of 14.5 hours each week since commencing work and the event date; or
- not a casual and on employer approved paid or unpaid leave for no more than 24 months but had worked for a minimum of 14.5 hours each week in the 6 consecutive months immediately prior to the day you commenced your employer approved paid or unpaid leave; or
- not a casual and on employer approved paid or unpaid leave for no more than 24 months but had worked for a minimum of 14.5 hours each week since commencing work and the day you commenced your employer approved paid or unpaid leave;

and as a result of injury or illness, you are totally unable to engage in any occupation, business, profession or employment for a period of 6 consecutive months since the event date.

Part 2: Everyday Working Activities (EWA)

As a result of injury or illness, you will be permanently unable to perform (with aids or adaptations) at least two of the following activities of daily work:

- Bending: the ability to bend, kneel or squat to pick something up from the floor and straighten up again; and the ability to get into and out of a standard sedan car;
- Communicating: the ability to:

  1. clearly hear with or without a hearing aid or alternative aid if required; and

  2. comprehend and express oneself by spoken or written language with clarity;

- Vision (distance vision): the ability to read, with visual aids, to the extent that an ophthalmologist can certify that:

  1. visual acuity is equal to, or better than, 6/48 in both eyes; or

  2. constriction is greater than within 20 degrees of fixation in the eye with the better vision;

- Walking: the ability to walk more than 200m on a level surface without stopping due to breathlessness, angina or severe pain elsewhere in the body;
- Lifting: the ability to lift from the ground an object weighing 5kg, carry it a distance of 10 metres, and place the item down at bench height;
- Manual dexterity: the ability, with reasonable precision and success, to:

  1. use at least one hand, its thumb and fingers, to manipulate small objects; or

  2. use a keyboard if you were required to use a keyboard in your previous job.

The permanent inability to perform the activities of daily work must have lasted for a continuous period of six months or more.

Part 3: Normal Domestic Duties

As a result of illness or injury, you are:

(a) Following the advice of a Medical practitioner in relation to the injury or illness for which you are claiming; and

(b) unable to perform Normal Domestic Duties for a period of six consecutive months since the event date; and

(c) as at the date of disablement:

(i) incapable of ever performing any Normal Domestic Duties; and

(ii) incapable of ever working in any gainful employment for which you are reasonably suited by education, training or experience.

Terminal Illness benefit

If you are diagnosed with a Terminal Illness that is likely to lead to your death within 12 months you may be eligible to have a benefit paid which is calculated in the same way as the TPD benefit. You would need to provide the appropriate verification of your condition and the likelihood that it will result in death within 12 months. You may be able to access your accumulation account balance if you have a medical condition that is likely to result in your death in the next 24 months. Please contact us to discuss your situation.

Circumstances that may affect your benefit

Apart from retirement and illness there are a number of other personal circumstances which may affect your account, the calculation of your benefits, your insurance coverage or your eligibility to keep your Defined Benefit account.

What if I change to part-time employment?

Brighter Super always uses the full-time equivalent salary in FAS calculations to ensure that if you reduce your working hours, you do not experience a drop in the benefit you accrued while working full-time. Instead, your retirement multiple will grow more slowly during periods of part-time work. For example, if you are working 3 days a week (60% of full-time hours) your multiple would accrue at a rate of 10.5% per year (60% x 17.5%) while you are working part-time, instead of the 17.5% you would receive each year working full time.

Example

Jane

Jane has been working full-time for the past 20 years. She is considering working 3 days per week from 1 July 2016 for the next 2 years leading up to her retirement. She currently works full-time, and wants to know how this will affect her defined benefit.

Jane's defined benefit multiple is calculated as

Multiple at 30 June 2016 =	
20 years x 17.5%	**= 3.5**
Multiple growth during part-time work (60%) =	
60% x 17.5%	**= 10.5% per year**
Multiple at 30 June 2018 =	
3.5 + (2 years x 10.5%)	**= 3.71**

If you change to part-time employment and have Income Protection cover (see *Insurance in your super* on page 15 of this guide), provided you are working 14.5 hours or more per week your cover will continue but your benefit will be calculated on your part-time salary. If you work less than 14.5 hours per week, your Income Protection cover will cease.

Leaving your employer

You can leave your super with Brighter Super indefinitely. Once you leave your employer, your super is transferred to an Accumulation account. You can have your new employer contribute to your super and you will continue to have the same level of Death and Total and Permanent Disablement insurance cover, converted to an equivalent number of units (rounded up to the nearest whole unit).

If you choose to increase this unitised level of cover at this time, the additional units of cover will be subject to you providing medical evidence of health and approval by the Insurer. You may reduce your level of cover or opt for Death only cover at any time. All cover must be in whole units.

If you have a default waiting period of 395 days it will reduce to 90 days when you leave your employer. Your premiums will increase accordingly. Otherwise, any Income Protection cover you have will remain at your existing level unless you apply to alter your level of cover. If you change employer it is important that you review your level of Income Protection cover to ensure it is still relevant to your circumstances (i.e. you are still working 14.5 hours per week or more and cover is no more than 75% of your new salary).

If you wish to increase your Income Protection cover (or you do not have Income Protection cover but wish to apply), you will be required to provide the Insurer with medical information about yourself with the increase subject to approval by the Insurer.

A request to reduce or cancel your Income Protection cover can be made at any time by completing an *Insurance cancellation form*.

If you transfer your benefit out of Brighter Super all insurance cover will cease.

Lifetime and Contingent Pensions

Lifetime Pensions

Lifetime Pensions are payable fortnightly and are indexed as follows:

- No indexation applied if the pension payable to the former Councillor first commenced prior to 27 March 1975.
- 3% per annum indexation applies if the pension payable to the former Councillor first commenced on or after 27 March 1975.
- Indexation in line with the Consumer Price Index (CPI)[1] applies if the pension payable to the former Councillor first commenced on or after 1 July 1976.
- Indexation is applied on 1 October each year, where applicable.

Upon the death of the former Councillor in receipt of a Lifetime Pension, the pension reverts to the former Councillor's spouse at the rate of 5/8th's of the pension at the date of death, unless otherwise stipulated in the Fund's Trust Deed.

Lifetime Pensions are payable to the spouses of former Councillors until the spouse dies or re-marries, however if the new spouse subsequently dies, the spouse is entitled to recommence receiving a Lifetime Pension.

Contingent Pensions

A Contingent Pension becomes payable to the spouse of a former Councillor upon the former Councillors death of the former Councillor, regardless of whether they were in receipt of a Lifetime Pension.

The amount of the pension payable is equal to 5/8th's of the Lifetime Pension that would have been payable when the former Councillor ceased to hold office as an alderman for the Brisbane City Council.

The pension is not indexed until such time as the pension becomes payable.

Once in payment, pensions are payable fortnightly and are indexed as follows:

- No indexation applies if the former Councillor ceased to hold office as an alderman for the Brisbane City Council prior to 27 March 1975;
- 3% per annum indexation applies if the former Councillor ceased to hold office as an alderman for the Brisbane City Council from 27 March 1975 to 30 June 1976;
- Indexation in line with the Consumer Price Index (CPI)[1] applies if the former Councillor ceased to hold office as an alderman for the Brisbane City Council on or after 1 July 1976.

Indexation is applied on 1 October each year, where applicable.

1 Consumer Price Index – All Groups (Brisbane) to 30 June as published by the Australian Bureau of Statistics.

How we invest your money

Members of the Defined Benefit account have a set investment strategy for their defined benefit. You do not bear the investment risk associated with the investments that support your defined benefit.

The investment strategy for the Defined Benefit account is set by the Trustee. Our goal is to ensure that there are always sufficient funds available to meet the payment of benefits for all members.

As you do not bear the investment risk associated with the investments that support your defined benefit, you do not have a choice about how the defined benefit is invested. You do have investment choice for your accumulation accounts, however if you do not make a choice they will be invested with the other funds supporting the defined benefits (see table on page 14). The final earning rate you receive each 30 June is still the average return for the previous 3 financial years. This smooths returns from year to year.

For calculations made during the year, an interim rate that averages returns for the last two financial years, actual returns for the current year to date and the most recent 90 day bank bill rate less tax for the period left to next 30 June is used. The smoothed return only applies until you leave employment or make an investment choice for your accumulation accounts.

You have a choice of investment options for your accumulation accounts. Once you make a choice, you are unable to return to the smoothed return. For more information on our other options, see the *Investment choice guide* available from **brightersuper.com.au/pds** or call us on **1800 444 396**.

Defined Benefit account

STRATEGIC ASSET ALLOCATION & RANGES

	SAA %	RANGES %
Australian shares	9	0 - 27
International shares	11.5	0 - 27
Private equity	7.5	0 - 20
Property	15	0 - 20
Infrastructure	10	0 - 20
Diversifying strategies	5	0 - 20
Diversified fixed interest	35	0 - 50
Cash	7	0 - 20

RETURN TARGET[1]

Return target is to achieve AWOTE[2] +1.5% over rolling ten-year periods.

RISK

Your employer bears the investment risk.

RETURNS

Past performance is not an indicator of future performance. Returns are at 30 June.

	Annual investment return[1]	Smoothed earning rate[3]
2023	5.73%	3.63%
2022	-2.61%	2.50%
2021	8.09%	5.74%
2020	2.29%	5.83%
2019	6.93%	7.47%
2018	8.36%	6.59%
2017	7.13%	6.15%
2016	4.33%	7.11%
3 Yr avg (% p.a.)	3.63%	3.95%

[1] Returns are net of administration fees, investment fees and taxes for a representative member.
[2] Average Weekly Ordinary Times Earnings (AWOTE) for full-time adult employees, Proxy for salary growth.
[3] The earning rate is formally determined at the end of each financial year as the compound average return (net of investment fees and taxes) on the underlying investments over the previous three years.

Asset allocation

The asset allocation ranges are the minimum and maximum amounts we can invest in each asset class. The strategic asset allocations may change from time to time as we adjust our outlook for the economy and investment markets. The strategic asset allocations are current as at the date of the publication and updated information can be found on our website.

Closing your defined benefit

When we are notified by your employer that you have ceased working with them, we will close your Defined Benefit account effective the date you ceased employment and convert it to an Accumulation account. If you choose to leave the Defined Benefit account during your employment, we will close the account from the date we receive your request and convert it to an Accumulation account. We will send you a letter that clearly explains what will happen to your money and the timeframes involved after we are notified of you ceasing employment. We briefly discuss this process below.

Your defined benefit

When your defined benefit account is closed, the defined benefit component is calculated as at the date you ceased employment or we received your request to close your account. The resulting balance is then transferred to an Accumulation account with any other accumulation money you have (see below) and the entire balance will grow with investment returns (note returns can be positive or negative) and any other contributions we may receive for you in future.

We will initially invest your former defined benefit money in the Cash investment option until we have given you the opportunity to make an investment choice. If we don't hear from you within the nominated period advised to you by us, we will switch your investment in the Cash option to the MySuper option at the next available switch date after the expiry of the nominated period.

Your accumulation money

When your defined benefit account closes any accumulation money you have will be transferred to an Accumulation account with your defined benefit money and invested as below:

- If you have previously made an investment choice for your accumulation money, it will stay invested as it was immediately prior to the transfer.
- If you have not previously made an investment choice for your accumulation money, it will be invested in the MySuper option from the day we open your Accumulation account.

If you make an investment switch any time after closing your defined benefit it will apply to all money in your accumulation account including the former defined benefit money that is initially invested in the Cash option.

For further information about risks and benefits of the Accumulation account, please see our *Accumulation account Product Disclosure Statement* available at **brightersuper.com.au**.

Insurance in your super

Suffering an illness or injury can be worrying enough, but have you thought about the added financial stress you or your family could suffer if the illness or injury prevented you from working? With Brighter Super, death and disability insurance that covers you 24 hours a day 7 days a week is automatically built into your Defined Benefit. From 1 July 2012 you were also provided with automatic Income Protection cover, so you, your family and your lifestyle are protected.

Death and Total and Permanent Disablement (TPD)

Death and TPD insurance cover is automatically built into your Defined Benefit until you turn 65. See pages 9 and 10 for how these benefits are calculated.

If you leave your employer, your Death and TPD insurance cover will be converted to an equivalent number of units, rounded up to the nearest whole unit, in your Accumulation account. Premiums for this insurance will be deducted from your account.

Income Protection cover

Income Protection cover can replace your salary or wage if you become sick, injured or temporarily disabled and cannot work.

Your Income Protection cover gives you a monthly benefit based on 75% of your pre–disability salary for a benefit period up to 2 years if you suffer total disability or partial disability.

We recalculate your Income Protection cover on your birthday each year based on the latest salary provided by your employer, while you are working for Queensland local government (includes entities, water businesses and associated employers).

Are there any exclusions on my insurance?

In the event of war involving Australia, New Zealand or your country of residence, the Insurer may exclude cover (not pay a claim) for any event that gives rise to a claim that is caused directly or indirectly, wholly or partially, by such a war.

With Brighter Super's Income Protection insurance you

- can be covered for a monthly benefit of 75% of your salary
- could have cover of up to $20,000 each month automatically—without having to show medical evidence, if you have a permanent position working at least 14.5 hours per week
- have the option to change your waiting period
- will receive a benefit for up to 2 years for any one injury or illness. Income Protection benefits will cease prior to the end of the 2-year benefit period if you return to work (earning more than 75% of your salary), if you are entitled to receive a Total and Permanent Disablement or Terminal Illness benefit or if you die
- will have your benefit start on the latter of the cessation of your employer provided sick leave, or the date you complete your waiting period
- get a recalculation of insurance on your birthday each year while working for Queensland local government (includes entities. water businesses and associated employers), if you work permanently and for at least 14.5 hours per week
- could be eligible to pay reduced premiums for White Collar or Professional occupations (subject to other conditions)

When does my Income Protection cover stop?

Your cover will stop as a result of the earliest of these events:

- your 65th birthday (or your 64th birthday if you have a 395 day waiting period)
- the date your account falls to zero
- you leave Brighter Super
- you permanently cease work
- you have your TPD or Terminal Illness claim approved
- you cancel your insurance cover
- you are a non Australian resident who holds a visa and temporarily leave Australia for more than 3 months
- you are no longer employed for at least 14.5 hours each week as a permanent employee or contractor, except where you start working at least 14.5 hours per week with a new employer as a permanent employee or as a contractor within 60 days
- you commence Active Service with the armed forces of any country (except if you are a member of the Defence Force Reserve, in which case, cover will stop only when you become the subject of a call out order under the *Defence Act* 1903 (Cth))
- you are on employer-approved paid or unpaid leave for longer than 24 consecutive months
- you die.

How much cover do I get?

If you are eligible to automatically receive Income Protection cover you will be covered up to a maximum benefit of 75% your of salary or $20,000 each month.

How do I work out my level of cover?

Your automatic Income Protection cover is for 75% of your gross monthly salary, paid directly to you. Your cover is calculated as 75% of your annual salary (pro-rated and paid each month).

Example 1

Annual salary

$40,000

75% of annual salary

$30,000

Monthly benefit (75% of salary)

= $2,500 ($30,000 ÷ 12 months)

Example 2

Annual salary

$260,000

75% of annual salary

$195,000

Monthly benefit (75%) of salary

= $16,250 ($195,000 ÷ 12 months)

The total benefit is restricted to $20,000 per month unless the amount over $20,000 is underwritten. If accepted by the Insurer, the maximum benefit available is $30,000 per month.

Maximum amounts with and without underwriting

The maximum Income Protection cover you automatically receive without underwriting (which means without having to show the Insurer you are in good health by providing medical evidence) is $20,000 each month, including the super contributions.

You can increase your monthly maximum benefit to $30,000 if your income requires it and if you can show you are in good health by providing the Insurer with relevant medical evidence. This process is called underwriting and you can read more about it in the Insurance guide available on our website **brightersuper.com.au** or by calling us on **1800 444 396** for a copy.

How long will I receive an Income Protection benefit for?

If you claim an Income Protection benefit it is payable for a maximum of 2 years.

Do waiting periods apply?

The default waiting period for Income Protection is 395 days for employees of Brisbane City Council and Queensland Urban Utilities. You can apply for a different waiting period (options include 30, 60, 90, 120, 180 or 395 days), however underwriting may apply. Complete the *Insurance application* form at **brightersuper.com.au/forms** or call us on **1800 444 396** to apply.

If you have a default waiting period of 395 days it will reduce to 90 days when you leave your employer. Your premiums will increase accordingly.

When could my benefit be reduced?

If you receive other income payments from disability or insurance policies (i.e. other personal insurance policies, workers compensation or insured benefits provided by your employer), your benefit payment may be reduced or not paid. The amount we pay plus the other payment(s) must not be more than your monthly benefit and 75% of your pre disability salary, whichever is greater. The application of any reduction of your Income Protection benefit as a result of the receipt of other income is as specified in the Insurer's policy.

If I am receiving an Income Protection benefit, when will my benefit stop?

You will receive an Income Protection benefit up to a maximum of 2 years for any one illness or injury.

How much will my cover cost?

The premium you pay for your Income Protection insurance is directly related to the risk of your occupation, your cover amount, your age, your gender and your waiting period.

All Brighter Super members automatically default into the Blue Collar occupational risk premium rate (see Table A on page 18). However, if you tell us you work in a White Collar or Professional occupation you could receive a discount on your premium.

To change your risk rating log in to your account at **brightersuper.com.au** or complete the *Occupational risk rating change* form available at **brightersuper.com.au/forms**.

Whether or not your occupation qualifies you for an occupational premium discount is at the discretion of the Insurer. Your discount will apply from the date the Insurer determines you qualify for a premium discount.

Premiums are deducted automatically from your accumulation account in monthly instalments in arrears.

Your premium will depend on your insured benefit, your age, your gender, your occupation and the waiting period you choose.

White collar occupation

You are engaged in an occupation which is administrative, clerical or sedentary and you spend at least 80% of your total working time in an office or similar environment carrying out those office-based duties.

Professional occupation

- You are a professional white-collar worker with a university degree qualification relevant to your field (e.g. lawyer, doctor, solicitor, accountant, any member of a professional institute or a member registered by a government body) and you spend at least 80% of your total working time in an office or similar environment carrying out office-based duties, or
- You are an executive or senior managerial white-collar worker employed by an independent employer earning an annual salary package in excess of $100,000 (including any superannuation contributions made by, or on behalf of, your employer) and you spend at least 80% of your total working time in an office or similar environment carrying out office-based duties.

Your annual Income Protection premium is calculated as follows:

Your monthly insured benefit ÷ 100 x the premium rate from Table A (as per your age, gender and occupation) x your waiting period multiple from Table B

If you are a Brisbane City Council or Queensland Urban Utilities employee and have the default 395 day waiting period, your annual Income Protection premium is calculated as follows:

Your monthly insured benefit (see *How do I work out my level of cover?* on page 16) ÷ 100 x the premium rate from Table A (as per your age, gender and occupation) x 0.70 (from Table B)

Please note: The below premium rates include any applicable Stamp Duty and GST.

The Trustee receives an insurance administration fee of 8% of the insurance premium. This fee is to cover the costs incurred by the Trustee in providing insurance to members. A tax refund of 7% of the gross insurance costs is credited to accounts and reduces the effective cost of insurance.

TABLE A Gross annual Income Protection cost (premium rate) per $100 per month of cover Waiting period 90 days Benefit period of 2 years						
	Blue Collar		White Collar		Professional	
Age	Male	Female	Male	Female	Male	Female
15	$2.19	$2.42	$1.66	$1.81	$1.33	$1.43
16	$2.19	$2.42	$1.66	$1.81	$1.33	$1.43
17	$2.19	$2.42	$1.66	$1.81	$1.33	$1.43
18	$2.19	$2.42	$1.66	$1.81	$1.33	$1.43
19	$2.19	$2.42	$1.66	$1.81	$1.33	$1.43
20	$2.47	$2.42	$1.85	$1.81	$1.50	$1.43
21	$2.31	$2.42	$1.74	$1.81	$1.38	$1.43
22	$2.17	$2.45	$1.62	$1.85	$1.31	$1.47
23	$2.04	$2.47	$1.52	$1.85	$1.22	$1.50
24	$1.93	$2.50	$1.43	$1.88	$1.17	$1.50
25	$1.85	$2.50	$1.38	$1.88	$1.12	$1.50
26	$1.79	$2.66	$1.36	$2.00	$1.09	$1.60
27	$1.74	$2.76	$1.31	$2.09	$1.03	$1.66
28	$1.74	$2.88	$1.31	$2.17	$1.03	$1.74
29	$1.74	$2.95	$1.31	$2.23	$1.03	$1.76
30	$1.76	$3.04	$1.33	$2.28	$1.05	$1.81
31	$1.81	$3.14	$1.36	$2.36	$1.09	$1.90
32	$1.88	$3.23	$1.41	$2.42	$1.12	$1.93
33	$1.95	$3.36	$1.47	$2.52	$1.17	$2.00
34	$2.04	$3.52	$1.52	$2.66	$1.22	$2.12
35	$2.14	$3.71	$1.60	$2.80	$1.28	$2.23
36	$2.28	$3.97	$1.71	$2.99	$1.36	$2.38
37	$2.45	$4.23	$1.85	$3.17	$1.47	$2.55
38	$2.64	$4.56	$1.98	$3.42	$1.57	$2.74
39	$2.85	$4.97	$2.14	$3.71	$1.71	$2.99
40	$3.09	$5.40	$2.33	$4.04	$1.85	$3.23
41	$3.40	$5.92	$2.55	$4.45	$2.04	$3.55
42	$3.71	$6.52	$2.80	$4.88	$2.23	$3.90
43	$4.07	$7.16	$3.07	$5.37	$2.45	$4.28
44	$4.50	$7.92	$3.40	$5.95	$2.71	$4.75
45	$4.99	$8.73	$3.74	$6.57	$2.99	$5.24
46	$5.57	$9.63	$4.18	$7.23	$3.33	$5.78
47	$6.21	$10.61	$4.67	$7.95	$3.71	$6.38
48	$6.92	$11.70	$5.18	$8.77	$4.16	$7.04
49	$7.76	$12.84	$5.83	$9.63	$4.67	$7.71
50	$8.68	$14.06	$6.52	$10.56	$5.21	$8.44
51	$9.71	$15.39	$7.30	$11.54	$5.83	$9.23
52	$10.91	$16.80	$8.20	$12.59	$6.54	$10.07
53	$12.21	$18.27	$9.18	$13.70	$7.33	$10.97
54	$13.70	$19.81	$10.28	$14.87	$8.23	$11.89
55	$15.36	$21.44	$11.54	$16.10	$9.23	$12.87
56	$17.20	$23.12	$12.92	$17.34	$10.32	$13.87
57	$19.24	$24.86	$14.44	$18.65	$11.54	$14.93
58	$21.52	$26.68	$16.15	$20.00	$12.92	$16.01
59	$24.05	$28.52	$18.05	$21.39	$14.44	$17.13
60	$26.81	$30.40	$20.11	$22.79	$16.10	$18.24
61	$29.88	$32.33	$22.41	$24.24	$17.94	$19.41
62	$33.04	$34.01	$24.78	$25.52	$19.81	$20.41
63	$26.68	$26.46	$20.00	$19.84	$16.01	$15.87
64	$8.68	$8.42	$6.52	$6.33	$5.21	$5.05

Please note: The premium rates include any applicable Stamp Duty and GST. The Trustee receives an insurance administration fee of 8% of the insurance premium. This fee is to cover the costs incurred by the Trustee in providing insurance to members. A tax refund of 7% of the gross insurance costs is credited to accounts and reduces the effective cost of insurance.

TABLE B Waiting period multiples	
Waiting period	**Premium multiple**
30 days	3.20
60 days	1.85
90 days	1.00
120 days	0.90
180 days	0.80
395 days	0.70

Are there exclusions on my Income Protection?

For Income Protection you are excluded for any injury or illness caused directly or indirectly by:

- your intentional act or omission (whether sane or insane)
- pregnancy, giving birth, miscarrying, pregnancy complications or a termination, unless you are Totally Disabled for longer than 3 months from when your pregnancy ends
- your involvement in War and the claim occurs during your most recent involvement in War or within 5 years after the end of your most recent involvement in War
- active service in the armed forces of any country or international organisation.

What if I take approved leave, parental leave or travel or work overseas?

We all need a break from time-to-time without being penalised for it. So it's great to know that if you take annual or long-service leave, maternity or paternity leave, leave without pay, a mid-career break, or travel overseas your Income Protection insurance cover will continue for up to 24 months from the date your leave starts. Any cover beyond 24 months must be requested by you before your 24 months leave expires and is subject to approval by the Insurer. Your leave must be approved by your employer and you must continue to pay premiums during that time.

What if my hours reduce to less than 14.5 hours a week?

If this occurs your Income Protection will need to be cancelled. While we will endeavour to get this information from your local government employer, you can also cancel your Income Protection yourself by completing an *Insurance cancellation form - Local Government and Associated Industries.* You don't want to be paying for insurance you can't claim against.

If you are...	Your Income Protection will...
• a permanent, full-time employee • a permanent, part time employee (you work 14.5 hours or more each week)	be recalculated on your birthday each year as long as: • your employer tells us your revised salary • you are still permanently employed by Queensland local government, a water business, local government entity or associated employer. • you work at least 14.5 hours each week If your employer does not tell us your new salary your benefit will remain unchanged (with any benefit based on the unchanged amount).
• permanent part-time employee working less than 14.5 hours each week • flexible permanent part-time employee • a non-permanent or casual employee	Income Protection cover is not available.
• a member who no longer works for a Queensland local government employer • member who joined Brighter Super directly.	not be automatically recalculated each year. It's a good idea to periodically assess your level of cover and your financial situation to work out whether you have the right amount of cover for your current circumstances. This will prevent you from becoming under or over insured.

Other important information

This guide aims to give you a comprehensive summary of the terms and conditions of your insurance cover. However all insurance benefits provided by Brighter Super are subject to the terms and conditions detailed in the Group Life and Group Salary Continuance policies Brighter Super has with our insurer.

Please contact us if you would like a copy of the policies.

Making a claim

We hope you never have to make a claim, but if the unthinkable does happen you can count on Brighter Super to process your application as quickly as possible. If you make a claim for Income Protection or Totally and Temporarily Disabled (TTD), but subsequently return to work and suffer a re-occurrence of the same disability within 6 months of the claim ending, your new claim will be considered a continuation of the earlier one.

This means you will not have to serve another waiting period, but the further period of disability will be seen as a continuation of the previous and count towards your 2-year benefit period. If you cease with your employer due to disability on or after 1 July 2011 you have 6 years from that date to lodge a claim for Total and Permanent Disablement, otherwise we cannot consider your claim. Any claim outside this period will be provided to the insurer for its own response. For more information, or to advise Brighter Super of a claim, phone us on **1800 444 396**.

How to make a claim
1. Contact us Call us on **1800 444 396** and we can help you understand the claim process and the steps required.
2. Provide information The next step is to supply some information so your claim can be assessed. The Insurer will contact you to discuss the documents required. Assessment of your claim cannot commence until all the requested documentation has been provided to the Insurer. If you are overseas and lodge a claim, the Insurer may require you to return to Australia at your expense for assessment of your claim.
3. Insurer review The Insurer will review the information they have received as quickly as possible, update you on the progress and let you know if they need anything else to assess your claim. Depending on your condition they may request further reports or medical examinations and may need to contact your employer or medical practitioner for further information.
4. Decision Based on the information provided, the Insurer will decide if they are satisfied that you meet the requirements set out in the policy. • For approved Income Protection claims, monthly payments are made by the Insurer directly into your nominated bank account. • For approved TPD and Terminal Illness claims, the Insurer will advise us of their decision on your claim. We will independently review your claim and contact you regarding the next steps. If your claim is declined, we will complete an independent review to ensure your claim has been fairly assessed. We will contact you with the outcome of our review and explain the reasons why your claim has been declined. If you disagree with the decision or are not happy with how your claim has been managed, you can ask for a review or lodge a complaint.

Do you need a lawyer?

It is entirely up to you, but before you make a decision you should consider that:

- We have a legal obligation to act in the best interests of our members;
- We will assist you throughout the claims process and having legal representation will not speed up the timeframe or payment of your claim;
- All claims are assessed fairly and reasonably, and most claims are paid;
- Legal fees and disbursements can be considerable so you should understand the costs involved and how they will impact your benefit payment.

If you need help, call us on **1800 444 396** and we will talk you through the process and help resolve any questions or concerns you may have.

Frequently asked questions

What happens to my insurance cover if I leave my employer?

You can keep your Death and TPD insurance cover as long as you have enough money in your Brighter Super account to cover your premium deductions. Once you leave your employer your Death and TPD insurance cover and premiums will no longer be linked to your salary (if they were previously), so keep an eye on your Brighter Super account balance and make regular contributions to at least cover the premiums.

If you have Income Protection cover it will also stay in place when you leave your employer as long as your premiums continue to be deducted from your account and your account balance does not fall below certain amounts. See *When does my Income Protection cover stop?* If your salary changes when you change jobs you should review your level of cover to make sure it continues to meet your needs and is no more than 75% of your new salary.

If you do leave your employer your Income Protection cover will continue for 60 days without change. If you do not start working in a permanent job or as a contractor working at least 14.5 hours each week within 60 days of leaving your employer, you will no longer be eligible to claim against your Income Protection cover.

You will need to tell us if this happens so we can cancel your Income Protection cover otherwise you could end up paying for insurance you might not be able to claim for.

If you stop working altogether or take a new job with a new employer and work less than 14.5 hours each week you will no longer be eligible for Income Protection cover You will need to tell us if this happens by completing an *Insurance cancellation* form so we can cancel your Income Protection cover otherwise you could end up paying for insurance you might not be able to claim for.

Can I cancel my Income Protection cover?

Yes, you can. It's a good idea to periodically assess your financial situation to work out how much insurance cover you need.

If you cancel your cover and decide later that you want it again you will need to apply. This will mean providing evidence of good health. The Insurer will assess and decide whether or not to accept your application. Contact Brighter Super for more details.

What if I have more than one account?

If you have more than one account with Brighter Super, you can only claim a Death, Terminal Illness, TPD or Income Protection benefit against one of them. This will be the account that insures you for the largest amount. The premiums deducted from your other accounts will be refunded in full for the lower amounts of cover.

Can I extend my cover beyond age 65?

No, all cover stops on your 65th birthday, or your 64th birthday if you have a 395 day waiting period.

Can I claim a tax deduction for my premiums?

Because this is a group policy, individual members are unable to claim a tax deduction for their premiums—this is something done at the fund level.

However, we pass the savings on to you in the form of lower premiums, special offers and a range of other benefits.

Are commissions paid on my insurance premiums?

No. There are no commissions paid on any of your insurance premiums through Brighter Super.

How super is taxed

Although super is subject to tax on earnings and some contributions, it remains the most tax-effective way to save for your retirement.

To avoid paying more tax than you need to though, you should make sure:

- you and your employer do not exceed the concessional (before-tax) cap or non-concessional (after-tax) cap on contributions. Amounts above the cap are taxed at much higher rates. Read the *Contribution caps* section on page 5 for more information.
- you or your employer provide your tax file number (TFN) to Brighter Super. Without your TFN, Brighter Super is required to tax deductible contributions at the top marginal tax rate of 47% including the Medicare levy. You could claim this extra tax back by providing your TFN to Brighter Super within 4 years, but it's best to make sure we have your TFN in the first place. In addition, without your TFN we are unable to accept non-concessional (after-tax) contributions.

Claiming a tax deduction for superannuation contributions

You can generally claim a tax deduction for personal after-tax contributions you make. However, if you have a Defined Benefit account you will not be able to claim a tax deduction on your compulsory member contributions made from your after-tax salary.

We recommend you seek taxation and financial advice before making a decision. Please contact your financial adviser to discuss however, if you do not have an adviser and would like to obtain financial advice, please call us on 1800 444 396.

Contributions tax

All money paid into your super for which a tax deduction is claimed is taxed at 15%. This is known as the contributions tax and also applies to contributions you make from your before-tax pay (salary sacrifice) or personal contributions for which you claim a deduction. The contributions tax is deducted directly from your Brighter Super account. If you do not give us your tax file number your contributions will be taxed at the top marginal rate of 47% including the Medicare levy. Excess concessional contributions will be taxed at your marginal tax rate plus an interest charge. You can read more on page 5.

The money you put into your super from your after-tax earnings for which you do not claim a deduction does not incur the contributions tax. Additional tax will not apply as long as you do not exceed the non-concessional contribution cap.

Higher income earners and concessional contributions

If your total income is more than $250,000, an additional 15% tax on concessional contributions applies. Income is defined in a similar way to that for Medicare levy surcharge purposes. If your income is below the $250,000 threshold before your concessional contributions, but your concessional contributions push you over the threshold, the 15% tax will only apply to the contributions above the threshold.

Investment earnings tax

The money put into your super account is invested. Income from investment returns is taxed at 15%. However, the effective tax rate may be lower because of allowable deductions, tax credits and offsets. The investment earnings you receive are the amount after the deduction of tax on investment income.

Tax on lump sum withdrawals

Any lump sum you withdraw from Brighter Super is generally made up of two components — tax-free and taxable. Withdrawals will be drawn proportionally from each component.

Tax-free

The tax-free component is always tax-free and includes any pre-July 1983 component at 30 June 2007 and all after-tax contributions paid in after 1 July 2007, such as:

- super co-contribution
- spouse contributions received
- personal contributions for which no tax deduction has been claimed
- any tax-free components of money transferred from other super funds to Brighter Super
- any tax-free components of eligible termination payments transferred to Brighter Super
- any amounts that are tax-free as a result of Total and Permanent Disability or Terminal Illness
- capital gains tax tax-exempt contributions (lifetime limit).

Taxable

The rest of your money is called the taxable component, and generally grows with:

- employer and salary sacrifice contributions
- personal contributions for which a tax deduction has been claimed
- investment earnings.

Your taxable component is taxed as follows, depending on your age when you make a withdrawal. To find out your preservation age, see *Accessing your super* on page 24.

Your age	Taxable component
Under preservation age	Taxed at 22% including the Medicare levy.
Reached preservation age but below 60	First $235,000 tax-free (2023/24). Amounts above taxed at 17% including the Medicare levy.
60 plus	Tax-free.

Tax on disability or terminal illness

If you suffer a Total and Permanent Disability before the age of 60, an additional portion of your benefit will become tax-free.

If you become terminally ill, your full benefit will be tax-free.

Tax on death benefits

Death benefits are tax-free if paid to a dependant as defined by the ATO. Your spouse (married), child under the age of 18 years (including step-children and adopted children), anyone who is financially dependent on you at the time you die and those in an interdependent relationship are considered dependants for tax purposes. If your Death benefit is paid to anyone else, the taxable component will be taxed at 17% including the Medicare levy and any untaxed component taxed at 32% including the Medicare levy.

Accessing your super

As superannuation is designed specifically to fund your retirement, there are restrictions on when you can access your money.

Retirement

You can access your super as a lump sum, pension or combination of these methods when you permanently retire after reaching your preservation age. Your preservation age is set by the Australian Government and is based on your date of birth.

What is my preservation age?

DATE OF BIRTH	PRESERVATION AGE
Before 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 1963 - 30 June 1964	59
From July 1964 onwards	60

You are also able to access your super when:

- you reach age 60 and then stop work or change jobs, or
- you turn 65 (whether you are working or not).

Transition to retirement

Did you know you can access your superannuation as a regular income stream (but not as a lump sum) when you reach your preservation age, even if you are still working? Brighter Super offers a Transition to Retirement Pension account for members wanting to take advantage of the transition to retirement provisions. Special conditions apply for members of the Defined Benefit account. Contact us for more information or get a copy of our *Pension accounts Product Disclosure Statement (PDS)*.

Other limited circumstances

There are only a few situations where you can access your preserved superannuation before retirement. These are:

- death
- terminal illness
- total and permanent disability
- temporary residents permanently leaving Australia (excluding NZ residents)
- severe financial hardship, as defined by the Australian Government
- compassionate grounds, approved by Services Australia.

If you think any of these situations apply to you, contact Brighter Super for further information on accessing your super.

Non-preserved benefits

Some super contributions and investment earnings made before 1 July 1999 may be accessible before your preservation age. These amounts will be shown on your annual benefit statement as unrestricted non-preserved amounts that can be accessed now, or as restricted non-preserved amounts that can be accessed when you leave your employer.

If you choose to leave unrestricted non-preserved money with Brighter Super, or transfer some unrestricted money to Brighter Super from another super fund, it will always be accessible. However, if you choose to withdraw non-preserved money from your defined benefit (conditions apply), you will be required to close your defined benefit and transfer your remaining balance to an Accumulation account.

Family law and superannuation

Superannuation held by couples who have separated or divorced can be divided by agreement or court order. If you were to split your superannuation in this way, a separate account would be created for your former spouse, and they could then remain a member of Brighter Super or transfer this money to another fund. Contact us on **1800 444 396** for more information.

Enquiries, concerns and complaints

Brighter Super is passionate about providing the trusted and reliable service you want. We do our best to look after your wellbeing with individual attention, personal advice and quick responses to your needs.

How do I get my questions answered?

Whatever your question, we can answer it. Simply visit our website at **brightersuper.com.au**, call us on **1800 444 396** or email **info@brightersuper.com.au**.

Our enquiries procedure

Note: Where 'member' is mentioned it includes a former member and/or a beneficiary who is not a member of Brighter Super.

Definition of enquiry

Request for information concerning a person's membership of the fund.

When a Brighter Super member makes an enquiry, the following action is taken:	
Verbal enquiry A verbal enquiry (telephone or face-to-face) will be answered immediately where possible. If further research is needed to answer your query, you will be contacted with a response by close of business the following day. In that case, an interim response will be given in the time frame outlined above, with an indication of when full details will be available.	**Written enquiry** A written enquiry will generally be answered within 2 business days from the date of receipt. If no answer is possible within this time, an interim response will be provided.

What do I do if I have a concern or complaint?

If you have a concern or if we do something you are unhappy about, we want you to tell us straight away so we can resolve the matter quickly.

Our complaints process

We hope you are happy with Brighter Super and the service we provide. If you are unhappy we have a complaints handling process. Contact details for our Complaints officer are:

Email	complaints@brightersuper.com.au
Phone	**1800 444 396**
Post	Complaints Officer Brighter Super GPO Box 264 Brisbane Qld 4001

If you believe our internal complaints process has not satisfactorily resolved your complaint, you can contact the Australian Financial Complaints Authority (AFCA). This is an independent body set up by the Australian Government to help members resolve certain types of complaints with fund trustees.

To find out whether AFCA is able to handle a complaint you can contact them on the details below.

Post	Australian Financial Complaints Authority GPO Box 3 MELBOURNE VIC 3001
Website	www.afca.org.au
Email	info@afca.org.au
Phone	1800 931 678

You can find out more on our procedures by downloading a copy of our *Enquiries, concerns and complaints info sheet* from our website or call us and we can post a free copy to you.

Privacy

Brighter Super respects the privacy of your personal information. You can find out how we use and protect your personal details by getting a copy of our *Privacy policy* from our website at **brightersuper.com.au**, or call us on **1800 444 396** and we will send you a paper copy.

right by your side

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